



BURNIE
CITY COUNCIL

AGENDA

Ordinary Meeting

TUESDAY, 26 NOVEMBER 2024

7.00PM

CITY OFFICES, 80 WILSON STREET, BURNIE

GENERAL MANAGER'S CERTIFICATION

Qualified Persons Advice - Section 65 Local Government Act 1993

PURSUANT to Section 65 of the *Local Government Act 1993* I hereby certify, with respect to the advice, information and/or recommendation provided for the guidance of Council in this Agenda, that:

1. such advice, information and/or recommendation has been given by a person who has the qualifications or experience necessary to give such advice; and
2. where any advice is given by a person who does not have the required qualifications or experience, that person has obtained and taken into account the advice from an appropriately qualified or experienced person; and
3. a copy of that advice or, if the advice was given orally, a written transcript or summary of that advice has been provided to the council.



Damien Aherne
ACTING GENERAL MANAGER

NOTICE PAPER

In accordance with the Local Government (Meeting Procedures) Regulations 2015 NOTICE is hereby given that the next Ordinary Meeting of the Burnie City Council will be held at the City Offices, 80 Wilson Street, Burnie on Tuesday, 26 November 2024, with the Business of the meeting to be in accordance with the following agenda paper.

Visitors:



Damien Aherne
ACTING GENERAL MANAGER

PUBLIC PARTICIPATION

All Ordinary and Special Meetings of Council are opened to the public

Public Questions

All public questions are required to be submitted in writing prior to the commencement of the meeting at 7pm. You can submit your question online at www.burnie.tas.gov.au, obtain a form from Customer Services or complete a form at the entry to the Meeting Room. There is a limit of two questions per person. You do not need to be present at the meeting to ask your question. If you are in attendance at the meeting, you will be invited by the Mayor to read out your question. Please use the microphone as directed. If it is not possible to answer the question at the meeting, the General Manager will provide a written answer within 10 days. All questions must be in writing and the question and answer cannot be debated. The Mayor may refuse to accept a question. Parliamentary Privilege does not apply at Council Meetings.

Invitations to Address Meeting

Members of the public, with the written permission of the Mayor, are able to be part of a deputation to address Council with an address, statement or report. Application forms are available by contacting the City Offices.

Livestreaming of Council Meetings

The open portion of Council Meetings are broadcast online by livestream. A copy of the livestream recording is generally available to download within two business days after the meeting. Participation in person at the Council Meeting is considered as providing your consent to livestreaming of that meeting.

ORDER OF BUSINESS

OPEN SESSION

Min No.	Business	Page No
AO172-24	COUNCILLORS DECLARATIONS OF INTEREST	11
AO173-24	CONFIRMATION OF MINUTES OF THE 'OPEN SESSION' MEETING OF COUNCIL HELD ON 22 OCTOBER 2024	12
<i>MOTIONS ON NOTICE</i>		
AO174-24	MOTION ON NOTICE - ACTIVE TRANSPORT WORKING GROUP	13
AO175-24	MOTION ON NOTICE - UNIVERSITY OF TASMANIA BUILDING, MOOREVILLE ROAD	14
<i>PUBLIC QUESTION TIME</i>		
AO176-24	PUBLIC QUESTION TIME	15
<i>QUESTIONS WITHOUT NOTICE</i>		
AO177-24	QUESTIONS WITHOUT NOTICE	16
<i>OFFICERS' REPORTS</i>		
<i>CORPORATE AND COMMERCIAL SERVICES</i>		
AO178-24	AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024	17
AO179-24	POLICY REVIEW - PORTABLE AND ATTRACTIVE ASSETS CP-CCS-CG-051	111
AO180-24	POLICY REVIEW - COMMUNITY ASSISTANCE POLICY CP-CCS-CG-002	119
AO181-24	POLICY REVIEW - COMMUNITY GRANTS POLICY CP-CCS-CG-053	124
AO182-24	TASMANIAN AUDIT OFFICE REPORT - PRIVATE WORKS UNDERTAKEN BY COUNCIL	133

ORDER OF BUSINESS

OPEN SESSION

Min No.	Business	Page No
<i>GENERAL MANAGER</i>		
AO183-24	COUNCILLOR APPOINTMENTS TO SPECIAL COMMITTEES, REGIONAL BODIES AND WORKING GROUPS	187
AO184-24	LAND DISPOSAL - PROPOSAL TO DISPOSE OF PUBLIC LAND WISEMAN STREET, SHOREWELL PARK (PART OF CT 9994/300)	195
AO185-24	GENERAL MANAGER'S REPORT - OPEN SESSION	200
<i>MINUTES AND REPORTS OF COMMITTEES</i>		
AO186-24	BURNIE CITY YOUTH COUNCIL - UNCONFIRMED MINUTES OF MEETING HELD ON 24 OCTOBER 2024	209
<i>NON AGENDA ITEMS</i>		
AO187-24	NON AGENDA ITEMS	212

HOUR: 6.00pm

TIME OCCUPIED:

PRESENT:

APOLOGIES:

'CLOSED SESSION': COUNCIL

The General Manager advised that in his opinion, the agenda items listed below are prescribed items in accordance with Clause 15 of the *Local Government (Meeting Procedures) Regulations 2015* (i.e. confidential matters), and therefore Council may by absolute majority determine to close the meeting to the general public.

	Meeting Regulations Reference
AC121-24 COUNCILLORS DECLARATIONS OF INTEREST	15(2)(g)
AC122-24 CONFIRMATION OF MINUTES OF THE 'CLOSED SESSION' MEETING OF COUNCIL HELD ON 22 OCTOBER 2024	15(2)(g)
AC123-24 APPLICATIONS FOR LEAVE OF ABSENCE	15(2)(h)
AC124-24 BURNIE AIRPORT CORPORATION - QUARTERLY REPORT SEPTEMBER 2024	15(2)(g)
AC125-24 GENERAL MANAGER'S REPORT - CLOSED SESSION	15(2)(i)
AC126-24 NON AGENDA ITEMS	15(2)(g)
AC127-24 MATTERS CONSIDERED IN CLOSED SESSION	15(2)(g)
AC128-24 AUTHORISATION TO DISCLOSE CONFIDENTIAL INFORMATION	15(2)(g)
AC129-24 COMPLETION OF CLOSED SESSION / MEETING ADJOURNMENT	15(2)(g)

Reg Confidential Reason

- 15(2)(a) Personnel matters, including complaints against an employee of the council and industrial relations matters
- 15(2)(b) Information that, if disclosed, is likely to confer a commercial advantage or impose a commercial disadvantage on a person with whom the council is conducting, or proposes to conduct, business
- 15(2)(c) Commercial information of a confidential nature that, if disclosed, is likely to (i) prejudice the commercial position of the person who supplied it; or (ii) confer a commercial advantage on a competitor of the council; or (iii) reveal a trade secret
- 15(2)(d) Contracts, and tenders, for the supply of goods and services and their terms, conditions, approval and renewal
- 15(2)(e) The security of (i) the council, councillors and council staff; or (ii) the property of the council
- 15(2)(f) Proposals for the council to acquire land or an interest in land or for the disposal of land
- 15(2)(g) Information of a personal and confidential nature or information provided to the council on the condition it is kept confidential
- 15(2)(h) Applications by councillors for a leave of absence
- 15(2)(i) Matters relating to actual or possible litigation taken, or to be taken, by or involving the council or an

employee of the council

15(2)(j) The personal hardship of any person who is resident in, or is a ratepayer in, the relevant municipal area

RECOMMENDATION

“THAT Council resolve by absolute majority that the meeting be closed to the public to enable Council to consider agenda items AC121-24 to AC129-24 which are confidential matters as prescribed in Clause 15 of the Local Government (Meeting Procedures) Regulations 2015”

RESUMPTION**HOUR:** 7.00pm**TIME OCCUPIED:****PRESENT:****APOLOGIES:****ACKNOWLEDGEMENT OF COUNTRY**

The Mayor commenced the Open Session with the Acknowledgement of Country.

Burnie City Council acknowledges that every part of Australia is, always was and always will be, Aboriginal land. Burnie City Council pays respect to the pakana / palawa – original owners and cultural custodians – of all the lands and waters across trouwunna / lutruwita / Tasmania upon which pataway / Burnie is situated and where our Council meets.

VIDEO RECORDING AND LIVE STREAMING

It is noted that the open session of the meeting will be video recorded and live streamed. The live stream is accessible from <https://webcast.burnie.tas.gov.au/>

The video recording will be made available to the public in accordance with Regulation 33 of the *Local Government (Meeting Procedures) Regulations 2015*.

PRAYER

The meeting was opened with prayer by Pastor Nick Booth of Romaine Park Christian Centre.

AO172-24 COUNCILLORS DECLARATIONS OF INTEREST

The Mayor requested Councillors to declare any interest that they or a close associate may have in respect of any matter appearing on the agenda.

**AO173-24 CONFIRMATION OF MINUTES OF THE 'OPEN SESSION' MEETING
OF COUNCIL HELD ON 22 OCTOBER 2024**

RECOMMENDATION:

“THAT the minutes of the ‘Open Session’ of the Burnie City Council, held at the City Office on 22 October 2024, be confirmed as true and correct.”

MOTIONS ON NOTICE**AO174-24 MOTION ON NOTICE - ACTIVE TRANSPORT WORKING GROUP**

FILE NO: 15/5/2
PREVIOUS MIN:

Councillor Amina Keygan has given notice that she would move the following motion at this meeting:-

“THAT Council receive a report that provides for the establishment of a new Active Transport Working Group, along with associated Terms of Reference.”

COUNCILLOR’S COMMENTS

Council has recently been successful in a funding application for the development of an Active Transport Strategy.

The development of this strategy provides an opportunity to work with interested members of our community and other stakeholders to ensure that Burnie becomes an active, transport friendly city for our residents and visitors. Engaging with our community in this way will ensure that their voices are heard and their views incorporated into strategic infrastructure investments now and into the future. It closely aligns with our *Making a Better Burnie 2044* plan and will ensure that connectivity throughout our municipality is fit for purpose

GENERAL MANAGER’S COMMENTS

Officers are supportive of this motion, and I recommend that it be adopted.

The Council has been successful in obtaining a grant of \$200,000 from the Better Active Transport Tasmanian program, offered through the Department of State Growth. The funds are to develop the Active Transport Strategy for the City of Burnie.

We heard strongly from our community through the development of *Making a Better Burnie 2044* that the community want the Council to consider more active modes of transport and to seek to connect our existing infrastructure across the city.

The establishment of a Working Group is a desirable way to do this and is in keeping with Council’s Community Engagement Framework. If adopted by the Council, the report provided back will consider the composition and means of offering membership to the Working Group, the associated Terms of Reference, along with the practical budgetary considerations.

MOTIONS ON NOTICE**AO175-24 MOTION ON NOTICE - UNIVERSITY OF TASMANIA BUILDING,
MOOREVILLE ROAD**

FILE NO: 15/5/2, 24/35774

PREVIOUS MIN:

Councillor Amina Keygan has given notice that she would move the following motion at this meeting:-

“THAT Council write to the Minister of Education and Young People and the Department of Children and Young People seeking an urgent briefing on the following:

- 1) Usage plans for the previous University of Tasmania building situated at Mooreville Road;***
- 2) The maintenance schedule and plans for the building and surrounding grounds;***

AND that Council make clear its desire that both Council and the Burnie community be actively consulted on any future proposed developments at that site.”

COUNCILLOR’S COMMENTS

No comments provided.

GENERAL MANAGER’S COMMENTS

There are no issues with the motion from council officers’ perspective. The motion is supported.

PUBLIC QUESTION TIME**AO176-24 PUBLIC QUESTION TIME****FILE NO: 15/5/5**

In accordance with Clause 31 of the Local Government (Meeting Procedures) Regulations 2015 Council conduct a Public Question Time.

Our Process for Public Questions

A public question must be provided to Council in writing prior to the commencement of the meeting at 7pm.

You can submit your question at any time online at www.burnie.tas.gov.au, obtain a form from Customer Services or complete a form at the entry to the Meeting Room.

There is a limit of two questions per person.

Please note:

- You do not need to be present at the meeting to ask your question
- If you are in attendance at the meeting, you will be invited by the Mayor to read out your question. Please use the microphone as directed
- If it is not possible to answer the question at the meeting, the General Manager will provide a written answer within 10 days
- All questions must be in writing and the question and answer cannot be debated
- The Mayor may refuse to accept a question
- Parliamentary Privilege does not apply at Council Meetings
- Council Meetings are recorded

QUESTIONS WITHOUT NOTICE**AO177-24 QUESTIONS WITHOUT NOTICE****FILE NO: 15/5/5**

Questions without Notice

Questions without notice may be asked by councillors, in accordance with Regulation 29 of the *Local Government (Meeting Procedures) Regulations 2015*.

The Regulation provides that a councillor may ask a question of the chairperson, another councillor, or the general manager – Reg 29(1).

In putting a question without notice at a meeting, a councillor must not offer an argument or opinion, or draw any inference or make any imputations, except so far as may be necessary to explain the question – Reg 29(2).

The Chairperson must not permit any debate of a question without notice, or its answer – Reg 29(3).

The Chairperson, councillor or general manager who is asked a question without notice at a meeting may decline to answer the question – Reg 29(4).

The Chairperson may refuse to accept a question without notice if it does not relate to the activities of the Council – Reg 29(5).

The Chairperson may require a councillor to put a question without notice in writing – Reg 29(7).

CORPORATE AND COMMERCIAL SERVICES**AO178-24 AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

FILE NO: 13/2/1
PREVIOUS MIN:

1.0 RECOMMENDATION:

“THAT Council receive the Audited Financial Statements for the year ended 30 June 2024.”

2.0 EXECUTIVE SUMMARY**Purpose and Background**

The purpose of this report is to receive the Financial Statements for the 2023-24 financial year, following their endorsement by the Tasmanian Audit Office.

Key Issues

The Memorandum of Audit Findings which details any improvements to process that are recommended by the Tasmanian Audit Office has yet to be received. At the recent Audit Panel meeting, the Tasmanian Audit Office indicated that they expect this to be provided in December 2024.

3.0 SUPPORTING INFORMATION**Strategic Alignment**

This matter aligns to *Making a Better Burnie 2044* through the enabler of *Financial Management*.

Legal

The *Local Government Act 1993* prescribes that the Council must produce Financial Statements each year which are audited. The Audit opinion that has been received from the Tasmanian Audit Office is qualified meaning that they have not found any threshold concerns in conducting the audit of Council’s financial statements.

Finance

The Council's financial performance is better than predicted for a range of reasons. This means the Council is ahead of its aspirations outlined in its long-term Financial Management Plan, and in its pursuit to repair its financial performance issues of the past.

Relation to Council Policy

The Council's Long-Term Financial Plan, and Financial Management Strategy are both directly related to this matter.

Discussion

FINANCIAL STATEMENTS

Council had identified and disclosed two prior period errors in its 2023-24 financial statements:

The incorrect revaluation of land for the 2021-22 and 2022-23 financial years.

The Valuer-General's Office in Tasmania determines land valuation, excluding land under roads. Land valuation has been indexed this year by applying the Land Value Adjustment Factors with indexation applied as of 30th June 2024 using the 28th February 2024 Valuer-General's adjustment factors. The most significant input into this valuation approach is the price per square metre, which is derived from sales analysis, considering permitted use and locality.

The most recent fresh revaluation was conducted in the 2019-20 financial year, and the council has updated its land valuation in the asset register accordingly. For the financial year 2020-21, councils used the OVG's adjustment factors to revalue the previous year's Valuer-General's fresh valuations.

The Council used the same methodology to revalue its land in the FY 2021-22. However, during the end-of-financial year audit, the Tasmanian Audit Office advised the Council to use the previous year's closing balance instead of the Valuer-General's value to be multiplied by the adjustment factors of that year. The Council revised the financial statement during the audit in that direction and followed the same methodology the following year.

During the preparation of the financial statements for the 2023-24 financial year, the Council discovered that land values had been overvalued in the past two years. As a result, the Council decided to restate the previous year's financial statements to correct the prior period errors in accordance with AASB 108 (para 42 (a) (b)).

In the financial year 2023-24, the Council used the appropriate method to revalue its lands, multiplying the OVG's recent valuation from the 2019-20 by the OVG's adjustment factors for 2023-24. As a result, the gain on revaluation was recognised as the difference between last year's closing values and the current year's new values.

Council recognised a revaluation gain of \$3,518,325 from the land asset class in the current financial year. After adjusting the overvaluation of \$11,985,647 for 2022 and 2023, the net revaluation loss recognised in the financial statements is \$8,467,322.

The net adjustment recognised in 2023-24 will reduce the Written Down Value (WDV) of the land asset class. There is no depreciation.

Due to changing the WDV of the current financial year, future funding requirements and asset ratios calculations will be impacted. Therefore, future decisions on the land asset class will depend on the new WDV's represented in the financial statements.

The need to recognise a provision for the future management of Council's capped landfill site in accordance with our license conditions

Burnie City Council operated a landfill waste site up until 2005 at Mooreville Road. Under Environmental Protection Agency license requirements operators of landfill sites have an obligation to restore and monitor the site for significant periods in the future.

Council finalised construction of a leachate system in 2017 as part of the site restoration. It was at completion of this construction that previous Council officers wrote off any provision as part of the 2016-17 audited financial statement preparation.

During 2022-23 financial year process Council officers identified the lack of rehabilitation provision in the financial statements, a finding that was supported by the Tasmanian Audit Office. At the time of finding the issue however it was not possible to undertake the complex work necessary to make the necessary correction in the past financial year.

Complicating matters has been the following issues:

- a) A lack of documentation that informs officers why or how the decision was made to write off the original provision back in 2017.
- b) An inability by the Tasmanian Audit Office to determine how the Council's financial statements passed audit back in 2017 without the provision, or in the years that followed; and
- c) Available information does not allow for creating a provision without the use of hindsight.

Ultimately for 2022-23 financial year a restatement was required to recognise the intangible airspace asset and the corresponding current and non-current landfill rehabilitation provision. There was no impact on the profit and loss or reserves.

For 2023-24 the net impact of the landfill rehabilitation and intangible asset amortisation was \$208,513 additional expenditure, made up of amortisation expense (\$178k) plus finance costs (\$187k) less \$156k for leachate site expense offset against the current provision for the year.

The final impact sees a current and non-current liability being recognised. Subsequent transactions recognised the expenditure made during the financial year, along with adjustments calculated on the liability to reduce the discounting of future cashflows for the following financial year.

The impact of the provision for landfill rehabilitation recognition is as follows at June 2024;

	DR	CR
Adjustment on Landfill Provision	4,454,348.72	
Provision for Landfill (Current)		210,783.58
Provision for Landfill		4,243,565.14
<i>Initial Recognition For Landfill Rehabilitation</i>		

For 2023-24 the net impact of the landfill rehabilitation was \$4.400 million additional expenditure, made up of \$4.454 million of the initial provision recognition less fair value adjustment of \$54k for 2024-2025. An additional finance cost expense of \$187k for unwinding of future cashflows offset partially by a materials expense reduction of \$156k for leachate site expense offset against the current provision for the year. The impact of this is;

	DR	CR
Provision for Landfill	210,783.58	
Landfill Expenditure (from GL)		156,717.19
Fair Value Landfill Provision		54,066.39
<i>Reverse Rehabilitation Payments in 2024 and Fair Value Adjustment</i>		
Finance Expense	187,056.35	
Provision for Landfill		187,056.35
<i>Unwinding of Discount</i>		
Provision for Landfill (Current)		218,582.57
Provision for Landfill	218,582.57	
<i>Allocate Current Portion of Landfill Provision</i>		

FINANCIAL PERFORMANCE

Council has continued to improve its financial performance in the 2023-24 financial year, specifically by:

- Achieving 3 consecutive underlying surplus results (the metric that measures sustainability), including an underlying surplus of \$2.249 million this financial year. This is the first time that the Burnie City Council has achieved this since the underlying metric was introduced in 1999.
- Better-than-expected revenue performance (5% better than budget excluding the Waratah Wynyard section of the Coastal Pathway) offset by some additional expenditure (1% worse than budget when excluding the one off cost for the establishment of the landfill provision).
- Commencing implementation of Council's Asset Management Practices Improvement Plan (AMPIP), which has seen improvement in the condition and

service potential of its buildings and a significant focus on existing assets which had been run down over a long period of time.

- Delivering 102% completion of the capital works program for 2023-24 based on the revised budget as at 31 March 2024. This is a material uplift as the prior year issues around capitalization of wages have not been a financial risk this financial year.
- Considerable improvements made since the introduction of the AMPIP, the Council has gone from being the lowest performing council in the State in 2020-21 (2021: 42%) in terms of asset sustainability to 270% in 2023-24.

In relation to the management of Council cash reserves:

- Council had \$14.941 million in cash at 30 June 2024.
- Council cash reserves accumulated in the 2022-23 financial year have been used to support the significant capital program achieved in the 2023-24 financial year.
- Council is actively managing the cash timing difference caused by significant capital project outlays prior to funds being received.
- Council's adjusted cash expenses cover ratio is 3.7 months, assuming that all funded projects will be delivered (see further details in the financial performance attachment).

A paper with further analysis covering the following aspects is **attached** to this report:

- Performance against key performance indicators;
- High level financial statement analysis including:
 - material movements against budget for the statement of comprehensive income;
 - asset movements;
 - borrowing portfolio and maturity profile;
 - cash management and position.

All relevant accounting position papers used in the production of the financial statements were provided to the Audit Panel and considered in detail at the meeting of 30 October 2024. Position papers document key processes, estimates, judgments and unique transactions of Council during the year, and the way we account for these under the Accounting Standards.

Health and Safety

There are no health and safety impacts resulting from this report.

Risk

The Council's long-term sustainability remains a focus. If the Council continues its current trajectory, the risks that have been identified in the Financial Management Strategy may be mitigated prior to the timeline currently forecast.

Environmental Sustainability

There are no environmental sustainability impacts to be considered in this report.

Consultation

Relevant Council officers have been consulted in the preparation of this report. The Audit Panel considered the Financial Statements at their meeting of 30 October 2024.

Conflict Of Interest

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

ATTACHMENTS

- 1 [↓](#). Financial Analysis
- 2 [↓](#). Audit Opinion - Tasmanian Audit Office
- 3 [↓](#). Audited Financial Statements for the year ended 30 June 2024

Council Performance against Key Performance Indicators

There are a number of measures Council performance is assessed against. A snapshot of these is below:

Target Measure	Description of Measure	Source	Benchmark	2023-24	2023-24	2022-23	2021-22	2020-21
Operating Margin	Measures operating effectiveness	Financial Management Strategy 2024-33	=1	Met	1.06	1.05	1.05	0.93
Current Ratio	Measures council's ability to pay its short term financial obligations.	Financial Management Strategy 2024-33	>1.10	Not Met	0.71	2.45	2.84	1.78
Underlying surplus	Revenue less expenses for the financial year. Adjusts the net result to remove one off items that are not part of council's normal day to day operations to understand how Council has performed.	Financial Statements Note 10.2 (a)	>\$0	Met	\$2,249,000	\$1,823,000	\$131,000	(\$1,921,000)
Underlying surplus ratio	A positive percentage indicates a surplus result. A negative percentage indicates a deficit result. The higher the percentage the higher the surplus.	Financial Statements Note 10.2 (b)	>=0%	Met	5.53%	4.78%	0.38%	(5.77%)
Net financial assets / (liabilities)	Measures how much liquid assets the council has left after allowing for financial liabilities.	Financial Statements Note 10.2 (c)	\$0	Not Met	(\$19,895,000)	\$3,331,000	(\$1,895,000)	(\$2,344,000)
Net financial assets / (liabilities) ratio	Measures the extent to which net liabilities can be met by operating income. A falling ratio indicates capacity to meet obligations in strengthening.	Financial Statements Note 10.2 (d)	0% to 50%	Not Met	-48.89%	8.73%	(5.56%)	(7.04%)
Asset consumption ratio - Buildings	Shows the average 'new' condition left in the depreciable asset class	Financial Statements Note 10.2 (e)	>60%	Met	67%	56%	56%	52%
Asset consumption ratio - Transport	Shows the average 'new' condition left in the depreciable asset class	Financial Statements Note 10.2 (e)	>60%	Not Met	44%	45%	45%	45%
Asset consumption ratio - Drainage	Shows the average 'new' condition left in the depreciable asset class	Financial Statements Note 10.2 (e)	>60%	Not Met	58%	59%	59%	60%
Asset renewal funding ratio	Measures the capacity to fund asset replacements for the future (based on financial management and asset management long term plans)	Financial Statements Note 10.2 (f)	90%-100%	Not Met	121%	138%	104%	100%
Asset sustainability ratio	Compares spending on existing infrastructure, property, plant and equipment (renewal) with depreciation.	Financial Statements Note 10.2 (g)	100%	Met	270%	50%	69%	42%

Please note from the 2022-23 financial year statements are no longer consolidated. Financial year information prior is for consolidated results.

Council performance for 2023-24 continues to improve. Notable improvements were

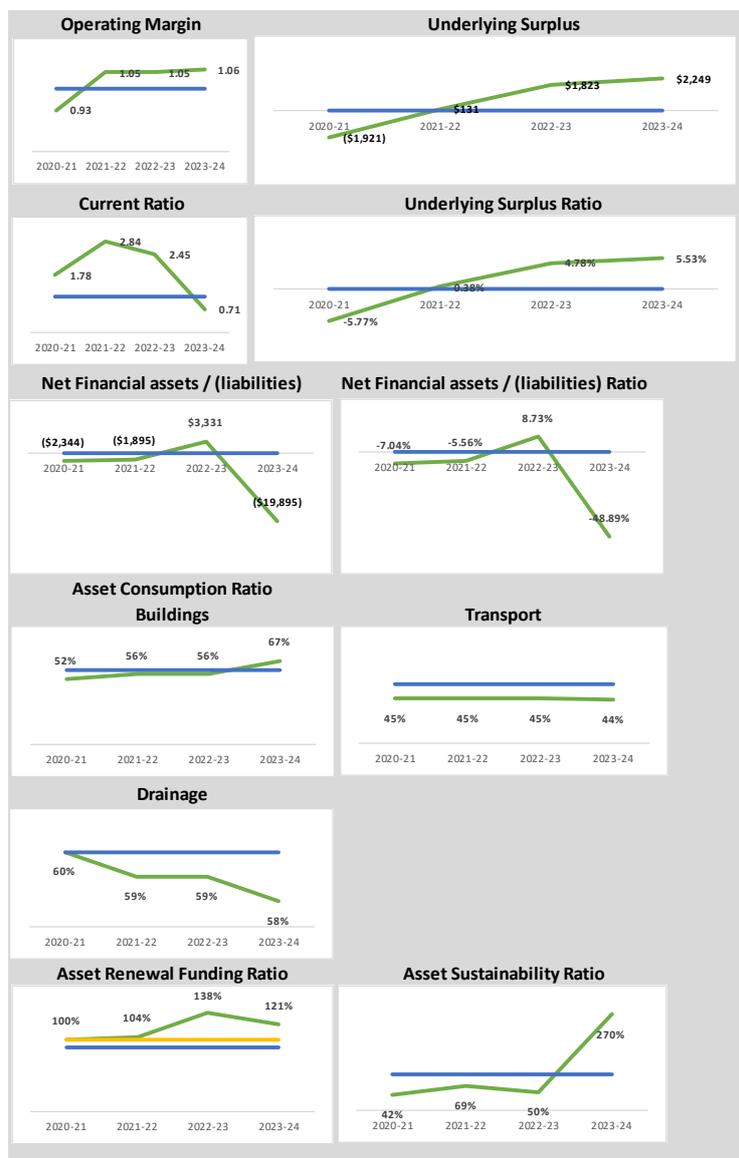
- Now achieving 3 consecutive underlying surplus results, after several years of deficits (see underlying surplus and ratio above)
- Improvement in the condition of Council's building assets (see asset consumption ratio – buildings above)
- Improvement in the asset sustainability ratio due to a focus on renewal of existing assets

It is pleasing to see that work Council Officers have put into implementing the Asset Management Practices Improvement Plan (AMPPI) are starting to have positive outcomes. Further improvements in asset ratio outcomes are expected in the near future as the plan continues to be implemented.

The current ratio and net financial assets / (liabilities) ratio are temporarily worse due to funds Council receives in advance of meeting performance obligations (contract liabilities of \$21.592 million) on its capital projects. Once the projects are complete these funds are recognised as revenue.

Assuming that projects will be completed as expected, revenue recognised and adjusting ratios to remove this liability would result in the following adjusted ratios:

Target Measure	Description of Measure	Source	Benchmark	Adj 2023-24	Adj 2023-24
Current Ratio	Measures councils ability to pay its short term financial obligations.	Financial Management Strategy 2024-33	>1.10	Met	2.08
Net financial assets / (liabilities)	Measures how much liquid assets the council has left after allowing for financial liabilities.	Financial Statements Note 10.2 (c)	\$0	Met	\$1,697,000
Net financial assets / (liabilities) ratio	Measures the extent to which net liabilities can be met by operating income. A falling ratio indicates capacity to meet obligations in strengthening.	Financial Statements Note 10.2 (d)	0% to 50%	Met	4.17%



Financial Statements Analysis**Financial Performance** (please refer to Statement of Comprehensive Income)

Council operating (underlying) result for the 2023-24 financial year was \$2.249 million.

When including items of a capital nature the consolidated net result was \$1.706 million. This was due to significant non monetary contributions of assets associated with new subdivisions.

The consolidated total comprehensive result was \$97.031 million, which includes significant increases in revaluations of assets due to strong market growth in asset prices and inflation. Please find below an explanation of items that have moved significantly from revised budget March 2024.

Statement of Comprehensive Income extract					
	Revised Budget 2023-24 \$'000	Actual 2023-24 \$'000	Var \$ '000	Var %	Explanation of material movements (more than +/- 5% variations and at least \$50,000)
Income from continuing operations					Overall, council had significantly better revenues than expected (adjusting for coastal pathway) predominantly due to advance payment of the financial assistance grant, continued strong use of council services and better than expected returns on council investments. Planned income from the construction of the Waratah Wynyard section of the Coastal Pathway, although budgeted in 2023-24 is now expected to be received in 2024-25 financial year.
Recurrent Income					
Rates and Charges	28,981	29,003	22	0%	
Statutory fees and fines	890	918	28	3%	
User Fees	3,912	4,007	95	2%	
	1,982	3,354	1,372	69%	Council received 85% advance payment of the Financial Assistance Grant for the 2024-25 financial year of \$3,062m in June 2024. This was \$1,393 million more than budgeted. Council's budget assumed a 50% advance payment. This revenue is recognised when received but is adjusted as part of the underlying result calculation.
Operational Grants					Interest income received from term deposits was \$81,000 higher than budget (6.49%) due to cash outflows occurring later than expected increasing funds available for investment, increasing returns.
Interest	1,253	1,335	82	7%	Planned income from the construction of the Waratah Wynyard section of the Coastal Pathway (\$6.252 million), although budgeted in 2023-24 is now expected to be received in 2024-25 financial year, when performance obligations will be met and the income recognised.
	6,964	1,005	(5,959)	-86%	At year end Council recognises the contributions of its volunteers (\$244,000), as revenue in accordance with the accounting standards. This is not budgeted as it cannot be estimated in advance. This is offset by volunteer expenses.
Other income					Council received an additional special dividend from TSWATER of \$166,000 that was not not budgeted.
Investment Income	828	994	166	20%	
Reimbursements	346	374	28	8%	
Share of profit of joint venture	194	61	(133)	-69%	Burnlie Airport Corporation posted a smaller financial result than expected. Refer to Note 5.2 for more details.
	45,350	41,051	(4,299)	-9%	
Capital income					A number of projects that were budgeted to be completed in the 2023-24 financial are now expected to be completed in the 2024-25 financial year.
Capital Grants	13,368	990	(12,378)	-93%	
Non-monetary contributions	0	2,276	2,276	0%	
Net gain / (loss) on disposal of property, infrastructure, plant and equipment	334	233	(101)	-30%	
	13,702	3,499	(10,203)		
Total income from continuing operations	59,052	44,550	(14,502)	-25%	
Expenses from continuing operations					
	(11,119)	(10,516)	603	-5%	Council managed savings in wages and salaries of \$481,000 including oncosts and had increased capital transfers of \$109,000 due to additional capital program work that was undertaken.
Employee benefits expense					Budgeted costs from the construction of the Waratah Wynyard section of the Coastal Pathway (\$6.252 million) for 2023-24 is now expected to be recognised in 2024-25 financial year, when performance obligations will be met and the corresponding income recognised. Council made savings compared to budget in materials (\$110,000) and consultants (\$117,000). Council had increased capital transfers of \$218,000 due to additional capital program work that was undertaken.
	(19,105)	(17,670)	1,435	-8%	Due to Council not having a landfill rehabilitation provision for the reinstatement of the landfill which ceased operations in 2005, a one-off unbudgeted expense of \$4.4 million has been incurred, with a provision for future work required now established.
Materials & services					As part of the review of work in progress for the year, \$1,004 million was incorrectly allocated and appropriately reclassified to operating expenses.
Depreciation and amortisation expense	(10,162)	(10,158)	4	0%	
Impairment losses on receivables	(40)	(32)	8	0%	
	(136)	(322)	(186)	137%	The total expected costs of rehabilitating Council's capped landfill over its life increased by \$187,000 (unwinding of the discount calculation). This amount was incurred as part of Council's restatement of its landfill rehabilitation provision and was not originally budgeted.
Finance costs					At year end Council recognises the contributions of its volunteers, as per accounting standards. Council recognised \$244,000 of volunteers expense. This is not budgeted as it cannot be estimated in advance. This is offset by volunteer revenue.
	(3,954)	(4,147)	(193)	5%	
Other operating expenses					
Total expenses from continuing operations	(44,516)	(42,845)	1,671	-4%	
Result from continuing operations	14,536	1,705	(12,831)	-88%	
Net result for the year	14,536	1,705	(12,831)	-88%	
-ve \$ var is better than budget					
-ve \$ var is worse than budget					

Financial Position (refer to consolidated statement of financial position)

Total assets increased to \$652.188 million as at 30 June 2024 compared to \$530.437 million at 30 June 2023. This is an increase of \$121.751 million.

The majority of this increase relates to revaluations and the larger capital works program for the 2023-24 financial year. Further details are available in Note 6.1 (see page 29 *Movements in carrying amounts of property plant and equipment*).

The current loan portfolio of council and its maturity profile is below (values are the loan balance at the end of that financial year). Council won't discharge all its current loans until the 2029-30 financial year, noting that the Fernglade bridge loan has now been fully discharged.

Loan Description	Start	Finish	Portion	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Fernglade Bridge \$1m - 4.63% fixed	30/06/2014	30/06/2024	Total	121,817	-							
			Current	121,817								
			Non Current	-								
Covid Concessional Loan \$10.4m - 1.83% fixed	26/06/2020	26/06/2030	Total	7,475,251	6,464,823	5,435,820	4,387,900	3,320,716	2,233,913	1,127,130	-	
			Current	1,010,428	1,029,003	1,047,920	1,067,185	1,086,803	1,106,783	1,127,130		
			Non Current	6,464,823	5,435,820	4,387,900	3,320,716	2,233,913	1,127,130	-		
Total Loans			Total	7,597,068	6,464,823	5,435,820	4,387,900	3,320,716	2,233,913	1,127,130	-	
			Total Current	1,132,244	1,029,003	1,047,920	1,067,185	1,086,803	1,106,783	1,127,130	-	
			Total NC	6,464,823	5,435,820	4,387,900	3,320,716	2,233,913	1,127,130	-	-	

Cash Management and Position (refer to statement of cash flows and statement of financial position)

At 30 June 2024 Council had \$14.941m in cash. After accounting for restricted funds, the available cash balance was (\$13.082m) (see note 4.1 in the financial statements).

Restricted funds are funds that have been received for a specific purpose and cannot be spent otherwise.

Note in relation to the restricted cash for unspent grant with conditions amount of \$21.592 million Council has fully expended this funding as part of project delivery. There is a timing difference between expenditure and revenue recognition (see further information above). While these funds are technically restricted and disclosed as such (i.e. if the projects are not completed funds would need to be repaid), Council expects to deliver the projects in the 2024-25 financial year, recognise the revenue and extinguish its contract liability.

The cash balance is underpinned by borrowings of \$6.464m as at 30 June 2024.

It is worth noting that the cash balance also includes rates and charges paid in advance of \$1.076m (see note 7.1 in the financial statements) which were received in advance of 2024-25 rates being levied.

During 2023-24 financial year there was a capital program overspend of \$0.888m (compared to the March 2024 revised budget) due to more progress than expected on flood affected roads and the coastal pathway. If all capital projects were delivered as planned the cash balance would be higher at year end by this amount.

The Tasmanian Audit Office (TAO) provides guidance on the levels of cash that Councils should hold, in order to sustain operational needs and withstand unforeseen events. As part of Council's long term Financial Management Strategy, the Council targets a cash buffer in line with the TAO advice, of between 3 to 6 months cash for operational purposes.

As at 30 June 2024 Council held negative 5.7 months coverage of operational expenses. Adjusting the cash expenses cover ratio for the effect of Contract liabilities results in a ratio of positive 3.7 months.

A key requirement for Council treasury function is to manage the timing difference between project expenditure and receipts of funds, generally in arrears.

Council invests surplus funds not required for daily operations in short term investments to generate returns in accordance with its Treasury Policy.



Independent Auditor's Report

To the Councillors of Burnie City Council

Report on the Audit of the Financial Report

Opinion

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

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2024 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 10.2(f), nor the Significant Business Activities disclosed in note 10.4 to the financial report and accordingly, I express no opinion on them.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Valuation of property and infrastructure <i>Refer to note 6.1</i></p>	
<p>As at 30 June 2024, Property and Infrastructure held by Council included Land, Land under roads, Buildings and infrastructure assets, such as transport and stormwater and drainage assets valued at fair value totalling \$507.26 million. The fair values of these assets are based on market values and current replacement costs.</p> <p>Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. In between valuations Council considers the application of indexation to ensure that carrying values reflect fair values.</p> <p>During 2023-24, Council undertook a full revaluation of buildings assets. Indexation was applied to land, land under roads, roads and footpaths, drainage, bridges and culverts and parks and recreation assets. The valuations were determined by internal and external experts and are highly dependent upon a range of assumptions and estimates.</p>	<ul style="list-style-type: none"> Assessing the scope, expertise and independence of experts involved in the valuations. Evaluating the appropriateness of the valuation methodology applied to determine fair values. Critically assessed assumptions and other key inputs into the valuation model. Testing, on a sample basis, the mathematical accuracy of valuation model calculations. Evaluating indexation applied to assets between formal valuations. Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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



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

6 November 2024
Hobart

Burnie City Council

Financial Report

For the Year Ended 30 June 2024

Burnie City Council

Contents
For the Year Ended 30 June 2024

	Page
Financial Report	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Certification of the Financial Report	77

Burnie City Council

Statement of Comprehensive Income
For the Year Ended 30 June 2024

		Actual	Restated	Budget
		2024	Actual	2024
		\$'000	2023	\$'000
	Note	\$'000	\$'000	\$'000
Income from continuing operations				
Rates and charges	2.1	29,003	26,304	28,981
Statutory fees and fines	2.2	918	1,098	890
User charges	2.3	4,007	4,061	3,912
Grants	2.4	3,354	4,275	1,982
Interest	2.6	1,335	880	1,253
Other income	2.7	1,005	869	6,964
Investment income		994	994	828
Reimbursements		374	530	346
Share of profit from joint venture	5.2	61	366	194
		41,052	39,377	45,350
Capital Income				
Capital grants received specifically for new or upgraded assets	2.4	990	1,117	13,368
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	233	(87)	334
Non-monetary contributions	2.5	2,276	5,312	-
		3,499	6,341	13,702
Total income from continuing operations		44,551	45,718	59,052
Expenses from continuing operations				
Employee benefits	3.1	(10,516)	(9,917)	(11,119)
Materials and services	3.2	(17,670)	(12,601)	(19,105)
Depreciation and amortisation expense	3.3	(10,158)	(9,434)	(10,162)
Impairment on receivables	3.4	(32)	(197)	(40)
Finance costs	3.5	(322)	(160)	(136)
Other expenses	3.6	(4,147)	(4,042)	(3,954)
Total expenses from continuing operations		(42,845)	(36,351)	(44,517)
Net result for the year		1,706	9,367	14,536
Other comprehensive income				
Items that will not be reclassified subsequently to surplus or deficit				
Net asset revaluation increment/(decrement)	9.1	91,732	38,391	40,419
Fair value adjustment on equity investment - investment in Water Corporation	5.1	3,593	2,028	-
Total other comprehensive income		95,325	40,419	40,419
Total Comprehensive Result		97,031	49,786	54,955

The accompanying notes form part of these financial statements.

1

Burnie City Council

Statement of Financial Position
As At 30 June 2024

		2024	Restated 2023	Restated 2022
	Note	\$'000	\$'000	\$'000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4.1	14,941	21,889	10,580
Investments		-	-	7,512
Trade and other receivables	4.2	7,858	3,987	3,436
Assets held for sale	4.3	-	1,215	-
Contract assets	4.4	-	132	495
Prepayments		549	464	439
Inventories		71	65	66
TOTAL CURRENT ASSETS		23,419	27,754	22,528
NON-CURRENT ASSETS				
Investment in water corporation	5.1	70,172	66,579	64,551
Investment in joint venture	5.2	3,402	3,707	3,341
Property, infrastructure, plant and equipment	6.1	555,176	432,377	387,906
Right of Use Assets	6.2	20	20	-
TOTAL NON-CURRENT ASSETS		628,769	502,683	455,798
TOTAL ASSETS		652,188	530,437	478,326
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	7.1	8,029	4,483	3,450
Trust funds and deposits	7.2	78	133	132
Contract liabilities	7.3	21,592	3,439	986
Provisions	7.4	2,141	2,132	2,254
Interest bearing loans and borrowings	8.1	1,029	1,132	1,109
Lease liabilities	7.5	1	1	-
TOTAL CURRENT LIABILITIES		32,870	11,320	7,931
NON-CURRENT LIABILITIES				
Provisions	7.4	4,371	172	122
Interest bearing loans and borrowings	8.1	5,436	6,465	7,597
Lease liabilities	7.5	16	16	-
TOTAL NON-CURRENT LIABILITIES		9,823	6,653	7,717
TOTAL LIABILITIES		42,693	17,973	15,648
NET ASSETS		609,495	512,464	462,678
EQUITY				
Reserves	9.1	315,485	220,160	179,741
Surplus / (deficit)		1,706	9,367	6,396
Accumulated surplus		292,304	282,937	276,541
TOTAL EQUITY		609,495	512,464	462,678

The accompanying notes form part of these financial statements.

2

Burnie City Council

Statement of Changes in Equity
For the Year Ended 30 June 2024

	Accumulated surplus \$'000	Asset revaluation reserve \$'000	Fair value reserve \$'000	Total \$'000
Balance at 1 July 2023	292,304	211,463	8,697	512,464
Net result for the year	1,706	-	-	1,706
Other comprehensive income				
Fair value adjustments	5.1 -	-	3,593	3,593
Net asset revaluation increment/(decrement)	9.1 -	91,732	-	91,732
Balance at 30 June 2024	294,010	303,195	12,290	609,495

	Accumulated surplus \$'000	Asset revaluation reserve \$'000	Fair value reserve \$'000	Total \$'000
Balance at 1 July, 2022	282,937	176,126	6,669	465,732
Net effect of a correction of an error	-	(3,054)	-	(3,054)
Balance at 1 July, 2022 restated	282,937	173,072	6,669	462,678
Net result for the year	9,368	-	-	9,368
Other comprehensive income				
Fair value adjustments	5.1 -	-	2,028	2,028
Net asset revaluation increment/(decrement)	9.1 -	38,391	-	38,391
Balance at 30 June 2023	292,304	211,463	8,697	512,464

The accompanying notes form part of these financial statements.

3

Burnie City Council

Statement of Cash Flows
For the Year Ended 30 June 2024

	2024	2023
Note	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Rates	28,752	26,104
User charges	384	3,736
Operational grants	3,354	4,337
Interest received	1,330	894
Investment revenue from Water Corporation	994	994
Statutory fees and charges	900	1,060
Payments to employees (including redundancies)	(10,856)	(10,018)
Payments to suppliers (inclusive of GST)	(10,863)	(12,808)
Distributions from Joint Ventures	366	262
Other payments (inclusive of GST)	(4,294)	(4,186)
Other receipts (inclusive of GST)	69	-
Rents (inclusive of GST)	827	652
Reimbursements (inclusive of GST)	412	583
Finance costs paid	(322)	(160)
Net GST refund/payment	1,224	1,093
Net cash provided by/(used in) operating activities	9.3 <u>12,277</u>	<u>12,543</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, infrastructure, plant and equipment	(37,315)	(11,504)
Capital grants	19,275	3,870
Receipts from maturity of short term investments	-	7,512
Net cash provided by/(used in) investing activities	<u>(18,040)</u>	<u>(122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments from trust funds and deposits	(54)	-
Repayment of borrowings	(1,132)	(1,109)
Payment of lease liabilities	-	(3)
Net cash provided by/(used in) financing activities	<u>(1,186)</u>	<u>(1,112)</u>
Net increase/(decrease) in cash and cash equivalents held	(6,949)	11,309
Cash and cash equivalents at beginning of year	<u>21,890</u>	<u>10,580</u>
Cash and cash equivalents at end of financial year	4.1 <u>14,941</u>	<u>21,889</u>

The accompanying notes form part of these financial statements.

4

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024****1 Overview****1.1 Reporting entity**

The Burnie City Council (Council) is a body corporate with perpetual succession and a common seal. Council's main office is located at 80 Wilson Street Burnie, Tasmania.

The purpose of the Council is to:

- Provide health, safety and welfare of the community
- To represent and promote the interests of the community
- Provide for the peace, order and good government in the municipality

1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.3, 5.1, 5.2, 6.1, 7.4, 8.1, and 10.4

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

1.3 Use of judgements and estimates

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

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

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

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 7.4.

Fair value of property, infrastructure, plant and equipment

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

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024****1 Overview (cont'd)****1.3 Use of judgements and estimates (cont'd)***Investment in water corporation*

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

Landfill rehabilitation

Assumptions utilised in the determination of Council's landfill rehabilitation are discussed in note 7.4.

1.4 Material budget variations

Council's original budget was adopted by Council on 27 June 2023. This budget was revised by Council on 23 April 2024. The revised budget is contained within the financial statements and forms the basis of this material budget variance analysis.

Material variations of more than 5% (and at least \$50,000) are explained below

Recurrent Income

Overall, based on the underlying result, council had significantly better revenues than expected predominantly due to advance payment of the financial assistance grant, continued strong use of council services and better than expected returns on council investments.

Planned income from the construction of the Waratah Wynyard section of the Coastal Pathway, although budgeted in 2023-24 is now expected to be received in 2024-25 financial year. The budget and income associated with the Waratah Wynyard section of the Coastal Pathway is excluded from the underlying result calculation as it is not part of core Council operations and is a one off.

Operational Grants

Council received 85% advance payment of the Financial Assistance Grant for the 2024-25 financial year of \$3.062 million in June 2024. This was \$1.393 million more than budgeted. Council's budget assumed a 50% advance payment. This revenue is recognised when received but is adjusted as part of the underlying result calculation.

Interest

Interest income received from term deposits was \$81,000 higher than budget (6.49%) due to cash outflows occurring later than expected increasing funds available for investment, increasing returns.

Other Income

Planned income from the construction of the Waratah Wynyard section of the Coastal Pathway (\$6.252 million), although budgeted in 2023-24 is now expected to be received in 2024-25 financial year, when performance obligations will be met and the income recognised.

At year end Council recognises the contributions of its volunteers (\$244,000), as revenue in accordance with the accounting standards. This is not budgeted as it cannot be estimated in advance. This is offset by volunteer expenses.

Investment Income

Council received an additional special dividend from TASWATER of \$166,000 that was not budgeted.

Share of Profit of Joint Venture

Burnie Airport Corporation posted a smaller financial result than budgeted. Refer to note 5.2 for more details.

*Recurrent Expenses**Employee Benefits*

Council managed savings in wages and salaries of \$481,000 including oncosts and had increased capital transfers of \$109,000 due to additional capital program work that was undertaken.

Materials and Services

Budgeted costs from the construction of the Waratah Wynyard section of the Coastal Pathway (\$6.252 million) for 2023-24 is now expected to be recognised in 2024-25 financial year, when performance obligations will be met and the corresponding income recognised.

Council made savings compared to budget in materials (\$110,000) and consultants (\$117,000).

Council had increased capital transfers of \$218,000 due to additional capital program work that was undertaken.

Burnie City Council**Notes to the Financial Statements****For the Year Ended 30 June 2024****1 Overview (cont'd)****1.4 Material budget variations (cont'd)**

Due to Council not having a landfill rehabilitation provision for the reinstatement of the landfill which ceased operations in 2005, a one-off unbudgeted expense of \$4.4 million has been incurred, with a provision for future work required now established.

There were savings offset in the operating expense of \$1.004 million were identified and appropriately reclassified as part of the review of work in progress for the financial year. There was no allocated operational budget as these costs were initially and incorrectly budgeted as part of the capital program.

Finance Costs

The total expected costs of rehabilitating Council's capped landfill over its life increased by \$187,000 (unwinding of the discount calculation). This amount was incurred as part of Council's restatement of its landfill rehabilitation provision and was not originally budgeted

Other expenses

At year end Council recognises the contributions of its volunteers, as per accounting standards. Council recognised \$244,000 of Volunteers expense. This is not budgeted as it cannot be estimated in advance. This is offset by volunteer revenue.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

1.5 Functions/activities of the Council

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

	Grants \$'000	Other \$'000	Total revenue \$'000	Total expenditure \$'000	Surplus/ (deficit) \$'000	Assets \$'000
Corporate services						
2023 - 2024	2,497	29,960	32,457	13,673	18,783	50,822
2022 - 2023	2,219	29,489	31,708	9,060	22,648	43,740
Cultural activities						
2023 - 2024	80	646	726	3,841	(3,114)	26,863
2022 - 2023	82	842	925	3,596	(2,671)	16,287
Parks and recreation						
2023 - 2024	2	(358)	(356)	4,327	(4,683)	97,348
2022 - 2023	46	17	63	4,016	(3,952)	76,904
Public services						
2023 - 2024	-	166	166	2,607	(2,441)	43,181
2022 - 2023	-	159	159	2,576	(2,417)	30,743
Regulatory services						
2023 - 2024	17	2,876	2,893	4,142	(1,249)	19,297
2022 - 2023	23	3,036	3,059	3,688	(630)	11,690
Roads, streets and bridges						
2023 - 2024	1,748	(561)	1,187	7,360	(6,172)	263,758
2022 - 2023	2,997	(404)	2,592	7,032	(4,440)	205,914
Waste management						
2023 - 2024	-	5,551	5,551	5,401	151	6,978
2022 - 2023	-	4,942	4,942	5,234	(292)	5,946
Stormwater services						
2023 - 2024	-	1,867	1,867	1,494	373	140,541
2022 - 2023	25	1,880	1,905	1,149	756	135,506
Commercial activities						
2023 - 2024	-	61	61	-	61	3,402
2022 - 2023	-	366	366	-	366	3,707
Total						
2023 - 2024	4,345	40,208	44,552	42,845	1,708	652,188
2022 - 2023	5,391	40,327	45,719	36,351	9,367	530,437

Corporate Services

Operation and maintenance of council chambers, Governance Services, Administration Offices, Engineering Services, Economic Development, Works Depot and Private Works.

Cultural Services

The operation and maintenance of the Burnie Arts and Function Centre, Makers Workshop, Burnie Regional Art Gallery, Burnie Regional Museum, and promotions and marketing activities.

Parks and Reserves

Operation and maintenance of parks and gardens, sporting and natural reserves and other sporting facilities.

Public Services

Operation and maintenance of community amenities including public halls, restrooms, aquatic centre, emergency services, cemeteries and provision of welfare services.

Regulatory Services

Burnie City Council**Notes to the Financial Statements****For the Year Ended 30 June 2024****1.5 Functions/activities of the Council (cont'd)****(a) Revenue, expenditure and assets attributable to each function as categorised in (c) below: (cont'd)**

Administration of parking facilities, animal control, building control, town planning and environmental protection.

Roads, Streets and Bridges

Construction, maintenance and cleaning of roads, footpaths, street lighting and bridges.

Waste Management

Collection, handling, processing and disposal of waste materials.

Stormwater Services

Construction, operation and maintenance of drainage and stormwater works.

Commercial Activities

Council's controlled entities including Burnie Airport Corporation Unit Trust, Tas Communications Unit Trust and Tas Communications Pty Ltd.

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

	2024	2023
	\$'000	\$'000
Current assets	23,419	27,754
Non-current assets	628,769	502,683
Total	652,188	530,437

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

2 Revenue

2.1 Rate and charges

Council uses Adjusted Assessed Annual Value (AAAV) as the basis of valuation of all properties within the municipality. The AAAV of a property is the estimated yearly rental income received from the property. The valuation base used to calculate general rates for 2023-24 was \$246,052,966 (2022-23 \$221,838,976). Government funds received in relation to pensioner rates rebates of \$852,191 were accounted for as rates and charges revenue (2022-23 \$785,047). The rate in the dollar for general rates varies depending on property type. A table of the relevant rates in the dollar is below:

	2023-24	2022-23
General/Vacant	11.8603	10.7063
Residential	7.7622	7.0100
Primary Production	8.6629	7.8210
Commercial (CBD)/Industrial	13.6500	12.3273

	2024 \$'000	2023 \$'000
General rate	19,931	17,700
Waste service charge	4,721	4,439
Fire levy	2,357	2,284
Stormwater service charges	1,994	1,881
	<u>29,003</u>	<u>26,304</u>

The date of the latest general revaluation of land for rating purposes within the municipality was 30 June 2022 resulting in a new adjusted assessed annual value (AAAV). New values were applied in the rating year commencing 1 July 2022.

Accounting Policy

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

2.2 Statutory fees and fines

	2024 \$'000	2023 \$'000
Infringements	461	467
Planning fees	203	411
Section 132 & 337 certificates	184	144
Licence fees	70	76
	<u>918</u>	<u>1,098</u>

Accounting Policy

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

2.3 User charges

	2024 \$'000	2023 \$'000
Parking revenue	1,782	1,764
Sales	148	557
Other fees and charges	2,077	1,740
	<u>4,007</u>	<u>4,061</u>

Accounting Policy

Council recognises revenue from user fees and charges at a point in time or over time as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

2.4 Grants

	2024 \$'000	2023 \$'000
Summary of grants		
Federally funded grants	4,065	5,131
State funded grants	181	223
Others	99	38
	<u>4,345</u>	<u>5,391</u>

Grants - recurrent

	2024 \$'000	2023 \$'000
Federally funded grants		
Commonwealth Government Financial Assistance Grants General Purpose (Untied)	1,688	2,163
Commonwealth Government Financial Assistance Grants Roads (Untied)	1,442	1,924
	<u>3,131</u>	<u>4,087</u>
State funded recurrent grants		
Cultural Heritage "Arts Tasmania"	80	82
Transport services	56	56
Australia Day	10	2
Emu River Flood Warning Implementation Study	-	25
Live Local Grant	20	-
	<u>167</u>	<u>165</u>
Other contributions	57	23
Total grants - recurrent	<u>3,354</u>	<u>4,275</u>

Burnie City Council

Notes to the Financial Statements

For the Year Ended 30 June 2024

Grants - capital

	2024	2023
	\$'000	\$'000
Federally funded capital grants received specifically for new or upgraded assets		
Commonwealth Government - Roads to Recovery	684	284
Commonwealth Government - Roundhill Fire Management	-	42
Commonwealth Government - Local Roads and Community Infrastructure	250	718
	<u>934</u>	<u>1,044</u>
State funded capital grants received specifically for new or upgraded assets		
Charge Smart Electric Vehicle Charging Station	-	3
Bus Stop Upgrade - Round 01	14	-
Land Fill Levy Program	-	55
	<u>14</u>	<u>58</u>
Other contributions	<u>42</u>	<u>15</u>
Total grants - capital	<u>990</u>	<u>1,117</u>
	2024	2023
	\$'000	\$'000
Timing of revenue recognition		
Grants recognised over time	40	42
Grants recognised at a point in time	4,305	5,350
Total Grants	<u>4,345</u>	<u>5,391</u>

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

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:

	2024 \$'000	2023 \$'000
Operating		
Balance of unspent funds at 1 July	80	17
Add: Funds received and not recognised as revenue in the current year	40	80
Less: Funds received in prior year but revenue recognised and funds spent in current year	(40)	(17)
Balance of unspent funds at 30 June	<u>80</u>	<u>80</u>
Capital		
Balance of unspent funds at 1 July	3,359	969
Add: Funds received and not recognised as revenue in the current year	18,513	2,485
Less: Funds received in prior year but revenue recognised and funds spent in current year	(360)	(96)
Balance of unspent funds at 30 June	<u>21,512</u>	<u>3,359</u>
Total unspent funds held as a contract liability	<u>21,592</u>	<u>3,439</u>

Accounting Policy

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

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

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

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

In both years the Commonwealth has made early payment of the untied Financial Assistance Grants for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2023-24 by \$1.393 million, (2022-23, \$1.870 million). This has impacted the Statement of Comprehensive Income resulting in the Net result for the year being higher by the same amount. Financial Assistance Grants are general grants and do not have sufficient specific performance obligations. As a result, they are recognised as income when received.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

2.5 Contributions

	2024 \$'000	2023 \$'000
Non-monetary assets		
Roads	-	3,726
Drainage	47	1,586
Buildings	2,229	-
	<u>2,276</u>	<u>5,312</u>

Accounting Policy

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

2.6 Interest

	2024 \$'000	2023 \$'000
Interest on investments	1,130	743
Interest on outstanding rates	205	137
	<u>1,335</u>	<u>880</u>

Accounting Policy

Interest is recognised progressively as it is earned.

2.7 Other income

	2024 \$'000	2023 \$'000
Volunteer services	244	237
Rent received	761	632
	<u>1,005</u>	<u>869</u>

Accounting Policy*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.

Rent

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

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

	2024	2023
	\$'000	\$'000
Proceeds on sale of assets	2,577	153
Less: written down value of assets disposed	<u>(2,344)</u>	<u>(240)</u>
	<u><u>233</u></u>	<u><u>(87)</u></u>

Accounting Policy

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

3 Expenses

3.1 Employee benefits

	2024	2023
	\$'000	\$'000
Fringe benefits tax	69	74
Wages & salaries	9,306	8,481
Other employee costs	878	798
Superannuation	1,410	1,265
Workers compensation	228	216
	<u>11,891</u>	<u>10,835</u>
Less capitalised wages	(1,374)	(917)
	<u>10,516</u>	<u>9,918</u>

Accounting Policy

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

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

3.2 Materials and services

	2024	2023
	\$'000	\$'000
Advertising and marketing	81	58
Levies and contributions	170	179
Contracts	5,085	5,088
Electricity	675	651
Insurance	540	491
Legal expenses	185	159
Materials and services	6,223	5,590
Landfill Rehabilitation	4,400	-
Memberships and subscriptions	223	283
Printing, stationery and office supplies	76	74
Cost of goods sold	12	26
	<u>17,670</u>	<u>12,599</u>

Accounting Policy

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

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

3.3 Depreciation and amortisation expense

	2024 \$'000	2023 \$'000
Property		
Buildings	1,677	1,517
Plant and equipment		
Plant, machinery and equipment	1,128	1,111
Motor vehicles	213	180
Fixtures, fittings and furniture	125	124
Infrastructure		
Roads and footpaths	4,374	4,132
Bridges and culverts	211	202
Stormwater	1,171	932
Telecommunications	25	29
Parks and recreation	1,188	1,160
Revaluations	45	45
Right of use assets		
Right of use assets	1	1
Total depreciation and amortisation	10,158	9,434

Accounting Policy

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

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

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

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

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

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

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024**

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

Fixed asset class**Property**

Land	Unlimited
Land under roads	Unlimited
Buildings	20 - 125 years

Plant and equipment

Plant and equipment	2 - 20 years
Motor vehicles	5 - 10 years
Fixtures, fittings and furniture	5 - 50 years
Heritage plant and equipment	Not depreciated

Infrastructure

Roads and footpaths	0 - 100 years
Other assets	10 - 75 years
Bridges and culverts	20 - 80 years
Drainage	20 - 100 years
Telecommunications	3 - 10 years
Parks and recreation	10 - 100 years
Municipal revaluations	6 years
Right of use asset	Lease term

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

3.4 Impairment of receivables

	2024	2023
	\$'000	\$'000
Trade debtors	32	197
	<u>32</u>	<u>197</u>

Accounting Policy

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

3.5 Finance costs

	2024	2023
	\$'000	\$'000
Interest - borrowings	135	160
Unwinding of rehabilitation liability	187	-
	<u>322</u>	<u>160</u>

Accounting Policy

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

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

3.6 Other expenses

	2024 \$'000	2023 \$'000
External auditor's remuneration - Tasmania Audit Office	62	71
Councillor allowances	309	297
Direct Councillor expenses	31	17
Indirect Councillor expenses	32	17
Volunteer services	244	237
Election costs	9	141
Fire levies	2,334	2,246
Land tax	294	278
Water and sewer rates	470	418
Remissions and discounts	351	311
Audit Committee costs	11	10
	<u>4,147</u>	<u>4,043</u>

Accounting Policy

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

4 Current assets

4.1 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash on hand	26	26
Cash at bank	14,915	21,863
	<u>14,941</u>	<u>21,889</u>

Council's cash and cash equivalents are subject to a number of external restrictions and internal commitments that limit amounts available for discretionary or future use. These include:

	2024	2023
	\$'000	\$'000
Restricted funds		
Trust funds and deposits (Note 7.2)	78	133
Unspent grant with conditions (Note 7.3)	21,592	3,439
	<u>21,670</u>	<u>3,572</u>
Internal committed funds		
Long service leave (Note 7.4)	938	1,130
Employee provisions (Note 7.4)	984	1,002
Landfill rehabilitation (Note 7.4)	4,431	-
	<u>6,353</u>	<u>2,132</u>
Committed funds	<u>28,023</u>	<u>5,704</u>
Total uncommitted funds	<u>(13,082)</u>	<u>16,186</u>

Accounting Policy

Cash and cash equivalents

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

Restricted and internally committed funds

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

2024 grants shown as restricted assets relate to \$21.592 million for unspent grant funds for planning, design and construction of the Coastal pathway and Erosion revetment works from Cooee to Wynyard, creative learning spaces at the new cultural centre, construction of a boat trailer parking area near boat ramp, construction of fishing platform for the Burnie breakwater, North West Gateway Improvements plan, reconstruction of assets after severe weather events, Bus stop upgrade program- round 2, and Marinus Link education fund. The funds received are under an enforceable contract which requires Council to construct an identified asset that will be under Council's control on completion.

2023 grants shown as restricted assets relate to \$3.439 million for unspent grant funds for planning, design and construction of the coastal pathway and erosion revetments from Cooee to Wynyard, construction of fishing

Burnie City Council**Notes to the Financial Statements****For the Year Ended 30 June 2024**

platform for the Burnie breakwater, upgrades and construction related to Road to Recovery program, new cultural centre, Bus stop upgrade program- round 1, construction of boat trailer parking area near boat ramp and equipment, construction works related to LRCIP Phase 03, North West Gateway Improvements plan, furnishings for a creative learning space at the new cultural centre, and Marinus Link education fund.

4.2 Trade and Other Receivables

	2024	2023
	\$'000	\$'000
Rates debtors	2,495	2,222
Accrued interest	68	64
Other accrued income	110	80
Sundry debtors	5,267	1,693
Parking infringement debtors	1,014	993
Provision for expected credit loss	(1,096)	(1,065)
	<u>7,858</u>	<u>3,987</u>

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2024	2023
	\$'000	\$'000
Carrying amount at 1 July	1,065	867
Impairment loss recognised	32	197
Carrying amount at 30 June	<u>1,096</u>	<u>1,065</u>

Accounting Policy

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

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 180 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

4.3 Assets held for sale

	2024 \$'000	2023 \$'000
Internal transfers from land		
1-3 Bass H'way - Camdale	-	1,013
1 Mussen Close - Shorewell Park	-	176
	-	1,188
Costs to sell		
1-3 Bass H'way - Camdale	-	3
1 Mussen Close - Shorewell Park	-	25
	-	27
	-	1,215

Council sold the two lands during the financial year 2023-24, which were classified as held for sale during the last financial year.

Lot 1-3, Bass H'way Camdale - Vacant Industrial
No 01 Mussen Close, Shorewell Park (Open Space)

Accounting Policy

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

4.4 Contract assets

	2024 \$'000	2023 \$'000
CURRENT		
Contractual assets for work in progress	-	132
	-	132

Accounting Policy

Council recognises a contractual asset for work in progress where a performance obligation is satisfied by transferring a promised good or service to the customer, before the customer pays consideration or the payment is due. Contractual assets are transferred to receivables when the right to receive payment becomes unconditional.

In the current financial year, the Council has not recognised any contract assets with customers.

Burnie City Council

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

5 Other investments

5.1 Investments in water corporation

	2024	2023
	\$'000	\$'000
Opening balance	66,579	64,551
Fair value adjustments on equity investment assets	3,593	2,028
	70,172	66,579

Council has derived returns from the Water Corporation in the form of dividends, tax equivalent payments and guarantee fees.

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date.

At 30 June 2024, Council holds a 3.71% ownership interest in TasWater which is based on schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

5.2 Investment in joint venture

(a) Joint venture investment

	2024 \$'000	2023 \$'000
Investment in joint venture	3,402	3,707
	<u>3,402</u>	<u>3,707</u>

(b) Composition of joint ventures

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2024	Percentage Owned (%)* 2023
Joint arrangements:			
Burnie Airport Corporation	Australia	51	51

* The percentage of ownership interest held is equivalent to the percentage voting rights for all joint arrangements.

(c) Council's Joint Venture

	2024 \$'000	2023 \$'000
Burnie Airport Corporation		
Summarised statement of financial position		
Current assets	729	1,072
Non-current assets	6,515	6,681
Current liabilities	(609)	(579)
Non-current liabilities	(85)	(624)
Net assets	<u>6,550</u>	<u>6,550</u>
Summarised statement of comprehensive income		
Income	1,978	1,680
Expenditure	(1,859)	(961)
Net profit	<u>120</u>	<u>718</u>
Share of profit	61	366
Summarised statement of cashflows		
Cashflows from operating activities	324	885
Cashflows from investing activities	-	(615)
Cashflows from financing activities	(719)	(514)
	<u>(395)</u>	<u>(243)</u>
Movement in carrying amount of investment		
Carrying amount of investment at start of year	3,707	3,341
Share of surplus for year	61	366
Distributions received	(366)	-
Carrying amount of investment at end of year	<u>3,402</u>	<u>3,707</u>

Burnie City Council**Notes to the Financial Statements****For the Year Ended 30 June 2024****Burnie Airport Corporation**

Burnie Airport Corporation (the Trust) acquired the Burnie Airport from the Burnie Port Corporation in 2001. The purpose of the Trust is to provide sustainable infrastructure for a regular, reliable carrier servicing the greater Burnie region. The Trust recorded a net profit of \$120k for the year compared with a net profit of \$718k in 2023. The Trust had net assets of \$6.550 million as at 30 June 2024. The Trust employed 3.4 full time equivalent employees as at 30 June 2024 (2023: 3.2 full time equivalents).

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

6 Non-current assets

	2024	2023
	\$'000	\$'000
Summary		
At cost	65,141	34,372
Less accumulated depreciation	<u>(17,227)</u>	<u>(16,389)</u>
	<u>47,913</u>	<u>17,983</u>
At fair value as at 30 June	864,616	755,655
Less accumulated depreciation	<u>(357,354)</u>	<u>(341,261)</u>
	<u>507,262</u>	<u>414,394</u>
Total	<u><u>555,176</u></u>	<u><u>432,377</u></u>

6.1 Property, infrastructure, plant and equipment

	2024	2023
	\$'000	\$'000
PROPERTY		
Land		
At fair value	<u>35,215</u>	31,696
	<u>35,215</u>	<u>31,696</u>
Land under roads		
At fair value	<u>67,258</u>	26,838
	<u>67,258</u>	26,838
Total Land	<u>102,472</u>	58,534
Buildings		
At fair value	165,986	126,126
Less accumulated depreciation	<u>(55,546)</u>	<u>(54,867)</u>
	<u>110,440</u>	71,259
Total Property	<u>212,912</u>	129,793
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	15,654	14,561
Accumulated depreciation	<u>(10,755)</u>	<u>(10,153)</u>
	<u>4,899</u>	4,408
Furniture, fixtures and fittings		
At cost	4,985	4,968
Less accumulated depreciation	<u>(4,100)</u>	<u>(3,975)</u>
	<u>885</u>	993

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

Motor vehicles		
At cost	2,311	2,083
Less accumulated depreciation	(1,022)	(981)
	<u>1,289</u>	<u>1,102</u>
Heritage plant and equipment		
At cost	1,708	1,708
Less accumulated depreciation	(546)	(546)
	<u>1,162</u>	<u>1,162</u>
Total Plant and Equipment	<u>8,235</u>	<u>7,665</u>

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
INFRASTRUCTURE		
Roads and footpaths		
At fair value	387,268	368,925
Less accumulated depreciation	<u>(215,700)</u>	<u>(204,592)</u>
	171,568	164,333
Bridges and culverts		
At fair value	18,818	18,063
Less accumulated depreciation	<u>(8,722)</u>	<u>(8,162)</u>
	10,096	9,902
Drainage		
At fair value	122,207	118,681
Less accumulated depreciation	<u>(50,877)</u>	<u>(48,448)</u>
	71,330	70,233
Telecommunications		
At cost	878	878
Less accumulated depreciation	<u>(621)</u>	<u>(597)</u>
	256	281
Parks and recreation		
At fair value	67,865	65,324
Less accumulated depreciation	<u>(26,508)</u>	<u>(25,191)</u>
	41,357	40,133
Municipal revaluation		
At cost	245	245
Less accumulated depreciation	<u>(182)</u>	<u>(137)</u>
	63	108
	294,669	284,989
Total Infrastructure		
CAPITAL WORK IN PROGRESS		
Buildings	14,771	3,314
Plant and equipment	1,175	929
Motor vehicles	109	(18)
Fixtures, fittings and furniture	-	16
Roads and footpaths	14,338	4,161
Drainage	622	145
Parks and recreation	8,346	1,383
	39,360	9,929
	555,175	432,377
Total property, plant and equipment		

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Balance at beginning of year \$'000	Acquisition of Assets \$'000	Revaluation increments (decrements) (Note 9.1) \$'000	Depreciation and amortisation (Note 3.3) \$'000	Transfer - Assets held for sale and between asset classes \$'000	Written down value of disposals (note 2.8) \$'000	Transfers from work in progress \$'000	Balance at the end of the year \$'000
Year ended 30 June 2024								
Property								
Land	31,686	-	3,519	-	1,188	(1,188)	-	35,215
Land under roads	26,838	-	40,420	-	-	-	-	67,258
Buildings	71,259	2,229	37,166	(1,677)	(203)	(27)	1,692	110,440
Total property	128,793	2,229	81,105	(1,677)	985	(1,215)	1,692	212,912
Plant and equipment								
Plant and equipment	4,408	1,829	-	(1,128)	-	(209)	-	4,899
Motor vehicles	1,102	540	-	(213)	-	(141)	-	1,289
Fixtures, fittings and furniture	993	17	-	(125)	-	-	-	885
Heritage plant and equipment	1,162	-	-	-	-	-	-	1,162
Total plant and equipment	7,665	2,385	-	(1,466)	-	(350)	-	8,238
Infrastructure								
Roads and footpaths	164,333	-	6,877	(4,373)	-	(265)	4,996	171,568
Bridges and culverts	9,902	-	405	(211)	-	-	-	10,096
Drainage	70,233	47	2,118	(1,171)	-	(126)	229	71,330
Telecommunications	281	-	-	(25)	-	-	-	256
Parks and recreation	40,133	-	1,228	(1,188)	203	(389)	1,371	41,357
Municipal revaluations	108	-	-	(45)	-	-	-	63
Total infrastructure	284,980	47	10,627	(7,014)	203	(780)	6,596	294,669
Works in progress								
Buildings	3,312	13,150	-	-	-	-	(1,692)	14,771
Plant and equipment	929	1,926	-	-	-	-	(1,681)	1,175
Motor vehicles	(18)	465	-	-	-	-	(339)	109
Fixtures, fittings and furniture	16	-	-	-	-	-	(16)	-
Roads and footpaths	4,161	15,173	-	-	-	-	(4,996)	14,338
Drainage	145	706	-	-	-	-	(229)	622

Burnie City Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

Movements in carrying amounts of property, plant and equipment (cont'd)

	Balance at beginning of year \$'000	Acquisition of Assets \$'000	Revaluation increments (decrements) (Note 9.1) \$'000	Depreciation and amortisation (Note 3.3) \$'000	Transfer - Assets held for sale and between asset classes \$'000	Written down value of disposals (note 2.8) \$'000	Transfers from work in progress \$'000	Balance at the end of the year \$'000
Parks and recreation	1,383	8,333	-	-	-	-	(1,371)	8,346
Land	-	(2,201)	-	-	-	-	2,201	-
Total works in progress	9,929	37,553	-	-	-	-	(8,122)	39,376
Total property, plant and equipment and infrastructure	432,377	42,215	91,732	(10,157)	1,188	(2,345)	166	555,176

(a) Impairment losses or items expensed

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

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

Items of works in progress that were expensed instead of being capitalised are also recognised in the Statement of comprehensive income under other expenses (or detail where they have been presented)

Burnie City Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

Movements in carrying amounts of property, plant and equipment (cont'd)

	Year ended 30 June 2023	Balance at beginning of year \$'000	Acquisition of assets and transfers from work in progress \$'000	Revaluation increments (decrements) (Note 9.1) \$'000	Depreciation and amortisation (Note 3.3) \$'000	Transfer - Assets held for sale \$'000	Written down value of disposals (Note 2.8) \$'000	Transfers from work in progress \$'000	Balance at the end of the year \$'000
Property									
Land		30,451	-	2,433	-	(1,188)	-	-	31,696
Land under roads		26,838	-	-	-	-	-	-	26,838
Buildings		66,851	464	5,437	(1,517)	-	-	24	71,259
Total property		124,140	464	7,870	(1,517)	(1,188)	-	24	129,793
Plant and equipment									
Plant and equipment		4,865	563	-	(1,111)	-	(33)	124	4,408
Motor vehicles		1,182	173	-	(180)	-	(73)	-	1,102
Fixtures, fittings and furniture		1,111	6	-	(124)	-	-	-	993
Heritage plant and equipment		1,162	-	-	-	-	-	-	1,162
Total plant and equipment		8,320	741	-	(1,415)	-	(106)	124	7,665
Infrastructure									
Roads and footpaths		150,042	4,936	13,610	(4,133)	-	(124)	-	164,333
Bridges and culverts		9,284	-	820	(202)	-	-	-	9,902
Drainage		55,931	1,712	13,515	(832)	-	-	6	70,233
Telecommunications		310	-	-	(29)	-	-	-	281
Parks and recreation		38,479	158	2,576	(1,160)	-	(11)	91	40,133
Municipal revaluations		154	-	-	(45)	-	-	-	108
Total infrastructure		254,200	6,806	30,521	(6,501)	-	(135)	98	284,989
Works in progress									
Buildings		221	3,117	-	-	-	-	(24)	3,314
Plant and equipment		326	727	-	-	-	-	(124)	929
Motor vehicles		(18)	-	-	-	-	-	-	(18)
Fixtures, fittings and furniture		-	16	-	-	-	-	-	16
Roads and footpaths		245	3,916	-	-	-	-	-	4,161
Drainage		57	95	-	-	-	-	(6)	145
Parks and recreation		414	1,060	-	-	-	-	(91)	1,383
									31

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

Movements in carrying amounts of property, plant and equipment (cont'd)

	Balance at beginning of year \$'000	Acquisition of assets and transfers from work in progress \$'000	Revaluation increments (decrements) (Note 3.1) \$'000	Depreciation and amortisation (Note 3.3) \$'000	Transfer - Assets held for sale \$'000	Written down value of disposals (Note 2.8) \$'000	Transfers from work in progress \$'000	Balance at the end of the year \$'000
Total works in progress	1,245	8,930	-	-	-	-	(245)	9,929
Total property, plant and equipment and infrastructure	387,906	16,941	38,391	(9,433)	(1,188)	(241)	-	432,377

Burnie City Council

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

Movements in carrying amounts of property, plant and equipment (cont'd)

Accounting Policy

Recognition and measurement of assets

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

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

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads. Such assets are recognised as "Work in Progress" until they become available for service.

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

<u>Classification</u>	<u>Threshold</u>
Property	
Land	\$1
Land under roads	\$1
Buildings	\$5,000
Plant and equipment	
Plant and equipment	\$500
Motor vehicles	\$5,000
Fixtures, fittings and furniture	\$500
Heritage plant and equipment	\$1
Infrastructure	
Roads and footpaths	\$500
Bridges and culverts	\$5,000
Drainage	\$5,000
Telecommunications	\$500
Parks and recreation	\$5,000
Municipal revaluation	\$1
	<u>Valuation basis</u>
Property	
Land	Fair value
Land under roads	Fair value
Buildings	Fair value
Plant and equipment	
Plant and equipment	Cost
Motor vehicles	Cost
Fixtures, fittings and furniture	Cost
Heritage plant and equipment	Cost
Infrastructure	
Roads and footpaths	Fair value
Bridges and culverts	Fair value
Drainage	Fair value

Burnie City Council

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

	<u>Valuation basis</u>
Telecommunications	Cost
Parks and recreation	Fair value
Municipal revaluation	Cost

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

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

Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset.

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

Impairment of Non-financial assets

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

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

Land under roads

Council recognises the value of land under roads that it controls at fair value.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

6.2 Right of use assets

	Property	Total
2024		
Opening Balance at 1 July 2023	20	20
Additions	1	1
Depreciation expense	(1)	(1)
	19	19
2023		
Opening Balance at 1 July 2022	-	-
Additions	21	21
Depreciation expense	(1)	(1)
	20	20

Accounting policy

Leases - Council as Lessee

In contracts where Council is a lessee, Council recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied. Refer to Note 7.5 for details on accounting policy of lease liability.

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

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

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

Burnie City Council

Notes to the Financial Statements

For the Year Ended 30 June 2024

7 Current liabilities

7.1 Trade and other payables

	2024	2023
	\$'000	\$'000
CURRENT		
Trade payables	4,788	2,432
Rates and charges in advance	1,076	1,053
Accrued expenses	2,070	418
Revenue received in advance	96	580
	<u>8,029</u>	<u>4,483</u>

Accounting policy

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

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

7.2 Trust funds and deposits

	2024	2023
	\$'000	\$'000
Refundable deposits, bonds and retentions	78	133
	<u>78</u>	<u>133</u>

Accounting policy

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

Burnie City Council

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

7.3 Contract liabilities

	2024	2023
	\$'000	\$'000
CURRENT		
Funds received to acquire or construct an asset controlled by Council	21,512	3,359
Funds received prior to performance obligation being satisfied (upfront payments)	<u>80</u>	<u>80</u>
	<u><u>21,592</u></u>	<u><u>3,439</u></u>
	2024	2023
	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Funds to construct Council controlled assets	360	95
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	<u>40</u>	<u>17</u>
	<u><u>400</u></u>	<u><u>112</u></u>

Accounting Policy

Council recognised the following contract liabilities,

- Grant funds received in advance include funding for planning, design and construction of the Coastal pathway and Erosion revetment works from Cooee to Wynyard, creative learning spaces at the new cultural centre, construction of a boat trailer parking area near boat ramp, construction of fishing platform for the Burnie breakwater, North West Gateway Improvements plan, reconstruction of assets after severe weather events, Bus stop upgrade program- round 2, and Marinus Link education fund. The funds received are under an enforceable contract which requires Council to construct an identified asset that will be under Council's control on completion. The revenue is recognised as Council constructs the asset, and the contract liability reflects the funding received, which cannot yet be recognised as revenue. Revenue is expected to be recognised in the next 12 months.
- Funds received before performance obligations are satisfied (upfront payments) include the Marinus link-community and education fund. Revenue is recognised as the performance obligations are satisfied with the corresponding contract liability being reduced.
- Upfront payments of funds from contracts with customers are recognised as a contract liability until performance obligations are satisfied. Revenue is recognised as performance obligations are progressively fulfilled.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

7.4 Provisions

	2024	2023
	\$'000	\$'000
CURRENT		
Annual leave	984	942
Long service leave	938	1,130
Redundancy	-	-
Rostered day off	-	60
Provision for landfill rehabilitation and aftercare	219	-
	<u>2,141</u>	<u>2,132</u>
NON-CURRENT		
Long service leave	159	172
Provision for landfill rehabilitation and aftercare	4,212	-
	<u>4,371</u>	<u>172</u>

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

7.4 Provisions (cont'd)

	Annual Leave	Long Service Leave	Other	Landfill	Total
2024					
Opening Balance at 1 July 2023	942	1,302	60	-	2,304
Additional Provision	812	(35)	17	4,431	5,225
Provisions Used	(770)	(170)	(77)	-	(1,017)
Balance at 30 June 2024	984	1,097	-	4,431	6,512
Current	984	938	-	219	2,141
Non-current	-	159	-	4,212	4,371
	984	1,097	-	4,431	6,512
2023					
Balance at beginning at 1 July 2022	912	1,286	178	-	2,376
Additional provisions	1,033	198	24	-	1,255
Provision used	(1,003)	(182)	(142)	-	(1,327)
Balance at 30 June 2023	942	1,302	60	-	2,304
Current	942	1,130	60	-	2,132
Non-current	-	172	-	-	172
	942	1,302	60	-	2,304

	2024	2023
The following assumptions were adopted in measuring the present value of employee benefits		
Weighted average increase in employee costs	5.00%	5.00%
Weighted average discount rate	4.13%	3.09%
Weighted average settlement period (days)	148	158
Employee numbers	160	158

Short term employee benefit obligations

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

Other long term employee benefit obligations

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

Burnie City Council**Notes to the Financial Statements****For the Year Ended 30 June 2024****7.4 Provisions (cont'd)**

national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Sick leave

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

Landfill Provision

The Council operated a refuse landfill site which ceased operations in 2005. Under Environmental Management and Pollution Control Act 1994 Council is obligated to restore the site to a particular standard. The forecast life is based upon the estimate time remaining to satisfy those requirements. Provision is made for rehabilitation costs to be incurred in future years by estimating the future costs based on current legislative requirements. This future cost is discounted back to present value at balance date. At each balance date the discounting is unwound as a finance cost. Each year at the balance date the liability is reassessed to ensure the provision represents an accurate reflection of the future costs. Where there is an asset value available an adjustment is made against the asset, otherwise the adjustment is expensed. Council does not expect to receive reimbursement from a third party.

Key Assumptions

Discount Rate 4.41%
Index Rate 3.70%

Burnie City Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

7.5 Lease liabilities

	2024 \$'000	2023 \$'000
CURRENT		
Lease liabilities	1	1
NON-CURRENT		
Lease liabilities	16	16
Total	<u>17</u>	<u>17</u>

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

	Minimum lease payments due					Total
	Within 1 Year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000	
As at 31 June 2024						
Lease payments	1	1	1	1	1	27
Finance charges	(1)	(1)	(1)	(1)	(6)	(10)
Net present value	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>17</u>
As at 30 June 2023						
Lease payments	1	1	1	1	1	28
Finance charges	(1)	(1)	(1)	(1)	(6)	(11)
Net present value	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>17</u>

Accounting policy

Leases - Council as Lessee

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

Burnie City Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

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

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

8 Non-current liabilities

8.1 Interest bearing loans and borrowings

	2024 \$'000	2023 \$'000
CURRENT		
Borrowings - secured	1,029	1,132
	<u>1,029</u>	<u>1,132</u>
NON-CURRENT		
Borrowings - secured	5,436	6,465
	<u>5,436</u>	<u>6,465</u>
Total borrowings	<u>6,465</u>	<u>7,597</u>
	2024 \$'000	2023 \$'000
BORROWINGS		
The maturity profile of Council's borrowings is:		
Not later than one year	1,029	1,132
Later than one year and not later than five years	4,309	4,231
Later than five years	1,127	2,234
	<u>1,127</u>	<u>2,234</u>
Total	<u>6,465</u>	<u>7,597</u>

Accounting Policy

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

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

9 Other financial information

9.1 Reserves

	2024	2023
	\$'000	\$'000
Asset revaluation reserves	303,195	211,464
Fair value reserves	12,290	8,696
	<u>315,485</u>	<u>220,160</u>

	Balance at beginning of reporting year	Increment/ (decrement)	Balance at end of reporting year
	\$'000	\$'000	\$'000
2024			
(a) Asset revaluation			
Property			
Land	21,108	3,518	24,626
Land under roads	2,512	40,420	42,932
Buildings	19,122	37,166	56,288
	<u>42,743</u>	<u>81,104</u>	<u>123,847</u>
Infrastructure			
Roads and footpaths	95,022	6,877	101,899
Car parks	2,500	-	2,500
Bridges and culverts	6,112	405	6,517
Drainage	44,637	2,118	46,755
Parks and recreation	17,922	1,228	19,150
	<u>166,194</u>	<u>10,627</u>	<u>176,821</u>
Associate			
Investment in Joint Venture	2,528	-	2,528
	<u>2,528</u>	<u>-</u>	<u>2,528</u>
Total asset revaluation reserve	<u>211,465</u>	<u>91,731</u>	<u>303,195</u>
(b) Fair value reserve			
Investment in Water Corporation	8,696	3,593	12,289
Total fair value reserve	<u>8,696</u>	<u>3,593</u>	<u>12,289</u>
Total reserves	<u>220,161</u>	<u>95,325</u>	<u>315,485</u>

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

9.1 Reserves (cont'd)

	Balance at beginning of reporting year \$'000	Increment/ (decrement) \$'000	Balance at end of reporting year \$'000
2023			
(a) Asset revaluation			
Property			
Land	18,675	2,433	21,108
Land under Roads	2,512	-	2,512
Buildings	13,685	5,437	19,122
	<u>34,873</u>	<u>7,870</u>	<u>42,743</u>
Infrastructure			
Roads and footpaths	81,413	13,610	95,023
Car parks	2,500	-	2,500
Bridges an culverts	5,292	820	6,112
Drainage	31,122	13,515	44,637
Parks and recreation	15,346	2,576	17,922
	<u>135,673</u>	<u>30,521</u>	<u>166,194</u>
Associate			
Investment in Joint Venture	2,527	-	2,527
	<u>2,527</u>	<u>-</u>	<u>2,527</u>
Total asset revaluation reserve	<u>173,073</u>	<u>38,391</u>	<u>211,464</u>
(b) Fair value reserve			
Investment in Water Corporation	6,668	2,028	8,696
Total fair value reserve	<u>6,668</u>	<u>2,028</u>	<u>8,696</u>
Total reserves	<u>179,740</u>	<u>40,419</u>	<u>220,159</u>

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

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

9.2 Superannuation

Council contributes to accumulation superannuation schemes on behalf of a number of employees; however, the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes. Council no longer makes payments to any defined benefit funds.

During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the Superannuation Guarantee (Administration) Act 1992.

	2024 \$'000	2023 \$'000
Fund		
Accumulation funds	1,410	1,265

9.3 Reconciliation of cashflows from operating activities to surplus/(deficit)

Reconciliation of net income to net cash provided by operating activities:

	2024 \$'000	2023 \$'000
Result from continuing operations	1,706	9,367
Non-cash flows in surplus:		
Depreciation/amortisation	10,158	9,435
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(233)	87
Non-monetary contributions	(2,276)	(5,312)
Impairment on receivables	32	197
Share of profit from joint venture	(61)	(366)
Capital grants received specifically for new or upgraded assets	(990)	(1,117)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(3,902)	(750)
- (increase)/decrease in other assets	281	(25)
- (increase)/decrease in inventories	(6)	1
- increase/(decrease) in trade and other payables	3,547	1,033
- increase/(decrease) in other liabilities	-	63
- increase/(decrease) in provisions	4,020	(71)
Cashflows from operations	<u>12,277</u>	<u>12,543</u>

9.4 Reconciliation of liabilities arising from financing activities

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

	2024 \$'000	2023 \$'000
Interest-bearing loans and borrowings		
Balance at the beginning of the year	7,597	8,706
Changes from financing cash flows		
Cash received	-	-
Cash paid	(1,132)	(1,109)
Balance at the end of the year	<u>6,465</u>	<u>7,597</u>

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

9.5 Commitments

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

	2024 \$'000	2023 \$'000
Capital expenditure commitments		
Buildings	7,539	15,785
Parks and Reserves	2,809	-
Plant and Equipment	695	1,024
Transport	626	703
	11,670	17,512
Contractual commitments		
Air conditioner maintenance	30	30
Annual weed spraying services	-	27
Aquatic Centre - gas supply	56	172
Bridge management	14	36
Burnie Works Grant Funding	-	69
Business North West Promotion Funding	-	44
Cleaning contracts for Council buildings	1,170	176
Community Grants and Events	90	-
Fire system management	75	105
Lift maintenance	7	29
Management - Aquatic Centre	3,408	3,799
Performances and events	29	21
Security services	230	294
Supply of electricity	357	1,138
Waste management	18,807	27,078
Other	82	48
	24,355	33,066

Burnie City Council

Notes to the Financial Statements

For the Year Ended 30 June 2024

2024	Not later than 1 year \$'000	Later than 1 year and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Capital Expenditure Commitments				
Buildings	7,539	-	-	7,539
Parks and Reserves	2,809	-	-	2,809
Plant and Equipment	695	-	-	695
Transport	626	-	-	626
Total Capital expenditure commitments	11,670	-	-	11,670
Contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial report are as follows:				
Air conditioner maintenance	30	-	-	30
Aquatic Centre - Gas supply	56	-	-	56
Bridge management	14	-	-	14
Cleaning contracts for council buildings and amenities	340	830	-	1,170
Community Grants and Events	72	18	-	90
Fire system management	39	37	-	76
Lift maintenance	7	-	-	7
Management - Aquatic Centre	529	2,264	614	3,407
Performances and events	29	-	-	29
Security services	230	-	-	230
Supply of electricity	357	-	-	357
Waste management	3,063	12,438	3,306	18,807
Other	82	-	-	82
Total contractual commitments	4,848	15,587	3,920	24,355

Burnie City Council

Notes to the Financial Statements

For the Year Ended 30 June 2024

2023	Not later than 1	Later than 1 year	Later than 5 years	Total
	year	and not later than 5		
	\$'000	years	\$'000	\$'000
Capital Expenditure Commitments				
Buildings	15,785	-	-	15,785
Parks and Reserves	-	-	-	-
Plant and Equipment	1,024	-	-	1,024
Waste	-	-	-	-
Transport	703	-	-	703
Total Capital expenditure commitments	17,512	-	-	17,512
Contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial report are as follows:				
Air conditioner maintenance	30	-	-	30
Annual weed spraying services	27	-	-	27
Aquatic Centre - Gas supply	113	59	-	172
Bridge management	23	12	-	35
Burnie Works Grant Funding	69	-	-	69
Business North West Promotion Funding	44	-	-	44
Cleaning contracts for council buildings and amenities	90	86	-	176
Fire system management	35	70	-	105
Lift maintenance	22	7	-	29
Management - Aquatic Centre	500	2,137	1,162	3,799
Performances and events	16	6	-	22
Security services	145	149	-	294
Supply of electricity	759	379	-	1,138
Waste management	5,418	14,250	7,410	27,078
Other	48	-	-	48
Total contractual commitments	7,339	17,155	8,572	33,066

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024****9.6 Operating leases as lessor**

At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities).

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

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

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

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

Maturity analysis of operating lease payments to be received

	2024	2023
	\$'000	\$'000
Year 1	284	354
Year 2	287	293
Year 3	205	299
Year 4	130	216
Year 5	56	138
Later than 5 years	142	234
	1,104	1,534

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

Lease income on operating leases	700	632
----------------------------------	-----	-----

9.7 Contingent liabilities and contingent assets

Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

9.8 Financial instruments**Managing financial risk**

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

- (a) Interest rate risk
- (b) Credit risk

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

Managing financial risk (cont'd)

- (c) Liquidity risk; and
- (d) Market risk.

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

Burnie City Council

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

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

	Weighted Average Interest Rate		Floating Interest Rate		Less than 1 Years		1 to 5 Years		More than 5 Years		Non Interest Bearing		Total	
	%		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Financial Assets														
Cash and cash equivalents	4.35%	4.12%	14,915	21,863	-	-	-	-	-	-	26	26	14,941	21,890
Investments	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables			-	-	-	-	-	-	-	-	-	-	-	-
Loans	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Rates	9.85%	8.13%	-	-	2,495	2,221	-	-	-	-	-	-	2,495	2,221
Other	0.00%	0.00%	-	-	-	-	-	-	-	-	5,364	1,765	5,364	1,765
Investment in Water Corporation	0.00%	0.00%	-	-	-	-	-	-	-	-	70,172	66,579	70,172	66,579
Investment in Joint Venture	0.00%	0.00%	-	-	-	-	-	-	-	-	3,402	3,707	3,402	3,707
Total			14,915	21,863	2,495	2,221	-	-	-	-	78,963	72,077	96,373	96,161
Interest bearing liabilities														
Payables	0.00%	0.00%	-	-	-	-	-	-	-	-	8,030	4,483	8,030	4,483
Trust funds and deposits	0.00%	0.00%	-	-	-	-	-	-	-	-	78	133	78	133
Interest bearing liabilities	1.76%	1.78%	1,029	1,132	4,309	4,231	1,127	2,234	1,127	2,234	-	-	6,465	7,597
Total			1,029	1,132	4,309	4,231	1,127	2,234	1,127	2,234	8,109	4,616	14,574	12,213
Net financial assets/(liabilities)			1,466	1,088	(4,309)	(4,231)	(1,127)	(2,234)	(1,127)	(2,234)	70,855	67,461	81,799	83,948

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024****(a) Fair value**

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

	2024 \$'000	2023 \$'000
Financial assets		
Cash and cash equivalents	14,941	21,890
Trade and other receivables	7,858	3,987
Investment in Water Corporation	70,172	66,579
Investment in Joint Venture	3,402	3,707
Total financial assets	<u>96,373</u>	<u>96,162</u>
Financial liabilities		
Trade and other payables	8,030	4,483
Trust funds and deposits	78	133
Interest-bearing loans and borrowings	6,465	7,597
Total financial liabilities	<u>14,574</u>	<u>12,213</u>

(b) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from Tascorp. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio as per Council's Treasury Policy.

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

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1993 (as amended).

We manage interest rate risk by adopting a Treasury Policy that ensures:

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

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024**Credit risk**

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

- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

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

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

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

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

	Financial institutions (min A2 short term)	Government agencies	Other	Total
	\$'000	\$'000	\$'000	\$'000
2024				
Cash and cash equivalents	14,941	-	-	14,941
Trade and other receivables	-	-	7,858	7,858
Total contractual financial assets	14,941	-	7,858	22,799
2023				
Cash and cash equivalents	21,889	-	-	21,889
Trade and other receivables	-	-	3,987	3,987
Total contractual financial assets	21,889	-	3,987	25,876

Burnie City Council

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

Liquidity risk

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

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

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue. The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

	6 months or less \$'000	6 - 12 months \$'000	1 - 2 years \$'000	2 - 5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying amount \$'000
2024							
Trade and other payables	8,030	-	-	-	-	8,030	8,030
Trust funds and deposits	78	-	-	-	-	78	78
Interest-bearing loan and borrowings	512	517	1,048	3,261	1,127	6,465	6,465
	8,621	517	1,048	3,261	1,127	14,574	14,574
2023							
Trade and other payables	4,483	-	-	-	-	4,483	4,483
Trust funds and deposits	133	-	-	-	-	133	133
Interest-bearing loans and borrowings	563	569	1,029	3,202	2,234	7,597	7,597
	5,179	569	1,029	3,202	2,234	12,213	12,213

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

(c) Sensitivity analysis

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

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

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

		Interest rate risk -1%		Interest rate risk +1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2024					
Financial assets					
Cash and cash equivalents	14,941	(149)	(149)	149	149
Rate debtors	2,495	(25)	(25)	25	25
Financial liabilities					
Interest-bearing loans and borrowings	6,465	65	65	(65)	(65)

		Interest rate risk -1%		Interest rate risk +1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2023					
Financial assets					
Cash and cash equivalents	21,890	(219)	(219)	219	219
Rate debtors	2,221	(22)	(22)	22	22
Financial liabilities					
Interest-bearing loans and borrowings	7,597	76	76	(76)	(76)

9.9 Prior period errors

In preparation of the 2023-24 financial statements, Council identified that land value was incorrectly indexed in 2021-22 and 2022-23 financial statements. The value of the land error was \$3.054 million in 2021-22 and \$11.986 million in 2022-23. The indexation rate used was correct however the valuation base was from the previous indexed financial year and not from the last full fresh land valuation. The revaluation adjustment was processed against the revaluation reserve each year.

Comparative numbers reported in the 2021-22 and 2022-23 statement of financial position, and at the beginning of the comparative financial year (1 July 2022) have been restated to correct these errors below.

The aggregate effect of the error on the annual financial statements for the year ended 30 June 2024 is as follows:

Burnie City Council

Notes to the Financial Statements

For the Year Ended 30 June 2024

9.9 Prior period errors (cont'd)

	2023			2022		
	Published financial statements	Correction of error	Restated actuals	Published financial statements	Correction of error	Restated actuals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial statement line items affected</i>						
<i>Statement of financial position</i>						
Land - at fair value	43,682	(11,986)	31,696	33,505	(3,054)	30,451
Total property, plant and equipment	43,682	(11,986)	31,696	33,505	(3,054)	30,451
Non-Current Assets Held for Sale	1,334	(119)	1,215	-	-	-
Accumulated surplus Reserves	232,264	(12,104)	220,160	182,795	(3,054)	179,741
Total equity	232,264	(12,104)	220,160	182,795	(3,054)	179,741
<i>Statement of comprehensive income</i>						
Operating result for the year	9,367	-	9,367	6,263	-	6,263
Decrease in reserves	47,442	(9,050)	38,391	31,074	(3,054)	28,020
Total comprehensive income	58,837	(9,050)	49,786	39,000	(3,054)	35,946

9.10 Fair Value Measurements

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

- Investment in Water Corporation
- Investment in Joint Venture
- Property, infrastructure plant and equipment
 - Land
 - Land under roads
 - Buildings
 - Roads and footpaths
 - Parks and recreation
 - Bridges and culverts
 - Stormwater

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

(a) Fair value hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2024.

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

30 June 2024		Level 1	Level 2	Level 3	Total
Recurring fair value measurements					
Land	6.1	-	35,215	-	35,215
Land under roads	6.1	-	67,258	-	67,258
Buildings	6.1	-	40,218	70,221	110,440
Roads & Footpaths	6.1	-	-	171,568	171,568
Parks and recreation	6.1	-	-	41,357	41,357
Bridges and Culverts	6.1	-	-	10,096	10,096
Stormwater	5.1	-	-	71,330	71,330
Investment in Water Corporation	6.1	-	-	70,172	70,172
Investment in Joint Venture		-	-	3,402	3,402
		-	142,691	438,146	580,838
30 June 2023					
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements					
Land	6.1	-	31,696	-	31,696
Land under roads	6.1	-	26,838	-	26,838
Buildings	6.1	-	19,572	51,687	71,259
Roads & Footpaths	6.1	-	-	164,334	164,334
Parks and recreation	6.1	-	-	9,901	9,901
Bridges and Culverts	6.1	-	-	70,233	70,233
Stormwater	6.1	-	-	40,133	40,133
Investment in Water Corporation		-	-	66,579	66,579
Investment in Joint Venture		-	-	3,707	3,707
		-	78,106	406,574	484,680

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. The following assets/liabilities that are measured at fair value on a recurring basis have been subject to a transfer between levels of the hierarchy.

There were no transfers between levels of the fair value hierarchy.

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024****(b) Highest and best use**

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

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

Council adopted AASB 13 Fair Value Measurement for the first time in 2013-14 and has reviewed each valuation to ensure compliance with the requirements of the standard.

Investment in TasWater

Refer to note 5.1 for valuation and significant inputs.

Investment in Joint Venture

Refer to note 5.2 for valuation and significant inputs.

Land

Land fair values were determined by the Valuer-General's office, Tasmania effective 30 June 2024. Since that date to ensure the current values represent fair value, Council have applied indexes per the below as at 30 June 2024, for the VG's full valuation done 2019-20. The next full valuation is planned for 30 June 2025. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. All freehold land reserved for public open space is valued at a discount of X percent to market value based on legal precedents. The most significant input into this valuation approach is price per square metre.

Land Classification	Adjustment Factor
Non-Vacant Other	1.50
Vacant Residential	1.70
Non-Vacant Commercial	1.50
Non-Vacant Community Services	1.50
Primary Production	1.80
Vacant Industrial	1.50
Non-Vacant Industrial	1.50
Non-Vacant Residential	1.70

Land under roads

The land under roads was revalued during the 2023-24 financial year based on valuations determined by the Valuer-General. These valuations became effective on 30 June 2024 and considered site values adjusted for undeveloped and un-serviced characteristics, access rights, private interests of other parties, and entitlements of infrastructure assets and services.

The determination and approach of the value of the Land Under Road network applies current adjusted land values and areas for all properties within the municipality, by Primary Classification Code, to arrive at \$ rate per m²/ha for each Classification, then apply a discount to arrive at an average \$ rate per m²/ha for Residential, Commercial, Industrial, Industrial, Primary Production, Community Services and Other.

Buildings

The fair value of buildings has been determined by an independent valuer, APV Valuers effective 30 June 2024 for financial reporting purposes in accordance with the Australian Accounting Standards.

The valuation has been undertaken considering the requirements of AASB13 Fair Value Measurement. This included establishing the nature of the asset, characteristics important to market participants, the appropriate market and the valuation premise. In determining the level of accumulated depreciation, allowance has been made for the typical asset life cycle and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. The next full revaluation is planned for 30 June 2029.

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024****Infrastructure assets**

Council infrastructure assets (excluding municipal revaluation) comprising of roads and footpaths, bridges and culverts, parks and recreation and drainage assets, were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset. CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business.

The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output. The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on an assumption that the CRC represents the full cost of replacement with a new asset that represents a modern equivalent asset. The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives are disclosed in note 3.3.

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

Transport

A full valuation of Transport was undertaken by Council's technical services division effective 30 June 2021, using replacement rates determined by Council's technical services division. The assets have been indexed this year by applying the Road and Bridge Construction Index, with indexation applied on 30 June 2024 using the 31 March 2024 ABS index rates. The rate is 4.18%. The next full revaluation is planned for 30th June 2026.

Parks

A full revaluation of parks and recreation assets was undertaken by Council's technical services team effective 30 June 2021. The assets have been indexed each year by applying the Consumer Price Index, All Groups for Hobart. The indexation has been applied on 30 June 2024 using the 31 March 2024 ABS index rates. The rate is 3.06%. The next full revaluation is planned for 30th June 2025.

Bridges and culverts

Independent valuer, AusSpan, effective June 2021, undertook a full valuation of bridge assets. The assets have been indexed this year by applying the Road and Bridge Construction Index, with indexation applied on 30 June 2024 using the 31 March 2024 ABS index rates. The rate is 4.18%. The next full revaluation is planned for 30th June 2026.

Stormwater

A full valuation of drainage infrastructure/ Stormwater was undertaken by Council's Engineer effective 30 June 2023. The stormwater assets are indexed, outside of the formal revaluation process, yearly using the Consumer Price Index, All Groups for Hobart. The indexation has been applied on 30 June 2024 using the 31 March 2024 ABS index rates. The rate is 3.06%. The next full revaluation is planned for 30th June 2028.

(d) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 6.1.

Investment in Water Corporation, which is classified as level 3, has been separately disclosed in note 5.1.

Investment in Joint Venture, which is classified as level 3, has been separately disclosed in note 5.2.

(e) Valuation processes

Council's current policy for the valuation of land, buildings and infrastructure assets is set out in notes 6.1 and 6.2.

Valuation policy for Investment in Water Corporation is disclosed in note 5.1. Valuation policy for Investment in Joint Venture is disclosed in note 5.2.

Burnie City Council**Notes to the Financial Statements****For the Year Ended 30 June 2024****(f) Assets and liabilities not measured at fair value but for which fair value is disclosed**

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

Council borrowings are recognised at amortised cost with interest recognised in the Consolidated Comprehensive Income Statement when incurred. The fair value of borrowings disclosed in note 8.1 equates to the carrying amount as the carrying amount approximates fair value (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).

9.11 Events occurring after balance date

There are no events after balance date.

Burnie City Council**Notes to the Financial Statements****For the Year Ended 30 June 2024****10 Other matters****10.1 Other significant accounting policies and pending accounting standards****(a) Taxation**

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

(f) Budget

The estimated revenue and expense amounts in the Statement of Other Comprehensive Income represent revised budget Council adopted on 23 April 2024 amounts and are not audited.

(g) Inventories

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

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other matters (cont'd)

10.1 Other significant accounting policies and pending accounting standards (cont'd)

(h) Adoption of new and amended accounting standards

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

(i) Pending Accounting Standards

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

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

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

10.2 Management indicators

(a) Underlying surplus or deficit

		2024	2023	2022	2021
	Benchmark	\$'000	\$'000	\$'000	\$'000
Net result for the year		1,706	9,367	6,266	449
Less non-operating income					
Capital grants		(990)	(1,117)	(2,600)	(1,920)
Contributions		(2,276)	(5,312)	(2,621)	(394)
One off Disposals		(865)	-	-	-
Add non-operational expenditure					
Initial landfill rehabilitation recognition		4,400	-	-	-
Adjustments to timing of Financial Assistance Grants		273	(1,115)	(914)	(56)
Underlying surplus/(deficit)	0	<u>2,249</u>	<u>1,823</u>	<u>131</u>	<u>(1,921)</u>

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

The Commonwealth Government paid 85% of the Financial Assistance Grant for Council in advance of the 2024-25 financial year. This income is recognised in the current financial year 2023-24 but would normally be used to support operations in 2024-25. The underlying surplus has been adjusted to include this effect.

Council achieved a surplus for the 2023-24 year, for the third year running, which is consistent with Council's financial management strategy. Further information on how the surplus was achieved is available at Note 1.4 Material budget variations

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other matters (cont'd)

10.2 Management indicators (cont'd)

(b) Underlying surplus ratio

	Benchmark	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Underlying surplus/(deficit)		2,249	1,823	131	(1,921)
Recurrent income		40,694	38,175	34,087	33,299
Underlying surplus ratio %	> 0%	5.53%	4.78%	0.38%	-5.77%

This ratio serves as an overall measure of financial operating effectiveness. The result achieved reflects Council's continued improvement in its financial performance consistent with its financial management strategy. More details on Council's financial performance can be found in Note 1.4 Material budget variations.

(c) Net financial assets/(liabilities)

	Benchmark	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Liquid assets less		22,799	26,244	13,753	14,746
Total liabilities		42,694	17,973	15,648	17,090
Net financial liabilities	0	(19,895)	8,271	(1,895)	(2,344)

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

Council has received significant funds in advance (refer to contract liabilities \$21.592 million for 2024) for the construction of projects which will be recognised when performance obligations are met. Council incurs expenditure in advance of revenue being recognised. It is expected that all current projects will be delivered.

(d) Net financial assets/(liabilities) ratio

	Benchmark	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	Other \$'000
Net financial liabilities		(19,895)	8271	(1,895)	(2,344)	-
Recurrent income		40,694	38,175	34,087	33,299	-
Net financial assets/(liabilities) ratio %	0% - (50%)	-48.89%	21.67%	-5.56%	-7.04%	-

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

Burnie City Council

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

10 Other matters (cont'd)

10.2 Management indicators (cont'd)

(e) Asset consumption ratio

	Benchmark	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Transport Infrastructure					
Fair value (carrying amount)		171,568	164,333	150,043	136,680
Current replacement cost (gross)		387,268	368,926	333,894	305,734
Asset consumption ratio %	> 60%	44%	45%	45%	45%
Buildings					
Fair value (carrying amount)		110,440	71,259	66,852	52,272
Current replacement cost (gross)		165,986	126,126	115,960	100,284
Asset consumption ratio %	> 60%	67%	56%	58%	52%
Drainage					
Fair value (carrying amount)		71,330	70,233	55,931	52,141
Current replacement cost (gross)		122,207	118,681	93,724	87,018
Asset consumption ratio %	> 60%	58%	59%	59%	60%

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

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

Council's asset consumption ratio for all asset classes above has been consistent and at or near benchmark, with the exception of transport which is below benchmark, reflecting the current condition of transport assets.

Council is in the process of updating its Asset Management Plan and Strategy. Current condition of key assets will be reviewed and programmed for improvement over the life of the plan.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other matters (cont'd)

10.2 Management indicators (cont'd)

(f) Asset renewal funding ratio

	Benchmark	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Total Property, Plant & Infrastructure					
Projected capital funding outlays**		121,312	121,234	100,847	92,564
Projected capital expenditure funding***		100,093	87,598	97,008	92,564
Asset renewal funding ratio %	90-100%	121%	138%	104%	100%
Transport Infrastructure					
Projected capital funding outlays**		60,625	56,241	43,452	42,671
Projected capital expenditure funding***		46,794	40,190	44,058	42,671
Asset renewal funding ratio %	90-100%	130%	140%	99%	100%
Plant, Equipment & Other					
Projected capital funding outlays**		20,307	23,259	17,701	14,075
Projected capital expenditure funding***		15,478	15,016	15,497	14,075
Asset renewal funding ratio %	90-100%	131%	155%	114%	100%
Buildings					
Projected capital funding outlays**		17,589	19,219	21,968	17,499
Projected capital expenditure funding***		17,312	16,306	18,874	17,499
Asset renewal funding ratio %	90-100%	102%	118%	116%	100%
Parks and Reserves					
Projected capital funding outlays**		16,136	12,723	10,124	11,222
Projected capital expenditure funding***		15,753	9,360	11,171	11,222
Asset renewal funding ratio %	90-100%	102%	136%	91%	100%
Drainage					
Projected capital funding outlays*		6,654	9,792	7,602	7,097
Projected capital expenditure funding**		4,756	6,725	7,408	7,097
Asset renewal ratio %	90%-100%	140%	146%	103%	100%

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

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

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

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

This ratio should be considered over the 10 year life of the Strategic Asset Management Plan. Council is in the process of updating its Asset Management Plan and Strategy. It is expected that additional funding over and above requirements in the current plan will be needed, which will lower the asset renewal funding ratio. This is due to escalating inflation and construction costs.

Burnie City Council

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

10 Other matters (cont'd)

10.2 Management indicators (cont'd)

(g) Asset sustainability ratio

	Benchmark	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Capital expenditure on replacement/renewal of existing assets		27,415	5,174	5,957	3,317
Annual depreciation expense		10,158	9,435	8,619	7,939
Asset sustainability ratio %	100%	270%	55%	69%	42%
Capital renewal expenditure		27,415	5,174	5,957	3,317
Capital new/upgrade expenditure		12,497	11,766	3,418	4,373
Total capital expenditure		39,912	16,941	9,375	7,690

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

Council has undertaken significant work on existing assets during the 2024 financial year consistent with its foreshadowed improvements in Councils 4 year asset management strategy 2025-2028 and its new 10 year long-term strategic asset management plan due to be released in the 2024-25 financial year.

	Capital renewal expenditure \$'000	Capital new/upgrade expenditure \$'000	Total Capital Expenditure \$'000
2024			
Buildings	10,958	793	11,750
Parks and Reserves	541	8,629	9,170
Property, Plant and Equipment	2,382	145	2,527
Stormwater	316	268	584
Transport	13,218	2,069	15,287
Waste	1	592	593
Total	27,415	12,497	39,912
2023			
Buildings	556	3,025	3,581
Parks and Reserves	211	1,212	1,423
Property, Plant and Equipment	814	465	1,279
Stormwater	120	1,664	1,784
Transport	3,454	5,397	8,851
Waste	20	3	23
Total	5,174	11,766	16,940

Burnie City Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other matters (cont'd)
10.3 Related party transactions

(i) Councillor remuneration

Name	Position	Period	Allowances	Vehicles	Total compensation AASB 124	Expenses*	Total allowance and expenses section 72
2024							
Mrs T Brumby	Mayor / Councillor	Full Year	88,194	-	88,194	13,946	102,141
Ms G Simpson	Mayor / Councillor	Full Year	44,893	-	44,893	1,160	46,053
Mr T Aitken	Deputy Mayor	Full Year	25,198	-	25,198	928	26,126
Mr K Dorsey	Councillor	Full Year	25,198	-	25,198	2,059	27,257
Mr J Grave	Councillor	Full Year	25,198	-	25,198	432	25,630
Mrs A Keygan	Councillor	Full Year	25,198	-	25,198	464	25,662
Mr S Konis	Councillor	Full Year	25,198	-	25,198	-	25,198
Mr C Lynch	Councillor	Full Year	25,198	-	25,198	2,242	27,440
Mr D Pease	Councillor	Full Year	25,198	-	25,198	-	25,198
			309,473	-	309,473	21,231	330,705
2023							
Mrs T Brumby (1)	Mayor / Councillor	Full Year	62,720	-	62,720	6,914	69,634
Mr S Konis (2)	Mayor / Councillor	Full Year	46,791	-	46,791	270	47,061
Ms G Simpson	Deputy Mayor	Full Year	43,356	-	43,356	1,311	44,667
Mr A Boyd	Councillor	01/07/2022 - 14/11/2022	7,958	-	7,958	132	8,090
Mr T Bulle	Councillor	01/07/2022 - 14/11/2022	7,958	-	7,958	441	8,399
Mr K Dorsey	Councillor	Full Year	24,336	-	24,336	2,133	26,469
Mrs A Keygan	Councillor	Full Year	24,336	-	24,336	2,171	26,507
Mr C Lynch	Councillor	Full Year	24,336	-	24,336	1,458	25,794
Mr D Pease	Councillor	Full Year	24,336	-	24,336	-	24,336
Mr T Aitken	Councillor	15/11/2022 - 30/6/2023	15,354	-	15,354	705	16,059
Mr J Grave	Councillor	15/11/2022 - 30/6/2023	15,354	-	15,354	1,200	16,554
			296,835	-	296,835	16,735	313,570

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024****10 Other matters (cont'd)****10.3 Related party transactions (cont'd)****(i) Councillor remuneration (cont'd)**

1. Mrs T Brumby was a Councillor until 14 November 2022, becoming Mayor from 15 November 2022
2. Mr S Koss became Mayor until on 14 November 2022, becoming a Councillor from 15 November 2022

*Section 72 (1) of the Local Government Act 1993 requires the disclosure of expenses paid to Councillors. The main category of Councillor expenses directly relates to communications (i.e. telephone, internet costs). Other areas of expenses include seminars, functions and professional development, plus out-of-pocket costs (i.e. meals, travel and accommodation) associated with attending a seminar or function, as well as dependant person care. All costs claimed are in accordance with the Local Government Act 1993 and associated General Regulations.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other matters (cont'd)

10.3 Related party transactions (cont'd)

(ii) Key Management Personnel Remuneration

Name	Position	Period	Remuneration band	Salary ¹	Short-term incentive payments ²	Vehicles ³	Other allowances and benefit ⁴	Super-annuation ⁵	Termination benefits ⁶	Non-monetary benefits ⁷	Total
2024											
Mr S Overland	General Manager	Full Year	\$280,001 - \$300,000	241,594	-	22,628	1,528	29,182	-	1,389	296,322
Mrs B Lynch	Director - Corporate and Commercial Services	Full Year	\$240,001 - \$260,000	190,797	-	19,436	1,511	26,072	-	17,672	255,487
Mr D Aherne	Director - Operations	Full Year	\$220,001 - \$240,000	177,938	-	20,339	-	24,306	-	3,048	225,631
Total				610,331	-	62,403	3,039	79,560	-	22,109	777,440

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other matters (cont'd)

10.3 Related party transactions (cont'd)

(ii) Key Management Personnel Remuneration (cont'd)

Name	Position	Period	Remuneration band	Salary ¹	Short-term incentive payments ²	Vehicles ³	Other allowances and benefit ⁴	Super-annuation ⁵	Termination benefits ⁶	Non-monetary benefits ⁷	Total
2023											
Mr S Overland	General Manager	Full Year	\$280,001 - \$300,000	234,368	-	19,563	1,130	30,546	-	(1,338)	284,289
Mrs B Lynch	Director - Corporate and Commercial Services	Full Year	\$220,001 - \$240,000	171,604	-	17,266	10,052	22,954	-	11,761	233,637
Mr D White	Director - Works and Services	15/08/2022 - 09/05/2023	\$160,001 - \$180,000	144,579	-	-	-	17,574	2,536	-	164,689
Mr P Earle	Director - Land and Environmental Services	01/07/2022 - 24/03/2023	\$20,001 - \$40,000	135,478	-	14,759	-	17,823	21,116	(151,358)	37,818
				686,029	-	51,608	11,182	88,897	23,652	(140,935)	720,433
Acting arrangements											
Mr D Aheme	Acting Director - Works and Services	20/4/2023 - 30/06/2023	\$40,001 - \$60,000	27,393	-	2,430	-	3,698	-	2,336	36,857
				713,422	-	54,037	11,182	92,595	23,652	(138,599)	756,290

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary.

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

⁴ Other allowances and benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

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

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

⁷ Non-monetary benefits include annual and long service leave movements and non-monetary benefits.

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other matters (cont'd)

10.3 Related party transactions (cont'd)

(iii) Transactions with related parties

	Purchases	Sales	Other	Balance outstanding		Provision for bad debts	Bad debts expenses
				Owed to Council	Owed by Council		
Transactions with related parties							
A.H. Pease Shoe Store	290	-	-	-	-	-	-
Tuffwear	88	-	-	-	-	-	-
Ikon Hotel	175	-	-	-	-	-	-
Lisbon House Properties - Bottleshop	1,107	-	-	-	-	-	-
Ken Dorsey	-	200	-	200	-	-	-
Joint venture							
Burnie Airport Corporation	-	14,676	-	(125)	-	-	-

Transactions with joint ventures

Transactions with joint ventures are detailed above

Transactions with subsidiaries and associates

There were no transactions with subsidiaries and associates in the 2023-24 financial year.

Transactions with related parties

In accordance with s84(2)(b) of the Local Government Act 1993, the General Manager has been notified in respect interests in the following entities with which the Council has major financial dealings:

Nature of Transactions: Purchase of uniform for staff from a local shoe store and uniform supplier, operated by a Councillor, purchased on normal market terms

Amount of Transactions: 378

Burnie City Council

Notes to the Financial Statements
For the Year Ended 30 June 2024**10 Other matters (cont'd)****10.3 Related party transactions (cont'd)****Transactions with related parties (cont'd)**

Outstanding balances, including commitments at year end: 0

Terms and Conditions Net 30 Days

Provision for doubtful debts: 0

The expense recognised during the period relating to bad or doubtful debts due from related parties: 0

Nature of Transactions: Purchase of accommodation, operated by a Councillor, purchased on normal market terms

Amount of Transactions: 175

Outstanding balances, including commitments at year end: 0

Terms and Conditions Net 30 Days

Provision for doubtful debts: 0

The expense recognised during the period relating to bad or doubtful debts due from related parties: 0

Nature of Transactions: Purchase of drinks and beverages, operated by a Councillor, purchased on normal market terms

Amount of Transactions: 1107

Outstanding balances, including commitments at year end: 0

Terms and Conditions Net 30 Days

Provision for doubtful debts: 0

The expense recognised during the period relating to bad or doubtful debts due from related parties: 0

Nature of Transactions: Sale of old laptop to a Councillor as part of programmed replacement program

Amount of Transactions: 200

Outstanding balances, including commitments at year end: 200

Terms and Conditions Net 30 Days

Provision for doubtful debts: 0

The expense recognised during the period relating to bad or doubtful debts due from related parties: 0

Burnie City Council**Notes to the Financial Statements
For the Year Ended 30 June 2024****10 Other matters (cont'd)****10.3 Related party transactions (cont'd)****(iv) Transactions with related parties that have not been disclosed**

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

- Payment of rates on a primary residence
 - Dog registration
 - Use of Council's swimming pool
 - Use of Council parking facilities, on street and reserved parking, at the publicly advertised rate
- Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

Burnie City Council
Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other matters (cont'd)
10.4 Significant business activities

	BAFC Trading		Aquatic Centre		Waste		Parking		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-	-	-	-	4,594	4,319	-	-	4,594	4,319
Rates	-	6	-	-	-	-	-	-	-	6
Grants	148	259	47	58	907	578	2,177	2,172	3,278	3,067
Other	-	-	-	-	-	-	-	-	-	-
	148	265	47	58	5,501	4,897	2,177	2,172	7,872	7,392
Expenses										
<i>Direct</i>										
Employee costs	-	155	6	15	761	714	779	667	1,546	1,551
Materials and contracts	51	68	980	955	4,270	4,711	646	367	5,947	6,101
Interest	-	-	-	56	187	-	-	-	187	56
Other	-	-	55	-	20	(18)	47	(9)	122	(27)
	51	223	1,041	1,026	5,238	5,407	1,472	1,025	7,802	7,681
<i>Indirect</i>										
Overheads	2	10	53	58	(713)	(332)	334	287	(323)	23
	2	10	53	58	(713)	(332)	334	287	(323)	23
Notional Cost of free services received										
<i>Capital costs</i>										
Depreciation	-	-	340	318	111	115	177	180	629	613
Opportunity cost of capital	-	1	281	269	114	109	327	212	723	591
	-	1	621	587	225	224	504	392	1,352	1,204
Competitive neutrality costs										
	1	5	48	44	6	6	70	64	126	119

Burnie City Council**Notes to the Financial Statements****For the Year Ended 30 June 2024****10 Other matters (cont'd)****10.4 Significant business activities (cont'd)****Accounting Policy**

Council considers a significant business activity to be a business activity that involves the production of goods and/or services in a market that is, or has the potential to be, competitive. Council has determined that the following services are

significant business activities:

- Catering, Bar & Room Hire – Burnie Arts & Function Centre
- Burnie Aquatic Centre
- Waste Management
- Parking

Operating, capital and competitive neutrality costs and revenue associated with each of the above activities are disclosed above. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and land tax which would be payable by an undertaking where no exemptions applied. Income tax has been calculated at the business rate after allowance for tax deductible items.

Certification of the Financial Report

The financial report presents fairly the financial position of the Burnie City Council as at 30 June 2024, the results of its operation 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.



Damien Aherne
General Manager

Date: 6-11-2024

CORPORATE AND COMMERCIAL SERVICES**AO179-24 POLICY REVIEW - PORTABLE AND ATTRACTIVE ASSETS
CP-CCS-CG-051**

FILE NO: 4/14/2
PREVIOUS MIN:

1.0 RECOMMENDATION:

“THAT Council adopt the Portable and Attractive Assets Policy, as attached.”

2.0 EXECUTIVE SUMMARY**Purpose and Background**

This report seeks Council’s approval to adopt the revised Portable and Attractive Assets Policy.

Key Issues

There are no significant concerns or amendments suggested following the review of the policy that has been conducted. The changes recommended to Council are considered minor and administrative.

3.0 SUPPORTING INFORMATION**Strategic Alignment**

This matter aligns with *Making a Better Burnie 2044* through Goal 5: Making democratic and engaged communities and the Enabler: Financial Management.

Legal

The treatment of assets by the Council is outlined in the Australian Accounting Standards AASB116 Property, Plant and Equipment.

Finance

There are no financial impacts that arise from this report.

Relation to Council Policy

The Burnie City Council has a broad Asset Management Policy that governs the policies and processes generally targeted at the larger and more significant assets that are capitalised. This policy is a sub-set to this policy and deals with the lower value items that are more susceptible to loss or theft.

Discussion

The Burnie City Council manages significant assets that by their nature and value, can be susceptible to theft or loss. These assets are referred to as 'Portable and Attractive Assets' and have the following types of characteristics:

- are in particular subject to risk of loss or theft due to their attractiveness;
- have a GST exclusive value of between \$500 to \$1,000; (i.e. they do not meet the definition of an assets under other policy);
- are readily moveable/detachable and easily portable; or
- may be easily concealed and readily disposed of.

On the basis of the above characteristics the following assets are examples of portable and attractive items:

- Cameras, video and audio equipment;
- Mobile phones, iPads, tablets and laptops;
- Power tools and trade equipment;
- Automated External Defibrillator (AEDs);
- GPS and dash cams.

The objective of this policy is to ensure consistency and transparency in the way that the Council acquires, captures, reports, audits and eventually disposes of portable and attractive assets.

As part of the 2016-17 audit undertaken by the Tasmanian Audit Office, the following finding was observed and provided as advice to the Council:

“Probity is a special consideration in the public sector that requires an understanding of the expectations and standards required for the use of public resources.

We undertook procedures to review controls and safeguards that management has in place to ensure ethical and appropriate management of public resources.

Our review identified that improvements could be made to ensure assets that may be considered attractive and portable, although below Council’s capitalisation threshold, are recorded, tracked and only used for legitimate business (or their personal use is limited and managed).”

The recommendation made by the Tasmanian Audit Office resulting from this finding, which was outlined in the 2016-17 end of year report. It concluded that the Council should develop and implement a policy and associated procedures for the management of portable and attractive items. The matter remained on respective Tasmanian Audit Office end of year

reports as an outstanding action to be implemented, until the policy was developed and approved by the Council on 24 August 2021.

The Policy has now been revised and the following administrative changes are recommended:

- The update to naming conventions for positions that have a role to play in this process.
- Reference to the PAAR being a sub-register to the parent asset register.
- Minor amendments to reflect clarity of process.

Health and Safety

There are no health and safety impacts resulting from this report.

Risk

There are no material risks that require consideration in relation to this report.

Environmental Sustainability

There are no environmental sustainability impacts to be considered in this report.

Consultation

Relevant Council Officers have been consulted in the preparation of this report.

Conflict Of Interest

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

ATTACHMENTS

1. [Draft Portable and Attractive Assets Policy - including track changes](#)

	COUNCIL POLICY	
	Portable and Attractive Assets - DRAFT	
Approved By: Council	Doc Controller: Director Corporate and Commercial Services	Document Code: CP-CCS-CG-051
		Version: 1.0
		Approved Date: TBA
		Next Review Date: TBA + 3 years

1 PURPOSE

The Burnie City Council manages significant assets that by their nature and value, can be particularly susceptible to theft or loss. These assets are referred to as 'Portable and Attractive Assets'.

This policy details how the City will account for and manage these items.

2 OBJECTIVE

The objective of this policy is to ensure consistency and transparency in the way that the Council acquires, reports, audits and disposes of portable and attractive assets.

3 SCOPE

Definitions that relate to this policy include:

Attractive: 'by its nature' (size, utility, marketability) may be susceptible to theft or loss.

Portable: the item can be easily moved between locations by one person.

Portable and attractive assets are those items that, due to their nature and value, have the following characteristics:

- are in particular subject to risk of loss or theft due to their attractiveness;
- have a GST exclusive value of between \$500 to \$1,000; ~~(i.e. they do not meet the definition of an assets);~~
- are readily moveable/detachable and easily portable; or
- may be easily concealed and readily disposed of.

On the basis of the above characteristics and without restricting the application of this section, the following assets are automatically classified as portable and attractive items:

- Cameras, video and audio equipment;
- Mobile phones, iPads, tablets and laptops;
- Power tools and trade equipment;
- Floating plant and loose tools;
- Automated External Defibrillator (AEDs);
- GPS and dash cams;
- Duress alarms; and
- Any other items so classified from time to time by the relevant Director.

4 POLICY

To ensure that portable and attractive assets are managed effectively, it is important that the Council maintain a Portable and Attractive Asset Register (PAAR). ~~This is a sub register of the asset register.~~ The PAAR will include the following information as a minimum:

	COUNCIL POLICY	
	Portable and Attractive Assets - DRAFT	
Approved By: Council	Document Code: CP-CCS-CG-051	Version: 1.0
Doc Controller: Director Corporate and Commercial Services	Approved Date: TBA	Next Review Date: TBA + 3 years

- a description of the asset;
- the cost (for insurance purposes);
- any unique identification numbers such as serial number and asset tags;
- the identity of the asset custodian and their respective business unit; and
- the purchase and disposal date of the asset.

Asset recording

To facilitate effective internal management, reporting and control over these assets, the assets will be registered and maintained in the PAAR by the [Management Accountant](#).

It is the responsibility of the employee purchasing the asset, to complete the necessary form to identify the purchase for inclusion on the PAAR by completing the Asset Acquisition Form.

~~Costs for portable and attractive assets are to be expensed using the appropriate natural account as determined by the Council's chart of accounts. Given their low value and the asset not meeting the criteria of an asset, capital funding is not able to be used to procure these items.~~

The PAAR will detail the location and custodian of the asset. Due to their ability to directly exercise management and control over the asset, the custodian will be responsible for the safe custody of the asset.

Portable and attractive assets are removed from the register when they are disposed of (e.g. due to being obsolete, surplus or damaged beyond repair), lost or stolen. Ideally assets should be removed at the time of the disposal; however assets that are lost or stolen are typically only identified during a PAAR stocktake. It is the responsibility of the asset custodian or their business unit to provide the appropriate form that indicates and asset must be disposed, by completing the Asset Retirement Form.

Asset care and use

All staff responsible for portable and attractive assets will ensure all possible means are taken for their proper use, care and safekeeping. Any damage incurred or repairs required will be brought to the attention of the relevant manager as soon as possible.

Managers and supervisors will need to ensure that consideration is given to the most adequate method of security of the asset depending upon the item. Considerations to be made include:

- alleviating fraud through misappropriation of the asset – subsequent prevention measures must be taken into account;
- appropriate controls exist to track the asset throughout its lifecycle;
- the method chosen to track the asset is an effective and efficient when taking account of the type, size and cost of the item.

Whilst a limited amount of private use for some portable and attractive items is considered reasonable, managers are to actively ensure that any private use of these items is limited and kept to a minimum.

Stocktake

	COUNCIL POLICY	
	Portable and Attractive Assets - DRAFT	
Approved By: Council	Doc Controller: Director Corporate and Commercial Services	Document Code: CP-CCS-CG-051
		Version: 1.0
		Approved Date: TBA
		Next Review Date: TBA + 3 years

The relevant manager or supervisor of each business unit, will be responsible for ensuring that a stocktake of all registered portable and attractive assets within their jurisdiction, is carried out on an annual basis. The coordination of the stocktake will be facilitated by the [Management Accountant](#).

To enable this, a report will be produced annually for each business unit outlining the assets that have custodians of portable and attractive assets within that unit; the last time the asset was part of a stocktake; and where applicable, the condition of the individual assets and its location.

Upon completion of the stocktake the Director of the respective business unit is to approve the submission of the stocktake to ensure that they are satisfied that effective management controls are in place to both monitor and track portable and attractive items.

The overall outcome of the annual stocktake will be reported to Director Corporate and Commercial Services and the Chief Financial Officer.

In addition to this regular annual stocktake, all registered portable and attractive assets may be subject to individual spot audits on a periodic basis to ensure that adequate control over these assets is being maintained.

Disposal of portable and attractive assets

Once a decision has been made that a portable and attractive asset has reached the end of its useful life it is imperative that the asset is ethically disposed.

Disposal is a two phased process, entailing deactivation from the PAAR and the physical disposal of the item.

This function is often referred to as the asset retirement process. The completion of the Asset Retirement Form is mandatory for the disposal of an asset and must be completed and approved by the respective manager, prior to the disposal occurring. The general steps in the process are:

- Identify the asset for disposal.
- Determine the reason for disposal to support the retirement of the asset from the register. The reason shall be one of the following categories, that is the asset is:
 - Obsolete – no longer provides benefit to the Council or business unit or is outdated technology and no longer performs the function required
 - Destroyed – damaged beyond economical repair
 - Lost – unable to be located
 - Stolen
 - Exchanged under warranty
 - Stocktake write-off – items not located during the annual stocktake
 - Donated
 - Other – specific details must be proved
- Complete the Asset Retirement Form.
- Obtain signoff from the respective manager.

	COUNCIL POLICY	
	Portable and Attractive Assets - DRAFT	
Approved By: Council	Doc Code: CP-CCS-CG-051	Version: 1.0
Doc Controller: Director Corporate and Commercial Services	Approved Date: TBA	Next Review Date: TBA + 3 years

- Where an asset still exists and an ethical means of disposal is recommended, the approval of the respective Director is required.
- Ensure that assets that need to be physically disposed are ethically disposed, confirmed by two employees and documented on the Asset Retirement Form.
- Record the final documentation in Content Manager.
- Provide the Asset Retirement Form to the [Management Accountant](#) who will retire the asset.

From time to time there may be other reasons where disposal of an asset is considered appropriate, such as a terminating employee being provided the opportunity to acquire their technology if there is no operational need for the equipment ongoing. In these situations only the respective Director or General Manager is able to approve such arrangements.

The purchase arrangements negotiated in these situations are to be in line with the written down value of the asset, or fair value of the asset as determined by a suitably qualified technician.

5 LEGISLATION

- Audit Act 2008
- Financial Management Act 2016
- AASB 116 Property, Plant and Equipment
- AASB 13 Fair Value Measurement
- Local Government Act (TAS) 1993

6 RELATED DOCUMENTS

- Asset Management Policy CP-CBS-SG-016
- Property, Infrastructure, Plant and Equipment Accounting Policy WP-CBS-FIN-002
- Portable and Attractive Asset Acquisition Form
- Portable and Attractive Asset Retirement Form

7 RESPONSIBILITIES

Parties or Persons	Responsibilities
General Manager	Overall responsibility to ensure that the Council complies with its obligations and responsibilities of the relevant legislative requirements.
Director Corporate and Commercial Services	Responsibility for monitoring compliance and suitability of this policy. Ensuring that appropriate procedures and practices are in place across the organisation.
Directors	To ensure that Departments are actively monitoring and safeguarding portable and attractive assets.

 BURNIE CITY COUNCIL	COUNCIL POLICY Portable and Attractive Assets - DRAFT	Approved By: Council Doc Controller: Director Corporate and Commercial Services	Document Code: CP-CCS-CG-051 Version: 1.0 Approved Date: TBA Next Review Date: TBA + 3 years
--------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------	--------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------

Parties or Persons	Responsibilities
Managers and Supervisors	Responsibility for undertaking the annual stocktake for respective business units and ensuring that staff meet the operational requirements of this policy.
<u>Management Accountant</u>	Oversight of the maintenance and good governance of the Portable and Attractive Asset Register, and for coordinating the annual stocktake process.
Individual Asset Custodians	The safe custody of portable and attractive assets and ensuring that reporting requirements are facilitated in a timely manner, as required.

Policy Endorsement	
Minute Reference:	XXX
Council Meeting Date:	XXX
Strategic Plan Reference:	Goal 5: Making Democratic and Engaged Communities; Enabler: Financial Management
Previous Policies Replaced:	The revised policy replaces the previous version adopted by Council on 24 August 2021.
Date of Commencement:	XXX
Publication of Policy:	This policy is accessible from Content Manager (Doc 21/39633) or via the Council website www.burnie.tas.gov.au

CORPORATE AND COMMERCIAL SERVICES**AO180-24 POLICY REVIEW - COMMUNITY ASSISTANCE POLICY
CP-CCS-CG-002**

FILE NO: 4/14/2
PREVIOUS MIN:

1.0 RECOMMENDATION:

“THAT Council adopt the Community Assistance Policy, as attached.”

2.0 EXECUTIVE SUMMARY**Purpose and Background**

The purpose of this report is to seek Council’s adoption of the revised Community Assistance Policy.

Key Issues

The key issue with reviewing this policy is to take account of the new operating environment that will occur when Burnie Arts has completed its transformation and opens to the public officially in early 2025.

At present the venue is used significantly by community groups, who under this policy receive a 60% reduction in the typical rate. This is fantastic and we encourage this to continue.

What we need to be mindful of now is striking a balance between discounted community use, and leveraging opportunities for our new centre to attract business that will in turn has the ability to generate additional income through commercial means. This too is opportunistic as the Council seeks to make the new Burnie Arts facility, a long-term proposition that is sustainable into the future.

3.0 SUPPORTING INFORMATION**Strategic Alignment**

This report aligns to Making a Better Burnie 2044 through Goal 1: Making an Active Town Centre, and Goal 4: Making Culturally Rich and Vibrant Communities, as well as through the Enabler: Financial management.

Legal

There are no direct legal implications or legislative requirements for Council arising from the recommendation in this report.

Finance

There are no financial impacts resulting from this report at this time.

Relation to Council Policy

Officers have prepared a draft Business Plan that is proposed to operate once the new facility is formally opened. An important aspect of that Plan is considering how the Council will make the facility sustainable into the future, for the ongoing use and enjoyment of its community.

Discussion

The Policy has significant take up each year, and therefore it not proposed to change the policy significantly as it is working well, other than to incorporate a balance between community and commercial use of the new Burnie Arts facility.

The proposed changes are summarised below:

- Strengthening of the section around Federal and State Government, in addition to their GBE's not being eligible for the community discount; and
- Providing clarity that technical support and any other fee outside of venue hire and event equipment is not covered by the policy; and
- Seeking Council to determine each year the level of expense considered appropriate under this policy.

The level of expense has yet to be determined by the Council on the basis that the first step is the Council forming a policy position to do so. During the development of the budget for 2025-26, officers will work with the Council to qualify the budget parameters. Nothing will change at this time until this work is completed.

Health and Safety

There are no health and safety impacts resulting from this report.

Risk

There are no identified strategic risks that require consideration in relation to this report.

Environmental Sustainability

There are no environmental sustainability impacts to be considered in this report.

Consultation

Relevant Council Officers have been consulted in the preparation of this report. Councillors have received a briefing on the proposed Business Plan, which is currently about to be consulted on, with the impacted Council workforce.

Conflict Of Interest

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

ATTACHMENTS

1 [↓](#). Draft Community Assistance Policy - shown in track changes

	COUNCIL POLICY	
	Community Assistance Policy - DRAFT	
	Approved By: Council	Document Code: CP-CCS-CG-002
	Doc Controller: Director Corporate and Commercial Services	Version: 6.0
	File: 4/14/2	Approved Date: XXX
		Next Review Date: XXX

1 PURPOSE

The purpose of this policy is to ensure that financial subsidies for the use of Burnie Arts, are provided on an equitable basis to clubs and community organisations, while still enabling the facility to run sustainably through commercial rental opportunities.

2 OBJECTIVE

The objective of this policy is to ensure that the provision of assistance is undertaken on a consistent, fair, equitable and transparent basis.

3 SCOPE

This policy is limited to clubs and community organisation who have a significant reach in Burnie, or a Not-for-Profit organisation providing a service or public benefit to the Burnie community.

This policy does not cover Federal or State Government authorities or their GBE's, that are delivering community services, unless where specified.

4 POLICY

4.1 Community Discounts on Venue Hire

4.1.1. Council shall provide a discount totalling 60% of the standard ~~functions and performing arts~~ venue hire fee for ~~both the~~ Burnie Arts.

4.1.2. Council may also provide a discount on event equipment hire at the discretion of the Executive Manager Burnie Arts or the Director Corporate and Commercial Services.

4.1.3. Any additional costs, including but not limited to technical support, will not be discounted.

4.1.4. The following organisations are eligible for the discount:

- Clubs and community organisations either located in Burnie or which have substantial membership of Burnie residents, and which through their event offer benefits to the people of Burnie. Financial Assistance may be made to Regional or District organisations for distribution to sub or local branches where this situation applies; or
- Not-for-profit community organisations providing a public benefit to the Burnie community; or
- Educational institutions where the event primarily involves students from the Burnie region, and which are endorsed by either the Department of Education, or the Principal of an independent school.

 <p>BURNIE CITY COUNCIL</p>	COUNCIL POLICY	
	Community Assistance Policy - DRAFT	
	Approved By: Council	Document Code: CP-CCS-CG-002
	Doc Controller: Director Corporate and Commercial Services	Version: 6.0
	File: 4/14/2	Approved Date: XXX
		Next Review Date: XXX

4.1.5. All discounts on venue hire shall be recorded and accounted for through the annual Community Grants budget allocations.

4.1.6. Council will, through its Annual Plan and Budget Estimates each year, establish a budget for the expenditure associated with this policy. This will enable officers to be clear about the investment Council wishes to make each year. It also serves as a cap for community use so as to enable Burnie Arts to also leverage paid commercial opportunities to ensure sustainability of the facility for the future.

4.10 Reporting

4.10.1 The *Local Government Act 1993* requires that the details of any grant made or benefit provided are to be included in the Annual Report of the Council.

5 LEGISLATION

Local Government Act 1993

6 RELATED DOCUMENTS

Community Discount Request Form for Venue Hire – FO-CED-BAFC-002

Policy Endorsement	
Responsibility:	It is the responsibility of the Director Corporate and Commercial Services to administer and review this policy.
Minute Reference:	XXX
Council Meeting Date:	XXX
Strategic Plan Reference:	<u>Goal 1: Making an Active Town Centre, and Goal 4: Making Culturally Rich and Vibrant Communities</u>
Previous Policies Replaced:	This policy replaces the previous Community Assistance Policy approved by <u>the Council at its meeting of 26 October 2021.</u>
Date of Commencement:	XXX
Publication of policy:	Members of the public may inspect this policy at the City Offices, or access it on Council's website (www.burnie.tas.gov.au)

CORPORATE AND COMMERCIAL SERVICES**AO181-24 POLICY REVIEW - COMMUNITY GRANTS POLICY
CP-CCS-CG-053**

FILE NO: 4/14/2
PREVIOUS MIN:

1.0 RECOMMENDATION:

“THAT Council adopt the Community Grants Policy, as attached.”

2.0 EXECUTIVE SUMMARY**Purpose and Background**

The purpose of this report is to seek Council’s approval of the revised Community Grants Policy.

Key Issues

The revised policy has been updated to encompass a new grant category, being the Community Partnership Program that has been developed in partnership with Marinus Link.

3.0 SUPPORTING INFORMATION**Strategic Alignment**

This report aligns with Making a Better Burnie through Goal 2: Making liveable local communities; Goal 3: Making sustainably built and natural environments; Goal 4: Making culturally rich and vibrant communities; and the Enabler: Financial Management.

Legal

There are no direct legal implications or legislative requirements for Council arising from the recommendation in this report.

Finance

There are no financial impacts resulting from this report.

Relation to Council Policy

If approved by the Council, the revised policy will replace the current version.

Discussion

The policy has been reviewed comprehensively and a number of recommendations are put forward for Council's consideration, as follows:

- The category of community grants has been updated to include the Marinus Link and Burnie City Council Community Partnership Program. This joint initiative when released in its infancy was managed by Burnie City Council with Marinus Link playing a role in the selection of the successful applicant. As Council's process was used it is appropriate it now be included in this policy to have continuity and transparency over this new grant stream.
- Increased narrative to educate the community that when Council submits its Annual Plan and Budget Estimates each year, they are encouraged to submit their views on the suggested community grants that will be supported.
- Providing clarity that during the Annual Plan and Budget Estimates process the community may lobby councillors around particular grants that are suggested (or not) for approval.
- Removal of timeframes for the Annual Plan and Budget Estimates included previously as this is subject to change depending upon Council's planning processes.
- Alignment to specific policies of the Council, for the community's benefit.
- Inclusion of additional narrative to be clear that once Council approves a project, that the funds offered are to pay for any associated Council services, such as venue hire, and equipment, from those grant funds.
- Approval of Achievement Grants by the Directors or their delegate, who at this time is the Executive Manager Burnie Arts.
- The addition of Major Event grants which will now be run through Smartygrants in the same way as other grants, as opposed to the current separate process that occurs.

Health and Safety

There are no health and safety impacts resulting from this report.

Risk

There are no identified risks that require consideration in relation to this report.

Environmental Sustainability

Council seeks to be more environmentally responsible as part of its commitment made in Making a Better Burnie 2044. The offering of community grants that enable initiative and programs to be conducted by community, is a positive way to do this.

Consultation

Relevant Council Officers have been consulted in the preparation of this report.

Conflict Of Interest

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

ATTACHMENTS

1 [↓](#). Draft Community Grants Policy - shown in track changes

	COUNCIL POLICY	
	Community Grants Policy - DRAFT	
Approved By: Council	Doc Controller: Director Corporate and Commercial Services	Document Code: CP-CCS-CG-053
		Version: 2.0
		Approved Date: XXX
		Next Review Date: XXX

1 PURPOSE

This policy outlines Council's approach to governing, managing and awarding grants to the community to assist with community development.

2 OBJECTIVE

The objective of this policy is the provision of financial assistance to our community on a fair and equitable basis.

3 SCOPE

The Policy applies to grants to the community that are considered and approved by Council for specific agreed purposes, as part of the annual budget process. It applies to the promotion, assessment and management of grant programs where Council is providing a funding contribution directly to an organisation, auspice organisation or individual.

Council provides annual and multi-year funding to support the community to respond to community needs, provide programs and services that strengthen the Burnie community and deliver strategic outcomes for Council. The Burnie City Council is committed to providing this funding efficiently, equitably and ethically.

The following grant programs fall within the scope of this Policy.

Achievement Grants – to assist individuals or groups selected to represent Tasmania or Australia.

Community Grants – to assist community, arts and cultural organisations in delivering programs, services or events to the Burnie community.

Environmental Grants – to assist community groups to undertake work or projects that deliver an environmental benefit in the Burnie area.

Maintenance and Improvement Grants – to contribute to the maintenance or improvement of facilities being undertaken by a local community, cultural or sporting organisations or groups.

[Marinus Link and Burnie City Council Community Partnership Program – to provide funding for projects that align with the Marinus Link Sustainability Framework and Making a Better Burnie 2044 outcomes for our community.](#)

[Major Event Grants – to enable partnerships for larger events that aim to have attendance of more than 3,000 patrons.](#)

4 POLICY

4.1 Aims

In providing funding, Council aims to:

	COUNCIL POLICY		Community Grants Policy - DRAFT	
	Approved By: Council	Doc Controller: Director Corporate and Commercial Services	Document Code: CP-CCS-CG-053	Version: 2.0
			Approved Date: XXX	Next Review Date: XXX

- strengthen the Burnie community through support of a diverse range of activities, services, and programs that are responsive to community needs.
- create a thriving and active community that is safe, healthy, and brings people together.
- build the capacity of local organisations and strengthen partnerships within Burnie to support development, collaboration and sustainability.

4.2 Community development

Grant programs are developed and administered in the context of Council's commitment to community development. The following principles will be reflected in grant practices:

Responsiveness – meeting identified community needs in a relevant and timely manner

Equity – ensuring opportunities and resources are distributed in a fair and equitable manner

Inclusiveness – providing opportunities for the community to meaningfully participate in planning and decision making

Capacity building – supporting and strengthening the community to identify needs and develop solutions at a local level

Collaboration – establishing networks and fostering partnerships to work together to achieve positive outcomes and partner with Council to deliver strategic outcomes.

4.3 Management of grants programs

In line with good governance Council is committed to delivering grant programs that are:

Ethical and accountable – grant processes are robust and stand up to scrutiny, governance is clear and strong and appropriate policies and procedures are followed.

Strategic and needs based – a range of grants that align with Council's strategic priorities, respond to community needs and provide outcomes that benefit Burnie residents.

Customer focused and efficient – grant programs that are consistent across Council, grant information is accessible and processes for applicants are well-organised and streamlined.

4.4 Administration of grant programs

4.4.1 Application processes

Grant opportunities will be promoted using a variety of avenues to provide everyone who is eligible to apply for a grant with the same opportunity to do so. Grant applications are to be submitted within the period that Community Grants program is open.

Applications received after this time will not be considered, unless there are extraordinary and unforeseen circumstances as to why the application could not be submitted during the

	COUNCIL POLICY	
	Community Grants Policy - DRAFT	
	Approved By: Council	Document Code: CP-CCS-CG-053
	Doc Controller: Director Corporate and Commercial Services	Version: 2.0
	Approved Date: XXX	Next Review Date: XXX

[Community Grants program process](#). Further detail on what constitutes extraordinary and unforeseen circumstances is provided below.

Council's budget process includes exhibition of a draft budget released each year for public consultation. [The community will therefore have the opportunity to see first-hand those grants the Council is considering funding for and provide their feedback on this. Conversely grant applicants may make submissions to councillors with respect to their grant applications as part of the budget consultation process.](#)

Feedback from the public consultation [process](#) will be reported to councillors [and ultimately Council will determine the community grant support for the upcoming financial year, within the annual budget, ordinarily in June of each year.](#)

Each grant program will have its own set of guidelines. These guidelines will be in a consistent format and outline to the community the specific purpose, process and conditions of the grant program. Guidelines specific to each grant program will include the following:

- Objectives of the program
- Application process
- Eligibility and assessment criteria
- Acquittal/reporting process
- Funding conditions (if different to standard conditions detailed in 4.5)

Council will use an online grants administration system to ensure a consistent, efficient and user-friendly customer experience. Personal information about individuals collected during the grant process will be treated in accordance with Council's [Personal Information Protection Policy](#).

Unsolicited requests for funds will be directed to an appropriate grant program and must meet requirements as detailed in the relevant guidelines to be considered for grant funding.

4.4.2 Assessment processes

To ensure transparent decision-making, applications will be assessed based on criteria provided in the program guidelines.

Conflicts of interest will be managed to ensure an accountable and transparent assessment process. Anyone with a conflict of interest will not participate in any decision relating to the specific application.

All applicants will be informed of the outcome of their application in writing. Customer concerns and complaints will be managed according to Council's [Customer Service Charter](#).

4.5 Standard Conditions

	COUNCIL POLICY	
	Community Grants Policy - DRAFT	
Approved By:	Council	Document Code: CP-CCS-CG-053
Doc Controller:	Director Corporate and Commercial Services	Version: 2.0
		Approved Date: XXX
		Next Review Date: XXX

The following conditions apply to all Council's grants programs. Council's contribution is limited to the amount granted with all other costs associated with the project being borne by the grant recipient, [including access to Council's facilities and services](#).

- Funding must only be used for the purposes outlined by Council in the letter of offer or agreement. Changes can only be made if requested in writing and approved by Council beforehand.
- When an organisation or individual accepts a grant and/or signs an agreement it means that they accept the conditions within this policy and the guidelines relevant to the specific grant program.
- Organisations must retain sufficient records to substantiate expenditure of the grant funds for the purposes approved in writing by Council.
- If more than 10% of the grant is not spent [on the purpose of the grant](#), it must be returned to Council in full, unless stated otherwise in [the guidelines](#).
- Council reserves the right to withdraw funding and/or cease partnership with a grant recipient if the project is not progressing satisfactorily, the organisation ceases to be eligible, the organisation breaches funding conditions, or the project risks the positive reputation of the Burnie City Council. If this occurs, the organisation will be fully liable for costs involved and grant funds must be returned to Council.
- The organisation receiving the grant must obtain all relevant permits or approvals before they proceed with their project.
- The organisation or individual receiving the grant must appropriately publicly acknowledge Council's funding support but cannot use Council's logo in promotional material unless they have approval in writing.
- Any other funding conditions will be outlined in individual program guidelines, letters of offer and/or funding agreements.

4.6 Administrative Updates

It is recognised that from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. However, any change or update which materially alters this document must be by resolution of Council.

4.7 Extraordinary and unforeseen circumstances

To best meet the objectives of this policy, grant applications will only be considered as part of Council's annual budget process. In extraordinary or unforeseen circumstances a grant application may be

	COUNCIL POLICY	
	Community Grants Policy - DRAFT	
Approved By:	Council	Document Code: CP-CCS-CG-053
Doc Controller:	Director Corporate and Commercial Services	Version: 2.0
		Approved Date: XXX
		Next Review Date: XXX

submitted to the General Manager seeking funding outside of the normal budget process. The application will need to explain and justify the extraordinary and unforeseen nature of the request, and why the application was not able to be included in the annual Community Grants program process. In this regard 'extraordinary' and 'unforeseen' will be given their normal dictionary meaning. The Chambers Dictionary defines 'extraordinary' as; not usual or regular, remarkable or wonderful, special or additional. 'Unforeseen' is defined as; not to see or know beforehand.

As extraordinary and unforeseen applications will be rare, and potentially time sensitive, the General Manager will assess and determine these applications. The funding in these instances will be drawn from contingency funding allocated annually by the Council, for the individual grant program applicable. A decision to refuse an extraordinary and unforeseen application will be final and not subject to any review.

4.8 Mayor's Grant Fund

An amount of \$2,500 will be budgeted annually in the Community Grants allocation, to enable minor grant requests to be approved at the discretion of the Mayor.

5 DELEGATION

Delegation of this matter rests with the Council to determine the success of grant applications as part of the annual grant funding rounds, for Community Grants, Environmental Grants and Maintenance and Improvement Grants. Each three-year period the Council will consider the Marinus Grant and Burnie City Council Community Partnership Program.

Determination with regard to extraordinary and unforeseen applications will be determined by the General Manager.

Achievement Grants will be determined by Director Corporate and Commercial Services, or their delegate.

6 REVIEW

A review of this document will occur three years after its effect date.

7 REPORTING

The *Local Government Act 1993* requires that the details of any grant made or benefit provided are to be included in the Annual Report of the Council.

8 LEGISLATION

Local Government Act 1993

9 RELATED DOCUMENTS

 <p>BURNIE CITY COUNCIL</p>	COUNCIL POLICY		Community Grants Policy - DRAFT	
	Approved By: Council	Doc Controller: Director Corporate and Commercial Services	Document Code: CP-CCS-CG-053	Version: 2.0
			Approved Date: XXX	Next Review Date: XXX

- Achievement Grant Guidelines
- Community Grant Guidelines
- Environmental Grant Guidelines
- Maintenance and Improvement Grant Guidelines
- [Marinus Link and Burnie City Council Community Partnership Program Guidelines](#)
- [Major Event Grant Guidelines](#)

Policy Endorsement	
Responsibility:	It is the responsibility of the General Manager to ultimately ensure this policy is implemented. The Director Corporate and Commercial Services is responsible for reviewing the policy and its operationalisation.
Minute Reference:	XXX
Council Meeting Date:	XXX
Previous Policies Replaced:	This policy replaces the previous policy that was adopted by the Council at its meeting of 26 October 2021.
Date of Commencement:	XXX
Publication of policy:	Members of the public may inspect this policy at the City Offices, or access it on Council's website (www.burnie.tas.gov.au)

CORPORATE AND COMMERCIAL SERVICES**AO182-24 TASMANIAN AUDIT OFFICE REPORT - PRIVATE WORKS
UNDERTAKEN BY COUNCIL**

FILE NO: 13/2/3
PREVIOUS MIN:

1.0 RECOMMENDATION:

“THAT Council receive and note the information provided in relation to the Report of the Auditor-General’s No. 3 2023-24 into Private Works Undertaken by Councils.”

2.0 EXECUTIVE SUMMARY**Purpose and Background**

The purpose of this report is to communicate to the Council, the Auditor-General’s finding regarding a performance audit conducted in relation to private works performed by Tasmanian councils.

Key Issues

Burnie City Council was selected to participate in this performance audit as of the sample councils.

3.0 SUPPORTING INFORMATION**Strategic Alignment**

This report aligns with Making a Better Burnie 2044 through Goal 5: Making democratic and engaged communities, and the Enabler: Financial Management.

Legal

There are no direct legal implications or legislative requirements for Council arising from the recommendation in this report.

Finance

There are no financial impacts resulting from this report.

Relation to Council Policy

The Council has an informal policy to not perform private works, unless these are required due to an emergency situation.

Discussion

The objective of this Performance Audit was for the Tasmanian Audit Office to form a limited assurance conclusion on the effectiveness of council's management of private works, and to promote transparency and consistency across the local government sector in Tasmania.

The scope of the audit, conducted in 2023-24 was on the reporting period of 2021-22 only.

The conclusion of the Auditor-General was that Tasmanian councils, as measured against the criteria, were not effectively managing private works. This was because they have not established transparent and consistent processes for managing private works or complied fully with relevant legislative requirements.

During the reporting period, the Burnie City Council did not undertake any private works. It is management's position that Council should not undertake private works on the following basis:

- We prioritise our own capital works delivery above taking on additional work; and
- There are competent contractors within our city that can undertake these works, and Council does not seek to be in competition with these companies.

Subsequently management are satisfied that the recommendations that apply to some councils following the audit, are not applicable to Burnie City Council, currently. The Audit Panel at their meeting of 30 October 2024 considered the report and recommendation and concurred.

Health and Safety

There are no health and safety impacts resulting from this report.

Risk

There are no identified risks that require consideration in relation to this report.

Environmental Sustainability

There are no environmental sustainability impacts to be considered in this report.

Consultation

Relevant Council Officers have been consulted in the preparation of this report. The Auditor-General's report and findings were discussed at the Audit Panel meeting of 30

October 2024. The Audit Panel supported officers' recommendation that there was no action necessary for the Burnie City Council to take, in relation to this matter.

Conflict Of Interest

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

ATTACHMENTS

1 [↓](#). Auditor-General's Report No. 3 of 2023-2024 - private works undertaken by councils



Tasmanian
Audit Office



**Report of the Auditor-General
No. 3 of 2023-2024**

Private works undertaken by councils

21 May 2024

Strive • Lead • Excel | *To Make a Difference*

Our Role

The Auditor-General and Tasmanian Audit Office are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are
- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our [reports](#) page on our website.

Acknowledgement of Country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

2023

(No. 24)



2024
PARLIAMENT OF TASMANIA

Private works undertaken by councils

21 May 2024

Presented to both Houses of Parliament pursuant to
Section 30(1) of the *Audit Act 2008*

iii

© Crown in Right of the State of Tasmania May 2024

Auditor-General's reports and other reports published by the Office can be accessed via the Office's website. For further information please contact:

Tasmanian Audit Office

GPO Box 851

Hobart

TASMANIA 7001

Phone: (03) 6173 0900

Email: admin@audit.tas.gov.au

Website: www.audit.tas.gov.au

ISBN: 978-0-6455514-5-7



Level 2, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

21 May 2024

President, Legislative Council
Speaker, House of Assembly
Parliament House
HOBART TAS 7000

Dear President, Speaker

Report of the Auditor-General No. 3 of 2023-24 – Private works undertaken by councils

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*. The objective of the review was to form a limited assurance conclusion on the effectiveness of councils' management of private works.

Yours sincerely

Martin Thompson
Auditor-General

v

Page left blank intentionally

Table of contents

- Foreword** **1**
- Independent assurance report** **3**
- Executive summary** **7**
 - Summary of findings 7
 - Recommendations 9
 - Submissions and comments received 9
- 1. Introduction** **15**
 - Context 15
- 2. Private works policies and processes** **18**
 - Chapter summary 18
 - Councils had largely not established policies to support private works 19
 - Councils had largely not established effective decision-making processes to manage private works 23
 - Councils had established, but not fully complied with, dispute resolution processes 25
 - Councils had established, but not fully complied with, conflict of interest processes 27
- 3. Compliance with the *Local Government Act 1993* and the National Competition Policy** **31**
 - Chapter summary 31
 - Councils had not established or consistently applied fee schedules 32
 - Councils had not considered the Competitive Neutrality Policy 36
- Acronyms and abbreviations** **41**

Page left blank intentionally

Foreword

Councils enable the economic, social and cultural development of municipal areas by providing a range of services. Most of these are core services provided in accordance with legislative requirements, such as planning and waste management services. Some councils provide other services to individuals, community organisations and government entities, at their request. The supply of services and works to external parties at their request is referred to as 'private works.' These occur under section 205 of the *Local Government Act 1993* and can include services to council employees and councillors.

Historically, there has been little transparency on how these services are managed, which could increase the perceived or actual risk of mismanagement and fraud.

In 2018-19, the Integrity Commission considered allegations regarding a council general manager's misuse of public resources for personal gain arising from private works (Investigation Weld). Whilst the Integrity Commission found the general manager had followed correct procedures in all instances, it referred process-related issues to me for examination to increase transparency and accountability for managing private works.¹ In November 2019, the Local Government Inspectorate in Victoria also investigated alleged offences and breaches arising from private works being conducted by staff for cash or in-kind payments.²

Private works undertaken by a council may also have an impact on private contractors and local businesses who may be providing or looking to provide similar services.

As such, the objective of this review was to form a limited assurance conclusion on the effectiveness of councils' management of private works, and to promote transparency and consistency across the local government sector.

In evaluating and examining the management of private works, this report provides information to councils on risks and best practice for the management of private works, and recommendations to increase transparency, compliance, and good governance.

I thank the councils involved, and the Local Government Association of Tasmania, for their cooperation throughout the review.

Martin Thompson
Auditor-General

21 May 2024

¹ IC (Integrity Commission) (2023), [Annual Report 2018-19](https://www.integrity.tas.gov.au/__data/assets/pdf_file/0006/546738/Integrity-Commission-Annual-Report-2018-19.pdf), p62, IC, accessed 1 November 2023.

² LGI (Local Government Inspectorate) (2019), [Protecting Integrity: Yarriambiack Shire Council Investigation](#), LGI, accessed September 2023.

Page left blank intentionally

2 Foreword

Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my review of the effectiveness of councils' management of private works.

Review objective

The objective of the review was to form a limited assurance conclusion on the effectiveness of councils' management of private works.

Review scope

The review examined all 29 councils to determine whether their private works processes were transparent and consistent, and whether their charges for private works complied with relevant legislative requirements. The review examined:

- policies and procedures related to the management of private works
- documentation related to private works undertaken in 2021-22
- financial information related to private works undertaken in 2021-22.

Section 21 of the *Local Government Act 1993* establishes council's enterprise power, including the authority to form or participate in corporations, trusts, partnerships or other bodies.³ These were not considered in this review, which was restricted to private works and activities under section 205 of the Act.

Review approach

The review was conducted in accordance the Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements* issued by the Australian Auditing and Assurance Standards Board, for the purpose of expressing a limited assurance opinion. In accordance with the standard, the approach was adapted and supplemented as necessary in the engagement circumstances.

The procedures performed in a limited assurance review vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

I decided to take a limited assurance approach due to the low financial materiality and limited examples of private works in some councils. This approach provides transparency of councils' processes to manage private works, while identifying areas for improvements.

³ Tasmanian Government (2023), [Local Government Act 1993](#), Tasmanian Government, accessed 30 October 2023.

The review evaluated the following criteria:

1. Are private works processes transparent and consistent?
 - Have councils established policies and/or practices to manage private works?
 - Are decisions to undertake private works consistent and/or compliant with policies and procedures?
 - Is a dispute resolution process in place?
 - Do councils manage conflicts of interest in relation to private works?
2. Were councils' private works fees and processes compliant with relevant legislative requirements?
 - Have councils established transparent fees and charges schedules?
 - Have councils complied with the National Competition Policy?

I conducted my limited assurance review by making such enquiries and performing such procedures I considered reasonable in the circumstances. Evidence for the review was obtained primarily through discussions with relevant personnel and examining collaborative documentation. Observations and findings were based on information and evidence obtained primarily through:

- discussions with relevant personnel involved in the administration and delivery of private works, and examining corroborative documentation
- analysing information from councils' financial systems
- reviewing policies, procedures and documentation related to private works.

Responsibility of management

Local government councils are responsible for managing private works in accordance with requirements under the *Local Government Act 1993*. Councils are also required to operate in accordance with Department of Treasury and Finance guidance on the application of the National Competition Policy.

Responsibility of the Auditor-General

My responsibility was to express a limited assurance opinion on the effectiveness of Councils' management of private works.

Independence and quality control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Review of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this review.

Conclusion

It is my conclusion that councils, as measured against the criteria, were not effectively managing private works. This is because they have not established transparent and consistent processes for managing private works or complied fully with relevant legislative requirements.

Martin Thompson

Auditor-General

21 May 2024

Page left blank intentionally

6 Independent assurance report

Executive summary

Summary of findings

Private works occur under Division 7 of Part 12 – Special Powers in the *Local Government Act 1993*. While the Act does not use the term ‘private works,’ section 205 allows councils to supply services and to undertake work at a person’s request. Some examples of the types of private works undertaken in 2021-22 included:

- road works on state and privately owned roads
- upgrading and grading of private driveways
- commercial rubbish collection
- cleaning of the Tasman Bridge.

In some instances, private works are isolated and used to resolve ad hoc local issues. The amounts of money involved in private works are relatively small. The total revenue across all councils in 2021-22 was approximately \$3.5m.

Private works policies and processes

Councils had largely not established effective and transparent processes for managing private works in the 2021-22 financial year.

Policies

Only Glamorgan-Spring Bay Council had a policy that was publicly available, had established a transparent private works decision-making process, and gave priority to the council’s own work program. Thirteen councils which undertook private works had other procedures, forms, or other policies for the management of private works, although these did not fully meet our expectations.⁴ Six councils which undertook private works had not established documented private works policies or procedures.⁵ Of the 9 councils which did not undertake any private works in 2021-22, 3 nonetheless had documented private works policies or procedures.^{6,7}

Decision-making processes

Of the 20 councils that undertook private works during 2021-22, only Latrobe and Meander Councils were compliant with their own internal processes for making decisions to undertake private works. Eight councils were not fully compliant with internal or publicised

⁴ The 13 councils were Break O’Day, Central Coast, Central Highlands, Derwent Valley, Devonport City, Dorset, Hobart City, Kingborough, Latrobe, Meander Valley, Northern Midlands, Sorell and Southern Midlands Councils.

⁵ The 6 councils were Brighton, Circular Head, Flinders, King Island, Launceston City, and Tasman Councils.

⁶ The 9 councils were Burnie City, Clarence City, George Town, Glenorchy City, Huon Valley, Kentish, Waratah-Wynyard, West Coast Councils and West Tamar Councils.

⁷ The 3 councils were George Town, Kentish, and Waratah-Wynyard Councils.

decision-making processes.⁸ Ten councils had not established a consistent process for making decisions to undertake private works.⁹ Of these 10, King Island Council had established a debt recovery policy which included some requirements in relation to private works but did not comply with these requirements.

Dispute resolution

Almost all 29 councils established publicly available dispute resolution policies and processes applicable to private works. Launceston City Council had established a Customer Service Charter, but did not outline a complaints management procedure. Only King Island Council had a dispute in relation to private works in 2021-22, and this was not managed in accordance with its publicly available dispute resolution policy.

Management of conflicts of interest

All 29 councils had established publicly available conflict of interest policies applicable to private works. Six undertook private works for Councillors, employees, or related parties. Two – Devonport City and Meander Valley Councils – were fully compliant with their own processes for managing these conflicts. Four – King Island, Tasman, Glamorgan-Spring Bay, and Derwent Valley Councils – were not.

Compliance with the *Local Government Act 1993* and the National Competition Policy

Councils had largely not complied with the 2 key policy requirements relevant to private works in the 2021-22 financial year.

Local Government Act 1993 compliance

The *Local Government Act 1993* requires councils to establish a list of fees and charges for private works, which must be made available for public inspection. Approaches to calculating fees and charges varied significantly. Of the 20 council's that undertook private works, 3 had approved fee schedules which were applied consistently.¹⁰ Eleven had some combination of approved fee schedule or documented method for calculating private works charges, but they were not applied consistently or did not cover all the kinds of private works being undertaken.¹¹ The remaining 6 had no fee schedule or documented method for calculating private works charges.¹²

National Competition Policy compliance

Tasmania's Competitive Neutrality Policy requires councils to consider whether their activities constitute significant business activities. The national competition principles should be applied

⁸ The 8 councils were Break O'Day, Central Coast, Derwent Valley, Dorset, Glamorgan-Spring Bay, Sorell, Northern Midlands and Southern Midlands Councils.

⁹ The 10 councils were Brighton, Central Highlands, Circular Head, Devonport City, Flinders, Hobart City, Kingborough, King Island, Launceston City and Tasman Councils.

¹⁰ The 3 councils were Central Coast, Meander Valley, and Northern Midlands Councils.

¹¹ The 11 councils were Break O'Day, Brighton, Central Highlands, Derwent Valley, Dorset, Flinders, Glamorgan-Spring Bay, Hobart City, King Island, Sorell, and Southern Midlands Councils.

¹² The 6 councils were Circular Head, Devonport City, Latrobe, Launceston City, Kingborough, and Tasman Councils.

to significant business activities unless there is sufficient public interest in not applying the principles. Guidance from the Department of Treasury and Finance (Treasury) requires councils to document their reasoning as to whether an activity could be a significant business activity, given the judgement involved in making this determination. No council had documented its reasoning as to whether its private works were a significant business activity.

Works conducted for other government entities is not 'business' for competitive neutrality purposes. Approximately \$2.4m of the \$3.5m in 2021-22 private works revenue was from works undertaken for other Government entities rather than ratepayers or other private interests.

Recommendations

We recommend:

1. Councils that undertake or may undertake private works establish private works policies that:
 - are publicly available
 - establish clear and transparent decision-making processes
 - outline or reference existing dispute resolution and conflict of interest policies.
2. Councils implement appropriate controls to ensure compliance with private works policy requirements.
3. Councils that undertake or may undertake private works establish a list of fees and charges and make these available for public inspection.
4. Councils apply the Competitive Neutrality Policy and associated guidance to their private works activities. This includes regularly documenting their reasoning as to whether private works is a significant business activity.

Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008*, this report was provided to the relevant Minister, Heads of the audited entities, and other persons who in our opinion had a special interest in the report, with a request for submissions or comments.

Submissions and comments we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response. However, views expressed by the responders were considered in reaching audit conclusions. Section 30(3) of the *Audit Act 2008* requires this report include any submissions or comments made under section 30(2) or a fair summary of them. Submissions received are included below.

Response from Brighton Council

Council acknowledges and accepts the report.

James Dryburgh
General Manager

Response from Burnie City Council

I wish to advise that the Burnie City Council has read the information provided with regards to the audit pertaining to Private Works Undertaken by Councils. We have no feedback to provide and are satisfied with the report.

I would like to take the opportunity to thank the Tasmanian Audit Office for their assistance and support during this audit.

Bel Lynch
Director Corporate and Commercial Services

Response from Central Highlands Council

Council acknowledges and accepts the TAO's findings concerning Central Highlands. We will develop a Private Works Policy which will clearly cover a consistent approach to private works undertaken, include a dispute resolution process, management of conflicts of interest and associated costs. All fees & charges associated with private works will be listed per Section 206 of LGA and hence will be available to the public. Private Works will undertake an annual assessment, of whether it is a Significant Business Activity or not, and this will be provided as part of our annual Auditing of the Financial Statements.

Kim Hossack
General Manager

Response from Clarence City Council

With the undertaking of private works being an exception to our normal business practice, council is in agreement with the stated findings and recommendations. Council also supports the development of a guide or model policy, through the Local Government Association of Tasmania or some other body, to support councils to achieve compliance with legislation and promote consistency across the sector.

On behalf council I would also like to thank those involved in undertaking the review for the efficient and timely manner in which it was conducted.

Ian Nelson
Chief Executive Office

Response from Circular Head Council

Circular Head Council accepts the findings of the report and is taking the following actions:

- A policy to support private works has been drafted and will be adopted by Council in February. It will be publicly available alongside a transparent private works decision-making procedure and process.
- This will include consideration of the Competitive Neutrality Policy and associated guidance prior to undertaking private works and that decisions are documented.
- An associated fee schedule will be published on our website in the same time frame.

Thank you for the opportunity to provide a management response to your draft report.

Vanessa Adams
General Manager

Response from Derwent Valley Council

The Derwent Valley Council does not undertake public works. There were none undertaken in 2022/23 and one minor public works project was undertaken in 2021/22. It is acknowledged that the council was not compliant in managing a conflict of interest in this case.

Ron Sanderson
Acting General Manager

Response from Devonport Council

Devonport City Council is in agreement with the draft report findings and has taken the necessary action to close the gaps identified during the audit. Specifically, a Private Works Policy was adopted, by Council, at the September 2023 council meeting. The policy is now publicly available on Council's website.

Matthew Atkins
General Manager

Response from Flinders Council

Council has appreciated the opportunity to engage in the TAO Review of Private works undertaken by Councils.

Council fully accepts the recommendations of the TAO and welcomes the opportunities for improvement identified during this process.

Council is currently in the advanced stages of developing a Private Works Policy reflecting these learnings.

Warren Groves
General Manager

Response from George Town Council

Our management team have reviewed the report and have nothing further to add.

Shane Power
George Town Council

Response from Glenorchy City Council

Thank you for the opportunity to comment and for responding to Glenorchy City Council's comments earlier in the process.

Council has no further submission to make on the draft report.

Tony McMullen
General Manager

Response from Hobart City Council (City of Hobart)

The City of Hobart acknowledges the recommendations made in the report on private works undertaken by councils.

We will use the recommendations to further enhance our processes and decision making to ensure we effectively manage any future private works.

Neil Noye
Acting Chief Executive Office

Response from Kentish Council

In response to your request for comment, I note that the financial value of private works undertaken by Kentish Council is relatively low was in fact nil during the period covered by the audit.

I further advise that the Kentish Council has no objections to the findings or recommendations of this audits.

Gerald Monson
General Manager

Response from King Island Council

It is noted that we are referenced at several locations in your report and that the scale of our private works activities gives us some prominence in your report. It is the particular circumstances of King Island that give rise to Council's need to be involved in private works at the level referenced in your report. Council will carefully consider the report's final recommendations for improvement with a view to implementing those that are relevant to us. This will be done in a way that is appropriate to our circumstances.

Brian Barret
Acting General Manager

Response from Latrobe Council

In response to your request, I note that the financial value of private works undertaken by Latrobe Council is relatively low.

I further advise that Latrobe Council has no objections to the findings or recommendations of this audit.

Gerald Monson
General Manager

Response from Launceston City Council (City of Launceston)

The City of Launceston acknowledges the findings of the report regarding the shortcomings in respect of its private works documentation.

It is accepted that the relatively small volume of private works undertaken by the City of Launceston does not absolve it of the responsibility to develop, implement and review private works documentation.

The City of Launceston is committed to implementing the recommendations detailed in the Report. In respect of Council establishing and publishing fees and charges for private works, further work is required to determine whether this recommendation can be fully implemented in all instances.

Louise Foster
General Manager Organisational Services

Response from Meander Valley Council

No comments or response on the draft report from Meander Valley.

Jonathan Harmey
General Manager

Response from Northern Midlands Council

We appreciate the opportunity for feedback, but do not have any further comment at this stage.

Des Jennings
General Manager

Response from Southern Midlands Council

Council acknowledges the recommendations and findings provided in the report.

It is confirmed that Council, through its Audit Committee, will proceed to address the recommendations as a matter of priority.

Specifically in relation to the references to the Southern Midlands Council, no further comments are required as the commentary is an accurate reflection of current practices.

Tim Kirkwood
General Manager

Response from Sorell Council

The extent to which Sorell Council has an appetite to engage in private works has been minimal in scope and value for the past 10 years. This position is indicated by the audit findings.

Council will undertake to adopt a private works policy by EOFY 23/24 that further specifies and clarifies the organisation's limited and reducing appetite.

Such a policy will include any necessary procedures, fees and charges.

Robert Higgins
General Manager

Response from Waratah-Wynyard Council

I wish to advise that Waratah-Wynyard Council has reviewed the draft report and has no comment or submission to make.

Shane Crawford
General Manager

Response from West Coast Council

Council acknowledges and accepts the report.

David Midson
General Manager

1. Introduction

Context

- 1.1 Private works occur under Division 7 of Part 12 – Special Powers in the *Local Government Act 1993*. While the Act does not use the term ‘private works,’ section 205 allows councils to supply services and to undertake work at a person’s request.¹³ This is in addition to any other powers to impose fees and charges, such as powers to make and levy rates.
- 1.2 Some examples of the types of private works undertaken in 2021-22 included road works on state- and privately-owned roads; upgrading and grading of private driveways; commercial rubbish collection; and cleaning of the Tasman Bridge.
- 1.3 In some instances, private works are isolated and used to resolve ad hoc local issues. For some councils in 2021-22, this included single instances of coordinating exhumation and reinterment, retrieving a deceased animal from a private creek, and the removal of a dangerous tree over a state-owned road. In other instances, private works were of a more recurrent and regular nature.
- 1.4 The amounts of money involved in private works are relatively small. The total revenue from private works in 2021-22 across all councils was approximately \$3.5m. Approximately \$2.4m of this was from works undertaken at the request of other Government entities, rather than ratepayers or other private interests.
- 1.5 The revenue varied across councils as summarised in Table 1 below.

Table 1: Approximate private works revenue in the 2021-22 financial year

	Council name	Approximate private works revenue in 2021-22
1	King Island Council	\$1,500,000
2	Kingborough Council	\$1,000,000
3	Southern Midlands Council	\$370,000
4	Break O'Day, Central Highlands, Flinders, Hobart City and Northern Midlands Councils	between \$60,000 and \$140,000
5	Remaining councils	between \$0 and \$50,000

Source: Tasmanian Audit Office

¹³ Tasmanian Government (2023), [Local Government Act 1993](#), Tasmanian Government, accessed 30 October 2023. This is in line with the Northern Territory, Queensland, South Australian, and Victorian legislation, which also do not use the term ‘private works’. In contrast, New South Wales’s *Local Government Act 1993* uses the term private works and provides explanatory examples.

Definitional issues

- 1.6 As noted above, section 205 of the *Local Government Act 1993* allows councils to undertake and charge fees for works at a person's request. This power is in addition to any other powers to impose fees and charges.
- 1.7 Seven councils recorded fire abatement and other compliance related works as private works in their ledgers.¹⁴ However, given these works occur under a different section of the Act, they are not considered private works.¹⁵ Revenue from fire abatements and other compliance-related works has been excluded from revenue in this report.
- 1.8 Similarly, 2 councils recorded the installation of stormwater connection points as private works in their ledgers or financial statements.¹⁶ Given these occur under the *Urban Drainage Act 2013*, they are not considered private works. Revenue from the installation of stormwater connection points has been excluded from revenue in this report.¹⁷

Competitive neutrality in private works

- 1.9 The objective of Tasmania's Competitive Neutrality Policy (CNP) is to 'eliminate resource allocation distortions arising out of the public ownership of entities engaged in significant business activities.'¹⁸ It requires the application of a competitive neutrality principle, being 'government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership and should compete on fair and equal terms with businesses in the private and community sector.'¹⁹
- 1.10 The final chapter of this report considers the application of the CNP to private works, given the provision of private works may entail competition with the private sector.

The risks of not managing private works effectively

- 1.11 While the sums of money involved in council private works are often not substantial, there are probity and transparency risks in relation to private works. Failure to adopt a transparent and defensible process can result in reputational damage to or loss of

¹⁴ The 7 councils were Brighton, Circular Head, Hobart, Kingborough, Northern Midlands, Sorell and Tasman Councils.

¹⁵ Section 201 of the Act grants the power for councils to abate public nuisances including fire risks and other nuisances. Where a private property fails to comply with a nuisance notice, councils are entitled to undertake the work themselves or engage a private contractor. Councils are then able to levy charges to abate nuisances in the same manner as rates and charges.

¹⁶ The 2 councils were Glenorchy City and Hobart City Councils.

¹⁷ While stormwater connection *points* are not considered private works, stormwater connections on a private property undertaken by a council at the request of a person would be.

¹⁸ Treasury (Department of Treasury and Finance) (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury accessed 30 October 2023. <https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

¹⁹ Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023.

<https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

confidence in the council, if it can be shown that a party related to the council (such as a council member, employee, or family associate) received benefits from private works.

- 1.12 In extreme cases, this could result in an investigation from an integrity body or criminal charges. The Integrity Commission inquired into a complaint related to private works in 2018 (Investigation Weld), and referred process-related issues to the Auditor-General to increase transparency and accountability for managing private works.²⁰ In Victoria, Local Government Inspectorate also investigated alleged offences and breaches in November 2019 which identified that private works were being conducted by staff for cash or in-kind payments.²¹ All parties are better protected where there is a well-defined and transparent process.

Better practice

- 1.13 In the absence of existing guidance, 7 councils raised the need for a 'better practice guide' for the management of private works. We engaged with the Local Government Association of Tasmania to discuss the possibility of developing a model private works policy. While councils would not be obligated to adopt this policy, it would provide them with guidance and direction towards developing and adopting a private works policy.

²⁰ IC (2023), [Annual Report 2018-19](https://www.integrity.tas.gov.au/__data/assets/pdf_file/0006/546738/Integrity-Commission-Annual-Report-2018-19.pdf), p62, IC, accessed 1 November 2023.

²¹ LGI (2019), [Protecting Integrity: Yarriambiack Shire Council Investigation](https://www.lgi.vic.gov.au/protecting-integrity-yarriambiack-shire-council-investigation), LGI, accessed September 2023.

2. Private works policies and processes

In this chapter we assess whether councils are effectively managing private works. In making our assessment, we considered whether councils had:

- established transparent private works policies
- complied with decision-making processes and procedures
- established and applied processes for managing disputes and complaints
- established and applied processes for managing conflicts of interest.

Chapter summary

Councils had largely not established effective and transparent processes for managing private works in the 2021-22 financial year.

Policies

Only Glamorgan-Spring Bay Council had a policy that was publicly available, had established a transparent private works decision-making process, and gave priority to the council's own work program. Thirteen councils which undertook private works had other procedures, forms, or other policies for the management of private works, although these did not fully meet our expectations.²² Six councils which undertook private works had not established documented private works policies or procedures.²³ Of the 9 councils which did not undertake any private works in 2021-22, 3 nonetheless had documented private works policies or procedures.^{24, 25}

Decision-making processes

Of the 20 councils that undertook private works during 2021-22, only Latrobe and Meander Councils were compliant with their own internal processes for making decisions to undertake private works. Eight councils were not fully compliant with internal or publicised decision-making processes.²⁶ Ten councils had not established a consistent process for making decisions to undertake private works.²⁷ Of these 10, King Island Council had established a debt recovery policy which included some requirements in relation to private works but did not comply with these requirements.

²² The 13 councils were Break O'Day, Central Coast, Central Highlands, Derwent Valley, Devonport City, Dorset, Hobart City, Kingborough, Latrobe, Meander Valley, Northern Midlands, Sorell and Southern Midlands Councils.

²³ The 6 councils were Brighton, Circular Head, Flinders, King Island, Launceston City, and Tasman Councils.

²⁴ The 9 councils were Burnie City, Clarence City, George Town, Glenorchy City, Huon Valley, Kentish, Waratah-Wynyard West Coast Councils and West Tamar Councils.

²⁵ The 3 councils were George Town, Kentish, and Waratah-Wynyard Councils.

²⁶ The 8 councils were Break O'Day, Central Coast, Derwent Valley, Dorset, Glamorgan-Spring Bay, Sorell, Northern Midlands and Southern Midlands Councils.

²⁷ The 10 councils were Brighton, Central Highlands, Circular Head, Devonport City, Flinders, Hobart City, Kingborough, King Island, Launceston City and Tasman Councils.

Dispute resolution

Almost all 29 councils established publicly available dispute resolution policies and processes applicable to private works. Launceston City Council had established a Customer Service Charter but did not outline a complaints management procedure. Only King Island Council had a dispute in relation to private works in 2021-22. This was not managed in accordance with its generic dispute resolution policies, and an alternative mechanism for managing private works disputes had not been established.

Management of conflicts of interest

All 29 councils had established publicly available conflict of interest policies applicable to private works. Six undertook private works for Councillors, employees, or related parties. Two councils – Devonport City and Meander Valley Councils – were fully compliant with their own processes for managing these conflicts. Six councils – King Island, Tasman, Glamorgan-Spring Bay, and Derwent Valley Councils – were not.

Councils had largely not established policies to support private works

- 2.1 We expected to find that councils had private works policies in the 2021-22 financial year that:
 - were publicly available
 - ensured decisions to undertake private works are made transparently, objectively, and consistently
 - gave priority to the council's own work program.
- 2.2 The Department of Premier and Cabinet *Good Governance Guide* states that transparent decision-making and effective planning for the use of resources is a key requirement of the *Local Government Act 1993*. By establishing a policy with these elements as a minimum, councils would improve transparency, consistency, and prioritisation in relation to private works. This is further explored in the case studies included throughout this chapter.²⁸
- 2.3 We found private works policies and procedures varied significantly, and only one council had established a policy which met all 3 expectations.

Councils with appropriate private works policies

- 2.4 Only Glamorgan-Spring Bay Council had established a policy which met all 3 expectations in the 2021-22 financial year. This policy was publicised on the Council's website, specified the circumstances in which private works were to be considered

²⁸ DPAC (Department of Premier and Cabinet and the Office of Local Government) (2022), DPAC, [Good Governance Guide for Local Government in Tasmania](https://www.dpac.tas.gov.au/__data/assets/pdf_file/0019/222157/Good-Governance-Guide-4-August-2022.pdf), accessed 30 October 2023.
https://www.dpac.tas.gov.au/__data/assets/pdf_file/0019/222157/Good-Governance-Guide-4-August-2022.pdf

and at whose discretion, and explicitly stated priority would be given to the Council's own work program.

Table 2: Councils with appropriate private works policies in 2021-22

	Council Name	Value of private works in 2021-22	Publicly available policy	Public policy set decision-making process	Public policy prioritised council's own work program
1	Glamorgan-Spring Bay	\$39,000	✓	✓	✓
Table Key					
✓ Yes to test question. ✗ No to test question.					

Source: Tasmanian Audit Office

Councils with policies or procedures

- 2.5 The 13 councils shown in Table 3 undertook private works in 2021-22 and had procedures, forms, or other policies for the management of private works. However, these did not fully meet our expectations as they were not publicly available policies that clearly documented a transparent decision-making process and prioritised the councils' own work program.

Table 3: Councils with some private works policies or procedures in 2021-22

	Council name	Value of private works in 2021-22	Publicly available policy	Public policy set a decision-making process	Public policy prioritised council's own work program
1	Break O'Day	\$87,000	✓	✗	✗
2	Central Coast	\$5,000	✗	✗	✗
3	Central Highlands	\$136,000	✗	✗	✗
4	Derwent Valley	Indeterminate ²⁹	✗	✗	✗
5	Devonport City	\$17,000	✗	✗	✗
6	Dorset	\$33,000	✗	✗	✗
7	Hobart City	\$100,000	✓	✗	✗

²⁹ The value of Derwent Valley's private works is explored further in [Case Study 4: Derwent Valley Council Conflict of Interest Management – Example of Non-Compliance](#).

	Council name	Value of private works in 2021-22	Publicly available policy	Public policy set a decision-making process	Public policy prioritised council's own work program
8	Kingborough	\$1,000,000	✘	✘	✘
9	Latrobe	\$12,000	✘	✘	✘
10	Meander Valley	\$800	✘	✘	✘
11	Northern Midlands	\$61,000	✓	✘	✘
12	Sorell	\$4,000	✘	✘	✘
13	Southern Midlands	\$370,000	✘	✘	✘
Table Key					
✓ Yes to test question. ✘ No to test question.					

Source: Tasmanian Audit Office

- 2.6 While not in place in the year under review (2021-22 financial year), Kingborough and Devonport City Councils developed policies which met the 3 expectations during the review. Kingborough Council publicised its policy in August 2023.

Councils without policies or procedures

- 2.7 The 6 councils shown in Table 4 undertook private works but had not established documented private works policies or procedures.

Table 4: Councils without private works policies or procedures in 2021-22

	Council name	Value of private works in 2021-22	Publicly available policy	Public policy set decision-making process	Public policy prioritised council's own work program
1	Brighton	\$47,000	✘	✘	✘
2	Circular Head	\$10,000	✘	✘	✘
3	Flinders	\$98,000	✘	✘	✘
4	King Island	\$1,500,000	✘	✘	✘
5	Launceston City	\$27,000	✘	✘	✘
6	Tasman	\$2,000	✘	✘	✘

Table Key

✓ Yes to test question. ✗ No to test question. N/A Did not undertake private works.

Source: Tasmanian Audit Office

- 2.8 Of the 6 shown in Table 4, 4 had less than \$50,000 in private works revenue in the 2021-22 financial year.

Case Study 1: West Tamar Council Private Works Policy – Example of Non-Compliance**West Tamar Council Private Works Policy**

West Tamar Council did not undertake any private works in 2021-22. However, it undertook \$19,000 in private works in the previous financial year 2020-21 and did not have a private works policy in place at that time. The Council had repealed its policy in 2016 following a decision to cease private works. The repealed policy had stated that:

- The Council would encourage landholders to use reputable contractors to carry out works on private property.
- Before any private works were undertaken, the property owner was to sign the necessary authority.
- All private works would be done based on actual cost plus a margin of 15%.

Nonetheless, some private works were undertaken in 2020-21. The Council advised the smallest of these works was authorised by a staff member who was likely unaware of the informal policy to not undertake private works.

This example demonstrates that even councils not planning to undertake private works may benefit from having a policy and processes to enforce the policy in place.

Source: Tasmanian Audit Office

Councils that did not undertake private works

- 2.9 Nine councils did not undertake any private works in the 2021-22 financial year. These were Burnie City, Clarence City, George Town, Glenorchy City, Huon Valley, Kentish, Waratah-Wynyard, West Coast and West Tamar Councils.
- 2.10 Three of the 9 had nonetheless established relevant internal policies and procedures:
- George Town Council had an internal private works form which required signoff by the works area, demonstrating priority for the Council's own work program.
 - Kentish Council had a standard operating procedure and associated authority form requiring different approvals in proportion to the value of the private works project.
 - Waratah-Wynyard Council had a quotation procedure, quotation form, and a costing estimate calculation sheet.
- 2.11 Four of the 9 – Burnie City, Clarence City, Waratah-Wynyard, and West Coast Councils – did indicate they may undertake private works in exceptional circumstances.

Therefore, councils who did not undertake private works in the 2021-22 financial year may still benefit from adopting a private works policy. This policy could establish the circumstances in which private works would be considered, and at whose discretion.

Councils had largely not established effective decision-making processes to manage private works

- 2.12 We expected to find that in 2021-22, councils were compliant with their own private works policies or procedures which established a consistent decision-making process.
- 2.13 We found decisions to undertake private works broadly took one of 4 forms. Councils either:
- fully complied with an established decision-making process
 - did not fully comply with an established decision-making process
 - did not have an established decision-making process, or
 - did not undertake private works.

Councils that fully complied with an established decision-making process

- 2.14 Two councils – Latrobe and Meander Valley Council – had established a private works form that outlined who had delegation to approve private works. The forms were consistently completed for all private works projects undertaken in 2021-22. These councils would nonetheless benefit from publicising their decision-making process in a private works policy.

Councils that did not fully comply with an established decision-making process

- 2.15 Eight councils had established private works decision-making processes but were not fully compliant for various reasons.³⁰
- 2.16 As noted previously, only Glamorgan-Spring Bay Council had established a publicly available policy which documented how decisions to undertake private works were to be made. However, the Council was not fully compliant with this policy. It required approval by council resolution for projects valued at over \$10,000. There was one project over this value in the 2021-22 financial year. Although councillors were made aware of the project, it was not approved by council resolution in accordance with the policy.
- 2.17 Break O’Day Council had a policy which required plant hire to be approved by a manager, but it did not outline how decisions to undertake other kinds of private works were to be managed.

³⁰ The 8 councils were Break O’Day, Central Coast, Derwent Valley, Dorset, Glamorgan-Spring Bay, Sorell, Northern Midlands and Southern Midlands Councils.

- 2.18 Central Coast, Derwent Valley, Dorset, Sorell, Northern Midlands and Southern Midlands Councils had internal forms which were not sufficient for various reasons. While Central Coast, Derwent, and Northern Midlands forms required approval by a council officer, they were not accompanied by a policy outlining who had delegation to approve private works. Dorset, Sorell, and Southern Midlands forms did not require approval. Derwent Valley did not fully complete the form for the one private works project it undertook.³¹ Dorset, Northern, and Southern Midlands did not complete a form for all tested private works projects.

Councils that did not have an established decision-making process

- 2.19 Ten councils had not established a process for private works decisions. Therefore, it was unclear how decisions to undertake private works were made. These included Brighton, Central Highlands, Circular Head, Devonport City, Flinders, Hobart City, Kingborough, King Island, Launceston City and Tasman Councils.

³¹ This is explored further in [Case Study 4: Derwent Valley Council Conflict of Interest Management – Example of Non-Compliance](#).

Case Study 2: King Island Council Private Works Decisions Making – Example of Non-Compliance

King Island Council Private Works Decision Making

While King Island Council had not established a decision-making process related to private works, it did have a debt recovery policy which included relevant private works provisions. It required a 100% deposit, bond or guarantee, or similar appropriate assurance for private works over \$50,000. A 50% deposit was required for works between \$10,000 and \$49,999, and no deposit was required for works under \$10,000.

In December 2020, the Council provided a quotation via email for the construction of a private access road (discussed further in [Non-compliance Case Study 3: King Island Council Dispute Resolution – Example of Non-Compliance](#)). In the absence of an established private works policy, the Tasmanian Audit Office considered whether the debt recovery policy was applied.

The work was originally estimated at over \$140,000, but a deposit was not taken. The Council advised this provision ‘seems to be impractical and with little likelihood of acceptance’ and that it was being reviewed as of November 2023. However, the policy was in place at the time the works commenced, having been adopted in December 2017. The project eventually led to a loss of over \$60,000 to the Council which was accepted by both parties due to complications with the proposed clearing.

The debt recovery policy also required the Council to not carry out private works for entities indebted to Council for private works for an amount exceeding \$500. The Council has not established a process to ensure compliance with this policy provision.

This example demonstrates the need to ensure policies meet current needs, and that there are processes to ensure compliance with the policies.

Source: Tasmanian Audit Office

Councils had established, but not fully complied with, dispute resolution processes

- 2.20 We expected to find that in 2021-22, councils had established processes to manage disputes and complaints in relation to private works. Councils are required to establish customer service charters by section 339F of the *Local Government Act 1993*. These charters are to specify a procedure for dealing with complaints relating to services provided by the council and be made publicly available.³²

Dispute resolution processes

- 2.21 We found councils had established and publicised dispute resolution processes that could be applied to private works. The dispute resolution processes covered various

³² Tasmanian Government (2023), [Local Government Act 1993](#), Tasmanian Government, accessed 30 October 2023.

kinds of engagements with councils and were not specific to managing private works disputes.

- 2.22 Almost all policies established complaints management procedures, options for escalation, and references to external oversight bodies who could conduct investigations. Launceston City Council had established a Customer Service Charter, but it did not outline a complaints management procedure.

Compliance with resolution processes

- 2.23 Only King Island Council identified a dispute in relation to private works in the 2021-22 financial year.³³

Case Study 3: King Island Council Dispute Resolution – Example of Non-Compliance

King Island Council 2021-22 Dispute

The King Island Customer Service Charter had established requirements for managing general complaints. Complaints were to be registered in a central complaints database, reported monthly to the Council, and the complainant was to be kept informed of disputes that take longer than 10 days to resolve.

The Council identified one complaint in relation to private works in 2021-22. It related to the same project referred to in [Case Study 2: King Island Council Private Works Decisions Making – Example of Non-Compliance](#), for private access construction. The matter in question was not recorded in the complaints register or reported monthly to the Council as required by the Customer Service Charter. The Council was also not able to provide any evidence the complainant was kept informed past the initial 10 days.

The Council advised the complaints process was not intended to apply to complaints about private works. They further advised that the database was not seen as an appropriate mechanism for this matter, and that senior management was aware of the issue. Finally, they noted it was not realistic for the private works customers to ‘register any issues through our front of office customer service staff’ and that ‘they would raise these issues directly with the management staff.’ However, as noted above, section 339F of the Act requires councils to establish procedures for dealing with complaints relating to services it provides.

The Council therefore was either not compliant with its Customer Service Charter in relation to this complaint or had not established a customer service charter which covered private works. The Council advised that there were no other complaints in relation to private works for several years.

This example demonstrates the importance of establishing or referencing procedures that will be used to deal with private works complaints, and making sure processes meet current needs.

Source: Tasmanian Audit Office

³³ Councils were asked to identify whether there were any disputes in the 2021-22 financial year. An assessment of the efficacy of complaints management procedures to ensure all private works complaints were captured was outside the scope of this review.

- 2.24 Northern Midlands Council had one complaint in the 2022-23 financial year. This complaint was managed in accordance with its Customer Service Charter, as it was investigated by the relevant Manager and further escalated to the General Manager for resolution.

Councils had established, but not fully complied with, conflict of interest processes

- 2.25 We expected to find that in 2021-22, councils had established processes to manage conflicts of interest in relation to private works.
- 2.26 The Department of Premier and Cabinet *Good Governance Guide* states that managing conflicts of interest is a key requirement of the *Local Government Act 1993*. Appropriate conflict of interest policies minimises the risk of misuse of council resources. Establishing a conflict management process and associated controls would improve transparency and ensure the appropriate use of council resources. This is further explored in the case studies included in this section.³⁴

Conflict of interest policies

- 2.27 All 29 councils had established and publicised appropriate conflict of interest policies which were applicable to private works. Thirteen councils identified 'performance of private works using Council assets in return for a benefit' or 'unauthorised use of Council assets' as examples of corruption in available policies.³⁵ All councils had a councillor code of conduct specifying that 'a Councillor must not use Council resources for private purposes except as provided by Council policies and procedures.'³⁶ All councils excluding King Island have an employee code of conduct with a similar provision, 3 of which were publicly available.

Conflict of interest practices

- 2.28 Six councils, shown in Table 5, provided some works to councillors, employees, or related parties in the 2021-22 financial year. These potential conflicts were largely identified by the councils.

³⁴ DPAC (Department of Premier and Cabinet and the Office of Local Government) (2022), [Good Governance Guide for Local Government in Tasmania](https://www.dpac.tas.gov.au/__data/assets/pdf_file/0019/222157/Good-Governance-Guide-4-August-2022.pdf), DPAC, accessed 30 October 2023.

³⁵ The 13 councils were Break O'Day, Central Coast, Flinders, George Town, Glamorgan-Spring Bay, Glenorchy City, Kentish, Kingborough, Latrobe, Sorell, Southern Midlands, Tasman and West Tamar Councils.

³⁶ Adopting the Minister's model code of conduct for councillor is a requirement of Division 3A, Subdivision 2 of the *Local Government Act 1993*.

Table 5: Application of conflict-of-interest managements processes

	Council name	Undertook private works for Councillors, employees, or related parties in 2021-22	Approximate value	Was fully compliant with own policies or procedures
1	Devonport City	✓	\$4,000	✓
2	Meander Valley	✓	\$300	✓
3	King Island	✓	\$55,000	✗
4	Derwent Valley	✓	Indeterminate ³⁷	✗
5	Tasman	✓	\$100	✗
6	Glamorgan-Spring Bay	✓	\$30	✗
Table Key ✓ Yes to test question. ✗ No to test question. N/A Did not undertake private works.				

Source: Tasmanian Audit Office

Councils fully compliant with own conflict of interest processes

Devonport City Council

2.29 Devonport City Council had established an employee code of conduct which required authorisation for the use of council equipment. Approximately \$4,000 of the private works revenue in the 2021-22 financial year was for the hire of equipment to staff. To support this, the Council had established a hire and deduction agreement form. This form required sign off from the staff in the works area to ensure priority was given to use of equipment for council purposes. The forms sampled were all signed by staff and an appropriate delegate.

Meander Valley Council

2.30 Meander Valley Council had also established an employee code of conduct which required authorisation, which was supported by a private works application form. Approximately \$300 of the private works revenue in the 2021-22 financial year was for the hire of equipment to staff. A private works application form was completed for each instance and approved by the works team.

³⁷ The value of Derwent Valley's private works is explored further in [Case Study 4: Derwent Valley Council Conflict of Interest Management – Example of Non-Compliance](#).

Councils not fully compliant with their own conflict of interest processes

King Island Council

- 2.31 King Island Council had 4 key documents related to the management of conflicts of interest, including a Related Parties Disclosure Policy. In accordance with this policy, the Council disclosed related party transactions in its 2021-22 financial statements. Seven of these transactions were private works undertaken for related parties. The financial statements noted the charges for these works were based on 'approved fees and charges.'
- 2.32 However, the majority of the works were not covered by the 2021-22 fees and charges schedule. For example, related parties were charged for truck and excavator hire and driveway sealing which were not on the fee schedule. Where the service or product was on a fee schedule, the related party was charged in accordance with it. For example, invoices for the sale of gravel to related parties reflected the fees and charges schedule.

Derwent Valley Council

- 2.33 Derwent Valley Council was not complaint with its processes for managing conflicts of interest.

Case Study 4: Derwent Valley Council Conflict of Interest Management – Example of Non-Compliance

Derwent Valley Council Conflict of Interest Management

Derwent Valley Council had established an employee code of conduct. It required authorisation by a manager or supervisor for the use of council property.

The Council undertook one private works project for an employee in the 2021-22 financial year. The Council was unable to provide an invoice or any other documents relating to this project, other than the private works instruction form. This instruction form was incomplete and did not record a fee. As such, whether the employee was charged, what the overall value of private works was in 2021-22, and whether this project was authorised in accordance with the employee code of conduct could not be established.

This example demonstrates the need for councils to ensure policies and forms are supported by appropriate processes to ensure compliance.

Source: Tasmanian Audit Office

Tasman Council

- 2.34 Tasman Council had established a code of conduct for employees which required authorisation to use council resources. The Council hired equipment to an employee in 2021-22 following a severe weather event, for which they were charged approximately \$100. However, there was no recorded authorisation.

Glamorgan-Spring Bay Council

- 2.35 Glamorgan-Spring Bay Council undertook one very minor private works project valued at approximately \$30 for an employee in the 2021-22 financial year. This was approved by a supervisor in accordance with the code of conduct requirements for the use of Council resources. However, this did not align with the Council's private works policy, which required private works requests from councillors and employees to be approved by the General Manager.

3. Compliance with the *Local Government Act 1993* and the National Competition Policy

In this chapter we assess whether councils were compliant with 2 key policy requirements relevant to the management of private works outlined in Chapter 1. The first is the *Local Government Act 1993*, which establishes councils' power to undertake private works, and requirements in relation to fees and charges. The second is the National Competition Policy, a national framework which was established to ensure publicly owned and private businesses compete on equal terms.³⁸

Chapter summary

Councils had largely not complied with the 2 key policy requirements in the 2021-22 financial year.

Local Government Act 1993 compliance

The *Local Government Act 1993* requires councils to establish a list of fees and charges for private works, which must be made available for public inspection. Approaches to calculating fees and charges varied significantly. Of the 20 council's that undertook private works, 3 had approved fee schedules which were applied consistently.³⁹ Eleven had some combination of approved fee schedule or documented method for calculating private works charges, but they were not applied consistently or did not cover all the kinds of private works being undertaken.⁴⁰ The remaining 6 had no fee schedule or documented method for calculating private works charges.⁴¹

National Competition Policy compliance

Tasmania's Competitive Neutrality Policy requires councils to consider whether their activities constitute significant business activities. The national competition principles should be applied to significant business activities, unless there is sufficient public interest in not applying the principles. Guidance from the Treasury requires councils to document their reasoning as to whether an activity could be a significant business activity, given the judgement involved in making this determination. No council had documented its reasoning as to whether its private works were a significant business activity.

³⁸ OTTER (Office of the Tasmanian Economic Regulator) (2022), [Competitive Neutrality](#), OTTER accessed 1 November 2023. <https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality>

³⁹ The 3 councils were Central Coast, Meander Valley, and Northern Midlands Councils.

⁴⁰ The 11 councils were Break O' Day, Brighton, Central Highlands, Derwent Valley, Dorset, Flinders, Glamorgan-Spring Bay, Hobart City, King Island, Sorell, and Southern Midlands Councils.

⁴¹ The 6 councils were Circular Head, Devonport City, Latrobe, Launceston City, Kingborough, and Tasman Councils.

Councils had not established or consistently applied fee schedules

- 3.1 As noted in Chapter 1, section 205 of the *Local Government Act 1993* allows councils to impose fees and charges for services supplied or works carried out at a person's request. Section 206 of the Act states that the general manager is to keep a list of all fees and charges and make the list available for public inspection.
- 3.2 We assessed all 29 councils to determine whether:
- they had established fees and charges for their private works in 2021-22
 - they had applied those consistently in 2021-22
 - their fees and charges would have been available for public inspection.
- 3.3 We found the approach to managing fees and charges for private works varied significantly between councils. Fourteen had some combination of a fee schedule or method for calculating private works charges, which were largely not applied consistently, and did not cover all the kinds of private works being undertaken.

Table 6 summarises overall compliance with the relevant sections of the *Local Government Act 1993*.

Table 6: Private works fee schedule compliance in 2021-22

	Council name	Value of private works in 2021-22	Established fees and charges for all private works which was consistently applied in 2021-22, and would have been available for public inspection
1	Break O'Day	\$87,000	✘
2	Brighton	\$47,000	✘
3	Burnie City	\$0	N/A
4	Central Coast	\$5,000	✓
5	Central Highlands	\$136,000	✘
6	Circular Head	\$10,000	✘
7	Clarence City	\$0	N/A
8	Derwent Valley	Indeterminate ⁴²	✘
9	Devonport City	\$17,000	✘

⁴² The value of Derwent Valley's private works is explored further in [Noncompliance Case Study 4: Derwent Valley Council Conflict of Interest Management](#).

	Council name	Value of private works in 2021-22	Established fees and charges for all private works which was consistently applied in 2021-22, and would have been available for public inspection
10	Dorset	\$33,000	✘
11	Flinders	\$98,000	✘
12	George Town	\$0	N/A
13	Glamorgan-Spring Bay	\$39,000	✘
14	Glenorchy City	\$0	N/A
15	Hobart City	\$100,000	✘
16	Huon Valley	\$0	N/A
17	Kentish	\$0	N/A
18	Kingborough	\$1,000,000	✘
19	King Island	\$1,500,000	✘
20	Latrobe	\$12,000	✘
21	Launceston City	\$27,000	✘
22	Meander Valley	\$800	✓
23	Northern Midlands	\$61,000	✓
24	Sorell	\$4,000	✘
25	Southern Midlands	\$370,000	✘
26	Tasman	\$2,000	✘
27	Waratah-Wynyard	\$0	N/A
28	West Coast	\$0	N/A
29	West Tamar	\$0	N/A
Table Key			
✓	Consistently applied a fee schedule or method for calculating private works charges which would have been available for public inspection.		
✘	Did not consistently apply a fee schedule or method for calculating private works charges which would have been available for public inspection.		
N/A	Did not undertake any private works.		

Source: Tasmanian Audit Office

Fully compliant councils

- 3.4 Three of the councils that undertook private works in 2021-22 had a method for calculating charges that was consistently applied, and would have been available for public inspection. These were Central Coast, Meander Valley, and Northern Midlands Councils. Each had fees and charges schedules or policies which stated private works would be charged at cost plus an administration fee.⁴³ In 2021-22, these fees were consistently applied to tracked project costs.
- 3.5 As previously stated, 9 councils did not undertake private works and were therefore compliant.

Case Study 5: Burnie City Council Private Works Fee Schedule – Example of Better Practice**Burnie City Council Private Works Fee Schedule**

Burnie City Council did not undertake any private works in 2021-22. Nonetheless, it had a publicly available private works fee schedule and had recorded how it arrived at these fees. The Council documented known internal costs such as plant and equipment hire costs, labour cost estimates, and material costs. This process supported establishing a 'per metre' costing for works like footpath and kerb reinstatements. The Council then applied a profit margin to these documented internal costs to arrive at its private works fee, which it made publicly available.

This increased the transparency of its private works fee process, complied with the relevant sections of the *Local Government Act 1993*, and was an example of better practice.

Source: Tasmanian Audit Office

Partially compliant councils

- 3.6 The remaining 17 councils that undertook private works in 2021-22 were not fully compliant with section 206 of the *Local Government Act 1993*.
- 3.7 Two councils – Break O'Day and Glamorgan-Spring Bay – had established both a fee schedule covering some private works, and a method for calculating private works fees and charges. However, these were not consistently applied to all projects in 2021-22.
- 3.8 Five councils – Brighton, Central Highlands, Flinders, King Island and Southern Midlands Councils – had established a fee schedule which covered and was applied to some private works projects. However, the schedule did not cover all private works projects. For example, Flinders Council had established and applied a public fee for road grading machine hire, but did not have an established fee for other kinds of private works it undertook, such as safety fence hire and the sale of emulsion. King Island has since established a spreadsheet for developing quotations for these private

⁴³ The administration charge did vary between Councils. Central Coast Council's was 25 per cent, Northern Midlands was 15 per cent, and Meander Valley's was 10 per cent.

works, but were unable to confirm how they arrived at the established fees for job components.

- 3.9 Four councils – Derwent Valley, Dorset, Hobart City and Sorell Councils – had established a method for calculating fees and charges, but this was not applied fully to all projects. For example, Sorell Council had established a private works quotation sheet which required an estimation of costs and the addition of a \$110 administration fee. However, this form was not used for the 2 private works projects undertaken in the 2021-22 financial year.

Case Study 6: Hobart City and Glamorgan-Spring Bay Councils' Fee Schedule – Example of Non-Compliance

Hobart City and Glamorgan-Spring Bay Councils' Fee Schedule Compliance

Hobart City Council's method for calculating private works fees was documented in its private works policy. It required private works charges to include all costs incurred and an appropriate margin. However, the policy did not define an appropriate profit margin. Based on tracked costs for the projects undertaken in 2021-22, margins varied from an approximate 10% loss to an approximate 50% profit. The Council advised that this variance in margin may be due to costs not being captured consistently.

Similarly, Glamorgan-Spring Bay Council's policy required private works fees and charges to be at market prices with a reasonable profit margin. It had also not specified a reasonable margin and had not established a process for determining market prices. Actual profit margins varied between 18% and 25%.

These examples demonstrate the value of establishing policies which are specific, reviewed regularly, and supported by appropriate processes to ensure compliance.

Source: Tasmanian Audit Office

- 3.10 Six councils – Circular Head, Devonport City, Latrobe, Launceston City, Kingborough, and Tasman Councils – had no fee schedule for private works or a documented method for calculating private works fees. However, 5 of the 6 councils – Circular Head, Devonport City, Latrobe, Launceston, and Tasman Councils – undertook less than \$30,000 in private works. Devonport City Council began developing a private works policy which defines a method for developing quotations during this review.

Case Study 7: Kingborough Council Fee Schedule Compliance – Context

Kingborough Council Fee Schedule Compliance

As noted above, Kingborough Council was not fully compliant with the *Local Government Act 1993* as they had not established a fee schedule for private works, or a process for calculating private works fees which would have been publicly available in 2021-22.

However, all but approximately \$5,000 of the \$1m in private works revenue was from works for other government entities. These included the Department of State Growth, Tasmania Parks and Wildlife Service, TasWater, and the Huon Valley Council. The Council had documented associated contractual arrangements which established fees and charges, largely in the form of detailed work orders or purchase orders.

Source: Tasmanian Audit Office

Case Study 8: Launceston City Council Fee Calculation – Example of Non-Compliance

Launceston City Council's Fee Schedule Compliance

As noted above, Launceston City Council was not fully compliant with the requirements of the *Local Government Act 1993* as they had not established a fee schedule for private works or a process for calculating private works fees which would have been publicly available in 2021-22.

The Council had established agreements with the business to whom they were providing services. However, in 2021-22, costs were not being recovered for one of the private works services which had been ongoing for approximately 10 years. In response to this review, the Council identified that best practice in terms of competitive neutrality (see below) is to ensure fees for private works reflect all costs to the Council. Given this, it recalculated its fees and charges and increased the costs to the customer.

This example demonstrates the importance of establishing and regularly reviewing rates for private works.

Source: Tasmanian Audit Office

Councils had not considered the Competitive Neutrality Policy

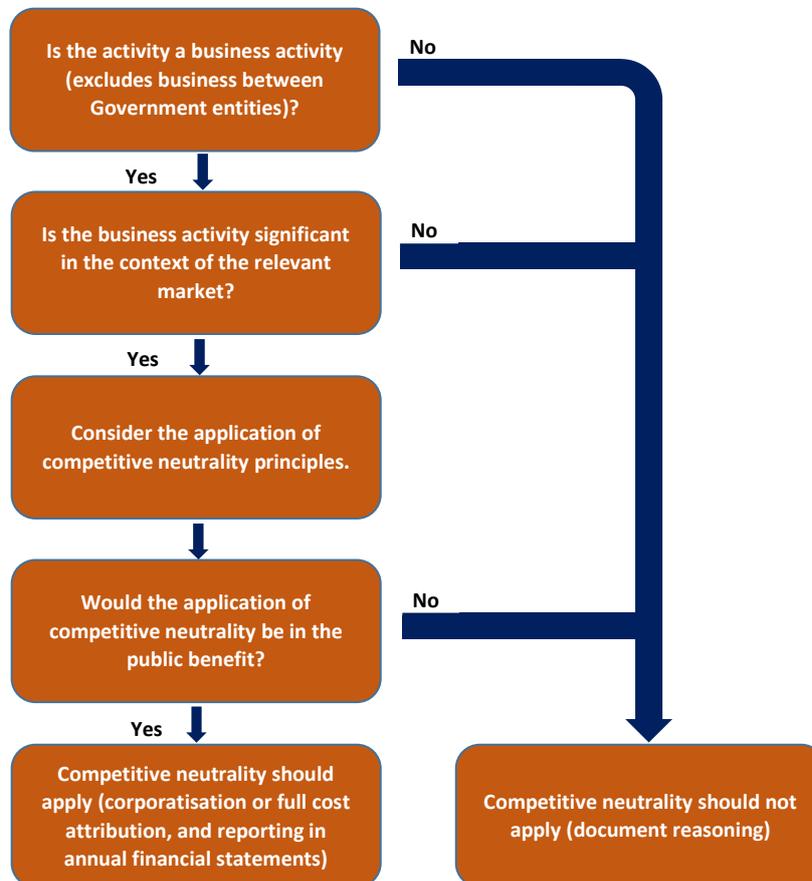
- 3.11 We assessed all 29 councils to determine whether they had applied requirements of the Competitive Neutrality Policy (CNP) to private works activities.
- 3.12 We found that none of the councils that undertook private works had documented their consideration of whether these works constituted a significant business activity.

The Competitive Neutrality Policy

- 3.13 As noted in Chapter 1, Tasmania's CNP is intended to ensure equal competition between publicly owned and private businesses.⁴⁴
- 3.14 Treasury and the Office of the Tasmanian Economic Regulator (OTTER) have publicised guidance for applying the CNP's principles in local government. The chart below summarises the guidance for determining whether the competitive neutrality principles should be applied to an activity.

⁴⁴ OTTER (2022), [Competitive Neutrality](https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality), OTTER, accessed 1 November 2023.
<https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality>

Figure 1: Summary of Competitive Neutrality Policy guidance



Source: Recreated from Treasury and OTTER guidance⁴⁵

3.15 In accordance with this guidance, councils are to identify whether any of its activities constitute a business activity in the first instance. A business activity is ‘one that involves the production of goods and/or services in a market that is, or has the

⁴⁵ Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023. <https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>; Treasury (Department of Treasury and Finance) (2013), [Identification and management of significant business activities by local government in Tasmania to comply with competitive neutrality principle](https://www.treasury.tas.gov.au/Documents/SigBusApp-Local-Gov.PDF), Treasury, accessed 21 August 2023. <https://www.treasury.tas.gov.au/Documents/SigBusApp-Local-Gov.PDF>; OTTER (2022), [Competitive Neutrality](https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality), OTTER, accessed 1 November 2023. <https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality>

potential to be, competitive'.⁴⁶ Importantly for the management of private works, business between government entities is excluded.⁴⁷

- 3.16 Councils must then consider whether it is a significant business activity. The guidance states a defined financial threshold measure like turnover is not a satisfactory indicator of significance. This is because it may not reflect the actual or potential impact of an activity on other businesses, particularly in small markets. In addition, a lack of other available suppliers is an insufficient measure of significance. The guidance instead requires councils to consider if other suppliers would emerge were they to operate differently.
- 3.17 Councils must then apply the competitive neutrality principles to any identified significant business activities, unless the activity provides a net benefit to society.⁴⁸ To apply the principles, the councils must either incorporate all the costs including any additional costs a private sector provider would incur to provide the same services, or corporatise the activity.
- 3.18 The OTTER guidance notes that, given the degree of judgement involved in the above assessment, it is critical for councils to document their reasoning as to whether an activity is a significant business activity. Finally, councils are required to report significant business activities in their financial statements.
- 3.19 On this basis, the primary assessment for compliance with the competitive neutrality principles was whether the council had documented its reasoning and reported any significant business activity.

Compliance with the Competitive Neutrality Policy

- 3.20 We found that, of those councils that did undertake private works, none had documented their consideration of whether their private works constituted a significant business activity.

Entities with lower volumes of private works

- 3.21 As noted above, Treasury guidance states a defined financial threshold is an insufficient measure of significance, given the potential impact in small markets.⁴⁹ Given this, all councils should document their consideration of whether their private works are a significant business activity, including the potential impact on the relevant market.

⁴⁶ Treasury (2013), [Identification and management of significant business activities by local government in Tasmania to comply with competitive neutrality principle](https://www.treasury.tas.gov.au/Documents/SigBusApp-Local-Gov.PDF), Treasury, accessed 21 August 2023.

⁴⁷ Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023.

⁴⁸ The concept of a public benefit is further explored in Treasury's [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy) guidance. It

includes, among other things, consideration of ecologically sustainable development, social welfare and equity, and economic and regional development.

⁴⁹ Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023.

<https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

- 3.22 Nonetheless, 12 of the councils that did private works had less than \$50,000 in revenue in the 2021-22 financial year.⁵⁰ These councils advised they refer requests for private works to the market where possible. Evidence of this was only available in 3 instances, which councils consistently advised was because referrals occurred verbally.

Entities with higher volumes of private works

- 3.23 Eight councils undertook more than \$50,000 of private works. These are shown in Table 7.

Table 7: Higher value private works, by works for government and private entities

	Council name	Approximate private works revenue in 2021-22	Approximate revenue from other government entities	Approximate revenue from private entities
1	Break O'Day	\$87,000	\$62,000	\$25,000
2	Central Highlands	\$136,000	\$7,000	\$129,000
3	Flinders	\$98,000	\$83,000	\$15,000
4	Hobart City	\$100,000	\$78,000	\$22,000
5	King Island	\$1,500,000	\$910,000	\$597,000
6	Kingborough	\$1,000,000	\$1,000,000	\$5,000
7	Northern Midlands	\$61,000	\$47,000	\$14,000
8	Southern Midlands	\$370,000	\$202,000	\$168,000

Source: Tasmanian Audit Office

- 3.24 As noted above, Treasury guidance excludes business between government entities from the definition of business for the purposes of the CNP.⁵¹ For 5 of the 8 councils, less than \$50,000 of the private work's revenue was from private entities. Therefore, in 2021-22 only 3 councils had private works revenue over \$50,000 to which the competitive neutrality principles could have applied.
- 3.25 These councils (Central Highlands, King Island and Southern Midlands Councils) advised that the services they provided were not available from private contractors in the area, or that they referred requests for private works to private contractors where they were available. However, as noted above, the guidance states that 'the absence of current competition with other providers of the same goods or services does not

⁵⁰ The 12 councils were Brighton, Central Coast, Circular Head, Derwent Valley, Devonport City, Dorset, Glamorgan-Spring Bay, Latrobe, Launceston City, Meander Valley, Sorell and Tasman Councils.

⁵¹ Treasury (Department of Treasury and Finance) (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023. <https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

automatically imply that an activity is not a business activity.’⁵² Councils are therefore required to document their reasoning, including any consideration of whether competitors *would* emerge if they operated differently.⁵³ If competitors would not emerge, it may be the case that the provision of these services is a public benefit, and therefore the competitive neutrality principles should not be applied. However, this reasoning should be documented by the councils in accordance with the relevant guidance.

- 3.26 Hobart City Council has advised that a review of its activities to identify significant business activities – including consideration of private works – is on its forward work plan.
- 3.27 The identification of significant business activities should occur annually, as any identified significant business activity must be reported in councils’ financial statements.

Reporting of significant business activity

- 3.28 As noted above, councils are required to report significant business activity in their financial statements.
- 3.29 Flinders Council was the only Council to report private works as a significant business activity in its 2021-22 financial statements. It originally reported \$123,000 in private works revenue. However, we found that its actual revenue from private works was \$98,000.⁵⁴ When the \$83,000 of that revenue for services to other government entities is removed, only the remaining \$15,000 of the revenue could have constituted a significant business activity. The Council also did not document its consideration as to why this work constituted a significant business activity.

⁵² Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023.
<https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

⁵³ Ibid.

⁵⁴ This does not constitute a material misstatement.

Acronyms and abbreviations

CNP	Competition Neutrality Policy
OTTER	Office of the Tasmanian Economic Regulator
Treasury	Department of Treasury and Finance

Audit Mandate and Standards Applied

Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for one or more of the following purposes:
 - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
 - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
 - (c) investigating any matter relating to public money or other money, or to public property or other property;
 - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
 - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;
 - (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
 - (i) on behalf of the State entity; or
 - (ii) in partnership or jointly with the State entity; or
 - (iii) as the delegate or agent of the State entity;
 - (g) examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act

Standards Applied

Section 31 specifies that:

'The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to -

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.'

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.



*Front cover image: Grading of Prossers Road, Nunamara
Photography: Shaw Contracting*

Hobart Office

Phone (03) 6173 0900

Email admin@audit.tas.gov.au

Web www.audit.tas.gov.au

Address Level 2, 144 Macquarie Street

Hobart, 7000

Postal GPO Box 851, Hobart 7001

Launceston Office

Phone (03) 6173 0971

Address 4th Floor, Henty House

1 Civic Square, Launceston

GENERAL MANAGER**AO183-24 COUNCILLOR APPOINTMENTS TO SPECIAL COMMITTEES,
REGIONAL BODIES AND WORKING GROUPS**

FILE NO: 2/5/23
PREVIOUS MIN:

1.0 RECOMMENDATION:

“THAT Council:

- 1) Appoint Deputy Mayor Simpson to the Burnie City Youth Council Special Committee in a non-voting advisory role, and Cr Keygan as proxy;*
- 2) Appoint all nine councillors to the General Manager’s Performance Review Special Committee;*
- 3) Appoint the position of Mayor as Owner Representative to the Taswater Owners’ Representatives Group;*
- 4) Appoint Cr Grave as the Mayor’s delegate to the Western Municipal Combined Area Emergency Management Planning Committee;*
- 5) Appoint Cr Lynch to the West Park Precinct Users Group;*
- 6) Appoint Mr Ron Blake OAM as the independent member to the West Park Precinct Users Group for a term of three years ending 30 November 2027;*
- 7) Appoint Deputy Mayor Simpson and Cr Keygan to the View Road Reserve Working Group;*
- 8) Appoint Cr Keygan and Cr Pease to the Burnie Sports Centre Working Group;*
- 9) Note the recent appointment of Mayor Brumby and Cr Pease to the City Centre Urban Plan Working Group (Item AO129-24, 27 August 2024);*
- 10) Acknowledge that the above appointments replace former appointments to those named committees or bodies, and will be effective immediately; and*
- 11) Authorise the Mayor to fill casual vacancies or appoint proxies on any special committee, advisory committee, working group or representative body in accordance with their relevant rules.”*

2.0 EXECUTIVE SUMMARY

Purpose and Background

Councillor appointments to special committees are made every two years, aligning with the four yearly elections. Councillor appointments to the Audit Panel, and regional bodies are included in this paper. There is an opportunity to also review councillor appointments to various working groups.

Key Issues

Council has two Special Committees to appoint to, each according to their Terms of Reference. Independent members are appointed by Council at later times, according to their set terms.

Current appointments to the Audit Panel are in place for a four year term since December 2022, therefore new appointments are not required.

Under Regional Bodies, the current appointments of voting delegate for LGAT can remain in place for a further two years aligned with the local government elections. The appointments to Taswater Owners' Representatives Group to the Western Emergency Management Committee are open for review.

Council has a number of working groups which are open for review.

3.0 SUPPORTING INFORMATION

Strategic Alignment

This report supports the Council Plan Enabler: Our People.

Legal

Special Committees are formed in accordance with section 24 of the *Local Government Act 1993*. Each one has its own Terms of Reference, available on Council's website [here](#).

The Audit Panel is required to be established under Part 7 Division 4 of the *Local Government Act 1993*. Its Terms of Reference are available on Council's website [here](#).

Council also makes appointments to regional bodies which may be governed by relevant legislation, such as the Taswater Owners' Representatives Group.

Working groups are formed from time to time for short term purposes but are not formed under any relevant legislation.

Council has a number of appointments to external bodies as invited from time to time.

Finance

There are no financial impacts resulting from this report. Councillor appointments are not paid an additional fee, and are undertaken within the existing duties of Councillors.

Relation to Council Policy

There are no Council policies relating to this report. Each Special Committee, the Audit Panel, and Regional Bodies have Terms of Reference setting out the rules of operation and delegation for the committee.

Discussion

The attached document 'Bi-ennial Review of Councillor Appointments' summarises all the various Special Committees, Working Groups, Regional Bodies and external organisations to which Council has appointed councillors, together with the requirements for appointments and reference to their rules.

Councillors have discussed preferences for nominations at a recent workshop.

Health and Safety

There are no health and safety impacts resulting from this report.

Risk

The Terms of Reference or Delegation of Authority and Operating Procedures (the Rules) provide for the functions of the Special Committees and also impose restrictions on the powers of the Special Committees. These Rules seek to minimise risk in the operation of the committees.

Some committees or bodies, such as the Audit Committee and the Western Emergency Management Planning Committee, contribute to risk minimisation by their nature and purpose.

Environmental Sustainability

There are no environmental sustainability impacts to be considered in this report.

Consultation

Relevant Council Officers have been consulted in the preparation of this report.

Conflict Of Interest

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

ATTACHMENTS

- 1. [Download](#) Bi-ennial Review of Councillor Appointments - 2024

Bi-ennial Review of Councillor Appointments - 2024

The tables below summarise all the various Special Committees, Working Groups, Regional Bodies and external organisations to which Council has appointed councillors, together with the requirements for appointments and reference to their rules.

The number of councillors required for each committee are shown in the last column.

Special Committees

Special Committees are established by Council.

Special Committees (established under s.24 Local Government Act 1993)		
Name of Committee	Purpose	Representative
Burnie City Youth Council Special Committee	To advise Council on matters relating to youth; to develop communications and leadership skills through participation in a formal forum setting; and for participants to become familiar with meeting procedures in a local government setting. Rules: Terms of Reference – Burnie City Youth Council Special Committee	1 councillor 1 proxy (non-voting advisory roles) Current appointment Cr Simpson, Proxy Cr Keygan AO216-22, 13.12.22
General Manager’s Performance Review Special Committee	To undertake the annual performance review of the General Manager. Rules: Delegation of Authority and Rules of Operation – General Manager’s Performance Review Special Committee	All 9 councillors No proxy

Audit Panel

Council must establish an audit panel, in accordance with sections 85 – 85B of the *Local Government Act 1993*.

Audit Panel – Local Government Act		
Name of Committee	Purpose	Representative
Burnie City Council Audit Panel	To provide assurance and advice to the Council in relation to the assessment, management and review of risk across all Council activities and services in accordance with a contemporary governance and risk management framework. Formed under S.85 of the Local Government Act 1993 Rules: Terms of Reference – Burnie City Council Audit Panel	2 councillors 1 proxy Continuing appointments in place for 4 years until next election: Cr Lynch, Cr Pease

	Note: Mayor cannot be appointed	Proxy Cr Keygan AO216-22, 13.12.2022
--	---------------------------------	--------------------------------------------

Regional Bodies

Council makes appointments to the following regional bodies, as required under the rules of membership in each case. Re-appointments for each are included in the recommendation, with the exception of LGAT which is not required at this time.

Regional Bodies		
Name of Committee	Comments	Representative
Local Government Association of Tasmania (voting delegate)	<p>The LGAT Rules require Council appoint one Voting Representative to attend Meetings (Rule 13(a)), and allow for a proxy to be appointed. The Voting Representative for Burnie has traditionally been the position of Mayor. It is generally recommended that the position of Mayor be appointed as voting delegate. It is generally recommended that the proxy position be left open and the Mayor delegated to appoint a proxy at any time they are unable to attend a meeting (per Rule 14(a)(b)).</p> <p>Rules: Local Government Association of Tasmania Rules</p>	<p>Mayor</p> <p>Continuing appointment in place AO203-22, 29.11.22</p>
Tasmanian Water and Sewerage Corporation Pty Ltd (owner representative)	<p>The Taswater Constitution requires either an elected member or the General Manager as Owner Representative (Rule 9.1(b)). This appointment for Burnie has traditionally been the position of Mayor. It is generally recommended that the position of Mayor be appointed as the Owner Representative. The Rules allow an Acting Owner Representative to be appointed if and when required (Rule 9.3(a)). It is generally recommended that the Mayor be delegated to appoint an Acting Owner Representative at any time they are unable to attend a meeting. It is noted that the appointment as an Owner Representative may only be for a term not exceeding three years but may be reappointed for unlimited terms (Rule 9.1(a)(d)). This appointment is therefore included in the review of all appointments every two years.</p> <p>Rules: Tasmanian Water and Sewerage Corporation Pty Ltd Constitution</p>	<p>Mayor</p> <p>Appointment term cannot exceed three years Last appointment AO216-22, 3.12.22</p>

Regional Bodies		
Name of Committee	Comments	Representative
Western Emergency Management Planning Committee	<p>Purpose: To ensure that the three municipalities making up the Western Combined Area (Burnie, Circular Head and Waratah-Wynyard) meet their responsibilities under the Emergency Management Act 2006, in particular s22.</p> <p>Appointment for each council is to be the Mayor or his/her delegate (attends in addition to the Municipal Emergency Management Coordinator, Deputy Municipal Emergency Management Coordinator, and the Recovery Coordinator who each attend in those capacities)</p> <p>Rules: Western Municipal Combined Area Emergency Planning Committee Terms of Reference dated 18 Feb 2021</p>	<p>1 councillor (Mayor's delegate) 1 proxy</p> <p>Current appointment Cr Grave AO216-22 13.12.2022</p>

Working Groups

Council currently has the following working groups which are short term and informal in nature, established for a specific purpose.

Working Groups		
Name of Working Group	Current Representatives	Appointment
West Park Precinct Users Group	<p>Cr Lynch</p> <p>Independent Member: Ron Blake OAM</p> <p>Terms of Reference – West Park Precinct Users Group, approved by Council 26 March 2024</p>	AO216-22, 13 Dec 2022
View Road Reserve Working Group	Deputy Mayor Simpson, Cr Keygan	AO216-22, 13 Dec 2024
Burnie Sports Centre Working Group	Cr Keygan, Cr Pease	AO216-22, 13 Dec 2024
City Centre Urban Plan Working Group	<p>Mayor Brumby, Cr Pease</p> <p>Terms of Reference – City Centre Urban Plan Working Group, approved by Council 27 August 2024</p>	AO129-24, 27 Aug 2024 Recent appointments continuing

External Appointments

The following appointments by Council to external organisations are for noting. No changes are proposed.

External Appointments		
Name of Organisation	Comments	Representative
Burnie Works Ltd	Appointed by Council on 27 April 2021, AC039-21	Cr Keygan
Northwest Tasmanian Veteran Welfare Board	Appointed by Council on 10 December 2019, AO353-19	Cr Keygan Proxy Cr Simpson
Rural Clinical School Community Advisory Board	Appointed by Council on 29 Jan 2019, AO020-19	Cr Lynch
North West Support School Burnie Reference Group	Appointed by Mayor on 21 Nov 2023, by authority of AO216-22	Cr Simpson

Casual Vacancies

It has been Council's practice that the Mayor be given the authorisation to fill any casual vacancies on Special Committees and regional bodies and to appoint proxies at times when appointed Councillors are unable to attend. This ensures that Council is always able to be represented at meetings with the appropriate voting rights.

A clause to this effect is included in the recommendation to Council for appointments.

GENERAL MANAGER**AO184-24 LAND DISPOSAL - PROPOSAL TO DISPOSE OF PUBLIC LAND
WISEMAN STREET, SHOREWELL PARK (PART OF CT 9994/300)**

FILE NO: 5/2/2-04 & 6181770

PREVIOUS MIN:

1.0 RECOMMENDATION:

“THAT Council, by absolute majority, determines its intention to dispose of public land, located at Wiseman Street, Shorewell Park, CT 9994/300, the area identified on the plan attached, drawing no. Shorewell Park Community Battery, rev. no. A, dated 24 April 2024, to TasNetworks to be used for the purposes of a long term lease over land the Community Battery is to be situated, and that a further report be presented to Council as to the outcome of the submission process.”

2.0 EXECUTIVE SUMMARY**Purpose and Background**

TasNetworks in collaboration with Burnie City Council are assisting with the delivery of a Community Battery to be situated on Council land at Wiseman Street, Shorewell Park. To facilitate its development a lease over that portion of the title is required for TasNetworks to be able to access and undertake maintenance of their infrastructure.

The proposed portion of land is listed on Council’s Public Land Register, and a lease would need to be in excess of 5 years, therefore triggering the need for disposal of public land under s178 of the *Local Government Act 1993*. The purpose of this report is to commence that process.

Key Issues

Council must undertake a disposal of public land process which provides for a public notice period, and for any submissions to be considered before it can dispose (lease greater than 5 years), the portion of land the community battery is to be situated on.

3.0 SUPPORTING INFORMATION**Strategic Alignment**

Council’s Strategic Plan Making a Better Burnie 2044 Goal 2: Making liveable local communities; and Goal 3: Making sustainably built and natural environments.

Legal

Section 178 of the Local Government Act 1993 requires that Council must undertake a disposal of public land process which provides for a public notice period, and for any submissions to be considered before it can dispose (part) of the land for a lease greater than 5 years.

Guidance on the process to follow in the disposal of public land is provided in an information sheet produced by the Local Government Division titles 'Sale of Public Land'.

Finance

The Act requires that a valuation for land by a registered valuer be obtained before Council disposes of public land. Council has engaged a commercial valuation for the land which will be provided to Council when available.

Relation to Council Policy

There are no Council policies relating to this report.

Discussion

The portion of land proposed for the location of the Community Battery, to be leased by TasNetworks is contained within CT 9994/300, known as Shorewell Park Reserve, adjacent to Wiseman Street, located directly west of the existing TasNetworks substation and directly south of the existing car park for the reserve.

In regard to the public land disposal process, the following steps need to occur:

- a) Council determines its intention to dispose of the subject land.
- b) Council's determination is published as a public notice, twice, in a local newspaper advising interested parties of Council's intention to dispose of the land.
- c) A notice is required to be placed at the property boundary advising of Council's intention to dispose of the land.
- d) Submissions are invited from interested parties in respect of Council's intention to dispose of the subject land.

Any submissions received within the specified time frame will be considered by Council following the completion of the statutory period.

The Act contains appeal provisions, should a person who lodges a submission, be aggrieved by the subsequent Council decision.

Health and Safety

There are no health and safety impacts resulting from this report.

Risk

There are no identified risks that require consideration in relation to this report.

Environmental Sustainability

There are no environmental sustainability impacts to be considered in this report.

Consultation

A representative of TasNetwork's has been working with Council officers and has been advised of Council's intention to commence a public land disposal process, which allows opportunity for the community to make a submission in respect to the proposed disposal of land.

The following notices will be made:

- Publishing a public notice (twice) in The Advocate with the prescribed information; and
- Posting a notice on the boundaries of the subject land.

The Act requires a 21 day submission period from the date of first publication of the notice.

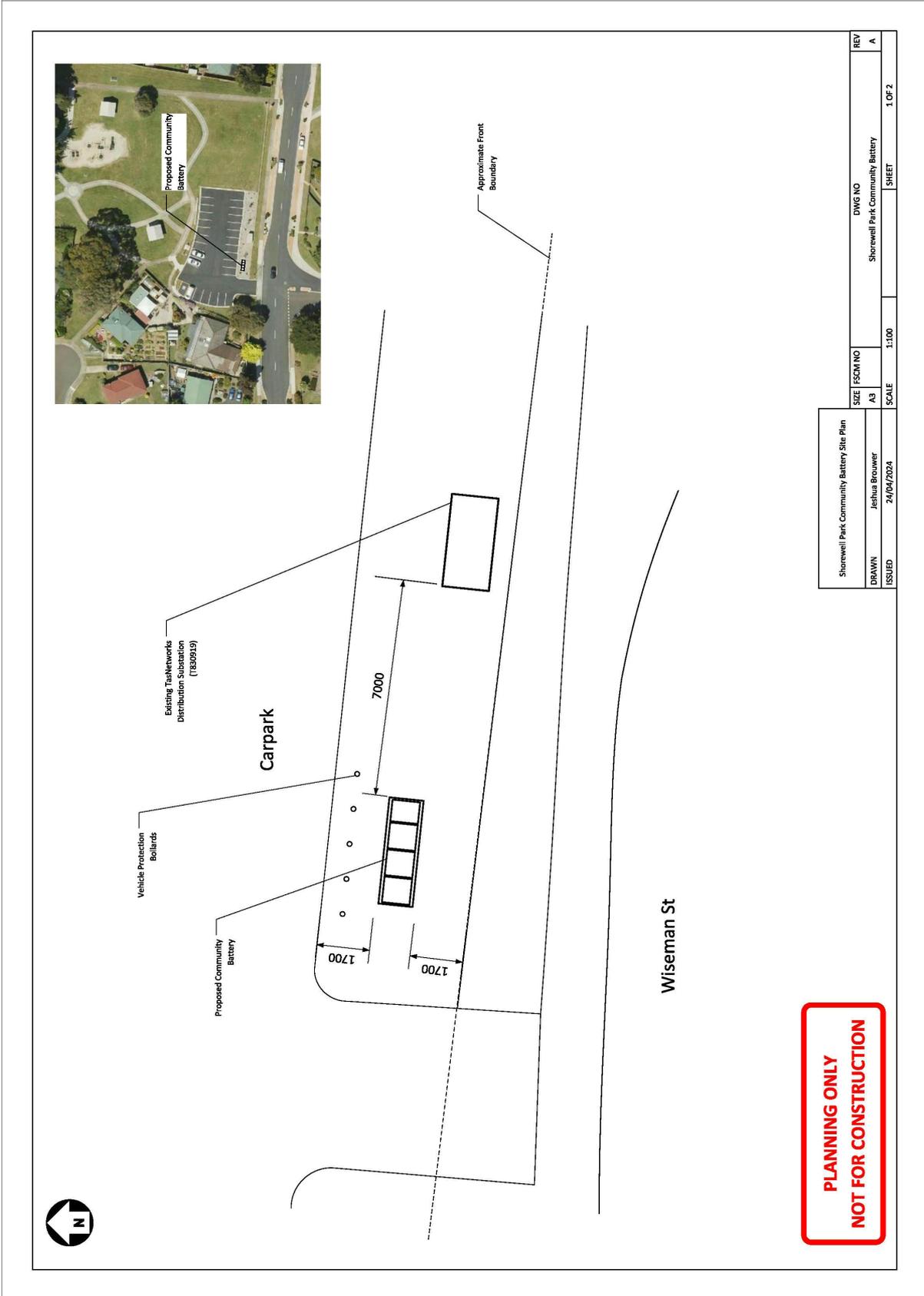
A further report will be provided to Council following the submission period, to consider any submissions received.

Conflict Of Interest

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

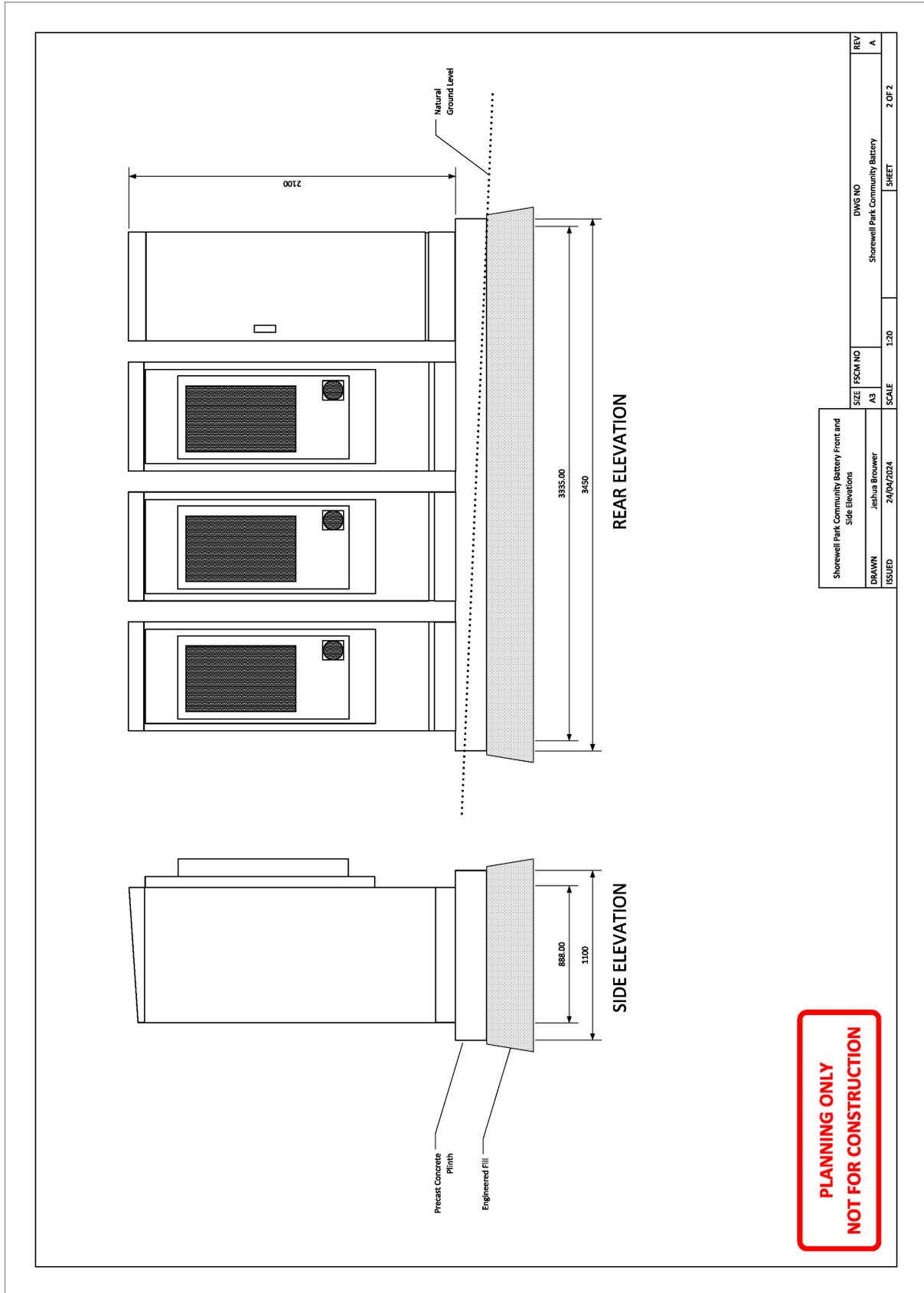
ATTACHMENTS

- 1↓. [Community Battery Plan](#)



**PLANNING ONLY
NOT FOR CONSTRUCTION**

Shorewell Park Community Battery Site Plan			
SIZE	FSCM NO	DWG NO	REV
A3		Shorewell Park Community Battery	A
ISSUED	SCALE	SHEET	1 OF 2
24/04/2024	1:100		
DRAWN			
Jethus Brouwer			



GENERAL MANAGER**AO185-24 GENERAL MANAGER'S REPORT - OPEN SESSION**

FILE NO: 4/18/2
PREVIOUS MIN:

1.0 RECOMMENDATION:

“THAT Council note the information provided in the General Manager’s Report.”

2.0 EXECUTIVE SUMMARY

The purpose of this report is to advise on the following items:

Mayor’s Communications
General Manager’s Communications
Notification of Council Workshops
Notification of Committee Meetings
Correspondence for Noting
Council Meeting Action List

3.0 DETAILS**Mayor’s Communications**

The Mayor advises that the following meetings, events or appointments were attended since the last Council Meeting report:

- Meeting with Mayors – Qantas Announcement
- 7BU Radio Leigh Kenworthy
- Burnie Musical Society – Elf The Musical JR “Jolly Cast”
- Burnie Musical Society - Elf The Musical JR “Merry Cast”
- Emu Valley Rhododendron Garden – Accessible Garden Video
- Tasmanian Export Awards 2024 – Gala Dinner
- Emu Valley Rhododendron Garden Spring Festival
- The big blue table; Infuse Coffee
- Stem2 igniting the genius within (TMEC)
- Pirates of Penzance; DoMaur Productions
- TasRail – Opening of New Ship Loader
- Burnie Arts – Stage 1 Official Opening
- ABC Radio – Andre Leslie
- Women’s Mayor meeting with the Hon. Katy Gallagher MP

- Lunch with the Hon. Katy Gallagher MP
- Coastal Pathway Opening
- Frocktober Funky Frock Swap
- Burnie 10 Celebrating 40 years Dinner and Event Launch
- Burnie 10 – 5K Walk
- TasWater General Meeting
- Burnie Community House AGM
- 7BU Breakfast Leigh Kenworthy
- Minister Kerry Vincent; Local Government/ Infrastructure
- Hellyer Road Distillery Visit
- SeaFM Radio - Danni & Patty
- Cruise Ship Volunteer Information Session
- Parakaleo Ministries Inc. (Choose Life) 25th Birthday Celebration
- Election Commitments - Mal Hingstone Liberal Candidate
- Leighland Christian School – Real World Connections – Speaker
- City Mission CEO – Jo Fearman
- Hellyer College Celebration Day
- Walk & Talk & SPEAK UP! Stay ChatTY
- Remembrance Day – Speaker
- TasPorts CEO catch-up
- One North Terrace – Official Opening
- Hellyer College Art Exhibition 2024
- 321-Go Kids' Race
- Opening New Burnie Ambulance Station - By invitation of Premier
- Scott Waterhouse - City Mission Community Engagement
- Kmart Wishing Tree Launch

The Mayor advises that the following meetings, events or appointments were attended on their behalf since the last Council Meeting report:

- Nil

General Manager’s Communications

The General Manager advises that the following meetings, events or appointments were attended since the last Council Meeting report:

Date	Meeting / Function
15 October	BCC Team Charter
30 October	Audit Panel Meeting
8 November	Urban Plan Release
	TOMRA Cleanaway

Notification of Council Workshops

The General Manager advises that the following Workshops were held since the last Council Meeting report:

Workshop	15 October 2024
Councillors in attendance	Mayor Brumby, Deputy Mayor Simpson, Cr Aitken, Cr Boyd, Cr Grave, Cr Keygan, Cr Lynch, Cr Pease
Apologies	Cr Dorsey
Items Discussed	Guests – Team Charter Workshop, Meeting Procedures, Strategic Risk Register Review, Out of Session Briefing Papers, Strategic Property Acquisition

Workshop	5 November 2024
Councillors in attendance	Mayor Brumby, Deputy Mayor Simpson, Cr Aitken, Cr Boyd, Cr Grave, Cr Keygan, Cr Lynch, Cr Pease
Apologies	Cr Dorsey
Items Discussed	LGAT Motions, Federal Election Priorities, Dual Naming Policy

Workshop	12 November 2024
Councillors in attendance	Mayor Brumby, Deputy Mayor Simpson, Cr Aitken, Cr Boyd, Cr Grave, Cr Keygan, Cr Lynch, Cr Pease
Apologies	Cr Dorsey
Items Discussed	Councillor Appointments to Committees, Government Business Governance Reform – Draft Plan, Dual Naming Policy

Notification of Committee Meetings

The General Manager advises that the following Committee Meetings were held since the last Council Meeting report:

24 October	Burnie City Youth Council Special Committee
30 October	Audit Panel

Council Meeting Action List

The action lists from Council Meetings in Open Session are attached at the end of this report.

ATTACHMENTS

- 1. [Open Session - All Actions - 22 October 2024](#)
- 2. [Open Session - Outstanding Actions up to Sep 2024](#)

Council Meeting Action Report All Actions for Open Session of 22 October 2024	Date From: 22/10/2024 Date To: 22/10/2024 Printed: Monday, 18 November 2024
------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------

Item Number	Report Title	Action	Department	Completed
AO165-24	NEW POLICY - TEAM CHARTER	23 Oct 2024 Update the Team Charter dot points 2 and 10 as discussed, and finalise in the Corporate Document Framework, and send to Governance for publishing to Portal, per council resolution AO165-24.	Corporate and Commercial Services	
Council 22/10/2024				
AO154-24	MOTION ON NOTICE - COASTAL PATHWAY ACKNOWLEDGEMENT	23 Oct 2024 Install a plaque at a pause place on the Coastal Pathway in Cooee, recognising Keith and Lynne Price, per council resolution AO154-24. 15 Nov 2024 In progress - Council Officers will meet with Keith Price to determine final location of Plaque.	Office of the General Manager	
Council 22/10/2024				
AO155-24	PUBLIC QUESTION TIME	23 Oct 2024 Finalise the collated record of public questions and publish to website, and provide a response with weblink to all questioners not present, per AO155/24. 07 Nov 2024 Action Completed. Public Questions published to website and response sent 24/34476	Office of the General Manager	7/11/2024
Council 22/10/2024				
AO159-24	POLICY REVIEW - COMMUNITY LIABILITY POLICY	23 Oct 2024 Provide additional information on the Community Liability Policy relating to events, and return report to Council after review, per resolution AO159-24.	Office of the General Manager	
Council 22/10/2024				
AO160-24	EXTENSION OF CHAIRPERSON OF COUNCIL'S AUDIT PANEL	23 Oct 2024 Advise the Audit Panel Chair and Audit Panel of Council's extension to the Chair appointment for a further twelve months, per resolution AO160-24.	Corporate and Commercial Services	
Council 22/10/2024				
AO160-24	EXTENSION OF CHAIRPERSON OF COUNCIL'S AUDIT PANEL	23 Oct 2024 Update the Councillor Appointments Register with the extension of Audit Panel Chair, per resolution AO160-24.	Office of the General Manager	
Council 22/10/2024				
AO161-24	BURNIE SETTLEMENT STRATEGY	23 Oct 2024 Finalise the Burnie Settlement Strategy in the Corporate Document Framework and publish to website, per council resolution AO161-24.	Corporate and Commercial Services	
Council 22/10/2024				
AO164-24	STRATEGIC RISK REGISTER REVIEW	23 Oct 2024 Finalise the revised Strategic Risk Register in the Corporate Document Framework and publish to website, per council resolution AO164-24. 24 Oct 2024 Action Completed. SRR finalised and published.	Office of the General Manager	24/10/2024
Council 22/10/2024				
AO169-24	GENERAL MANAGER'S QUARTERLY INFORMATION REPORT FOR CORPORATE AND COMMERCIAL SERVICES - SEPTEMBER 2024	23 Oct 2024 Update the revised operating and capital budgets in council's financial accounting system, per council resolution AO169-24.	Corporate and Commercial Services	
Council 22/10/2024				

<p>Council Meeting Action Report Outstanding Actions for Open Sessions up to Sep 2024</p>	<p>Date From: 1/01/1900 Date To: 30/09/2024 Printed: Monday, 18 November 2024</p>
-------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------

Item Number	Report Title	Action	Department	Completed
AO265-20	MOTION ON NOTICE - DUAL NAMING POLICY	<p>18 Nov 2020 Undertake community consultation (both Aboriginal and non-Aboriginal), and progress to develop a dual naming policy for Burnie, in accordance with the report and resolution of Council AO265-20.</p> <p>14 Apr 2021 Written to TAC seeking to engage in discussion as a starting point, 21/26471.</p> <p>11 Oct 2021 7/8 - follow up email sent, no response to date.</p> <p>10 May 2022 Several attempts to engage have not provided a successful outcome. An alternative contact is being sourced through UTAS.</p> <p>15 Mar 2023 Meeting scheduled with TAC for Tuesday, 21 March 2023</p> <p>12 Apr 2023 Meeting took place 21/3. Agreement TAC will provide details of the geographical feature in Burnie municipality it would like to have dual named – mainly rivers and mountains. Also discussed TAC Language Program and Burning Country – Pakana Rangers.</p> <p>14 Jun 2023 Contact received from Circular Head Aboriginal Corporation, requesting to meet, being arranged.</p> <p>08 Aug 2023 Met with CHAC and have asked them to forward through Placenames for key geological features</p> <p>14 Oct 2024 Multiple attempts to engage with TAC and CHAC on this issue have not elicited any response. This has not been further progressed because of staff commitment to other planned priorities.</p> <p>15 Nov 2024 Council Officers will attempt to contact relevant parties directly.</p>	Office of the General Manager	
Council 17/11/2020				

Council Meeting Action Report**Outstanding Actions for Open Sessions up to Sep 2024**

Date From: 1/01/1900
Date To: 30/09/2024
Printed: Monday, 18 November 2024

Item Number	Report Title	Action	Department	Completed
AO106-22	BY-LAW - INTENTION TO MAKE A NEW BY-LAW - DRAFT PUBLIC PLACES BY-LAW	<p>05 Jul 2022 Request the preparation of a Regulatory Impact Statement for the draft Public Places By-law and then progress the required Director's certification and public consultation process, before returning a report to Council, per AO106-22.</p> <p>06 Jul 2022 Preparation of RIS requested from legal practitioner on 6.7.22, doc 22/19343.</p> <p>17 Nov 2022 RIS received and being reviewed.</p> <p>11 Jan 2023 RIS finalised and sent to Director Local Government on 10.1.22 with draft by-law, seeking certification, prior to final stage of community consultation.</p> <p>13 Apr 2023 Public consultation information prepared, awaiting Certificate from Director Local Government.</p> <p>12 Sep 2023 Feedback received from DLG, being considered.</p> <p>17 Jan 2024 Revisions made incorporating feedback, and sent to legal advisor for review in Nov 2023.</p> <p>13 Feb 2024 Updated Public Places By-law and Regulatory Impact Statement re-submitted to Director Local Government 7 Feb 2024 for review and certification.</p>	Office of the General Manager	
Council 28/06/2022				
AO102-23	INTENTION TO MAKE A NEW BY-LAW - HIGHWAYS BY-LAW	<p>28 Jun 2023 Progress the draft by-law to the next stage of legal review, preparation of Regulatory Impact Statement, and then submission to Director for review and certification (prior to consultation period), per Council resolution AO102-23.</p> <p>13 Jul 2023 Revised information sent to lawyer for review and preparation of Regulatory Impact Statement.</p> <p>13 Feb 2024 Proposed Highways By-law and Regulatory Impact Statement submitted to Director Local Government 7 Feb 2024 for review and certification.</p>	Office of the General Manager	
Council 27/06/2023				
AO090-23	MOTION ON NOTICE - IRON MINE ROAD	<p>28 Jun 2023 Explore option to hand back Iron Mine Road to Tasmanian Parks and Wildlife, as per council resolution AO090-23.</p> <p>14 Feb 2024 Awaited completion of road renewal and will now investigate options.</p> <p>13 Mar 2024 In progress.</p> <p>16 May 2024 Currently investigating.</p> <p>15 Nov 2024 No update.</p>	Office of the General Manager	
Council 27/06/2023				

Council Meeting Action Report**Outstanding Actions for Open Sessions up to Sep 2024**

Date From: 1/01/1900
Date To: 30/09/2024
Printed: Monday, 18 November 2024

Item Number	Report Title	Action	Department	Completed
AO155-23	MOTION ON NOTICE - PRAYER AT COMMENCEMENT OF COUNCIL MEETINGS	<p>25 Oct 2023 Initiate an engagement with various faith leaders in the community with a view to establish an interfaith network that fosters social inclusion and collaborative community relationships, as per Council Resolution AO155-23.</p> <p>14 Oct 2024 Not started because of staff commitments to planned priorities.</p> <p>15 Nov 2024 On hold until commencement of new GM.</p>	Office of the General Manager	
Council 24/10/2023				
AO039-24	MOTION ON NOTICE - MULTIPURPOSE SPORTS CENTRE	<p>28 Mar 2024 Commence working with sporting groups to explore options for an indoor multi-sport facility, per Council resolution AO039-24.</p> <p>14 Oct 2024 To be started in 2025 Calander year.</p> <p>15 Nov 2024 No further update.</p>	Office of the General Manager	
Council 26/03/2024				
AO086-24	MOTION ON NOTICE - BURNIE CITY YOUTH COUNCIL - LOCATION FOR BASKETBALL AREA	<p>26 Jun 2024 Investigate location options and costs for a proposed basketball area requested for consideration by Youth Council, per Council resolution AO086-24.</p> <p>15 Nov 2024 To be reviewed on adoption of the Urban Plan as part of detailed design of foreshore area (DA)</p>	Office of the General Manager	
Council 25/06/2024				
AO092-24	DISSOLUTION OF CBD REFERENCE GROUP AND CREATION OF CITY CENTRE URBAN PLAN WORKING GROUP	<p>26 Jun 2024 Notify all members of the CBD Reference Group of council's decision to dissolve the group and form a new working group, per Council resolution AO092-24.</p> <p>15 Nov 2024 Advertisement for applications to City Centre Urban Plan Working Group completed – Council Officers will assess applications (DA)</p>	Office of the General Manager	
Council 25/06/2024				
AO110-24	DRAFT SETTLEMENT STRATEGY	<p>25 Jul 2024 Finalise and make available the draft Settlement Strategy and community feedback from round 1 for round 2 consultation as per council resolution AO110-24</p>	Land and Environmental Services	
Council 23/07/2024				
AO122-24	MOTION ON NOTICE - GATEWAY PROJECT	<p>03 Sep 2024 Schedule Council workshop to discuss options for the Gateway Project with final option subject to approval by the Department of State Growth as per Council resolution AO122-24.</p> <p>15 Nov 2024 Final adjustments underway to detailed design - to be taken to Council on completion (DA)</p>	Office of the General Manager	
Council 27/08/2024				

Council Meeting Action Report Outstanding Actions for Open Sessions up to Sep 2024	Date From: 1/01/1900 Date To: 30/09/2024 Printed: Monday, 18 November 2024
-----------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------

Item Number	Report Title	Action	Department	Completed
AO130-24	NEW VISUAL IDENTITY FOR BURNIE ARTS	<p>03 Sep 2024 Finalise and implement the new visual identity for Burnie Arts as per Council resolution AO130-24.</p> <p>13 Sep 2024 A meeting is scheduled with the consultant on 26 September to work through the elements and timeframes for execution of the visual identity components.</p> <p>14 Oct 2024 Consultant is on leave unexpectedly. Meeting rescheduled to 16 October.</p>	Corporate and Commercial Services	
Council 27/08/2024				
AO123-24	MOTION ON NOTICE - DOG KENNEL LICENCE REQUIREMENTS	<p>03 Sep 2024 Write to Northern Midlands Council and RSPCA Tasmania seeking advice on whether Council can improve its kennel licence requirements, per Council resolution AO123-24.</p>	Land and Environmental Services	
Council 27/08/2024				
AO148-24	LOCAL GOVERNMENT ACT - NEW STATEWIDE CODE OF CONDUCT	<p>30 Sep 2024 Update web and portal information with the new Statewide Code of Conduct to replace the former Code of Conduct Policy, per Item AO148-24.</p>	Office of the General Manager	
Council 24/09/2024				
AO138-24	PUBLIC QUESTION TIME	<p>01 Oct 2024 Request information from BAC on flight cancellations and arrival / departure times by Regional Express and Qantas, per public question on 24 Sept 2024, Item AO138-24.</p> <p>01 Oct 2024 Requested information from the Chair of the BAC, by COB Friday 11 October.</p>	Corporate and Commercial Services	
Council 24/09/2024				
AO144-24	ACQUISITION OF LAND - LETTEENE ROAD ROUND HILL	<p>30 Sep 2024 Finalise acquisition of land from Crown at Letteene Road, per Item AO144-24.</p>	Office of the General Manager	
Council 24/09/2024				
AO138-24	PUBLIC QUESTION TIME	<p>01 Oct 2024 Consider installation of a hose at the View Road Reserve Bike Track, per the public question raised at 24 September 2024, Item AO138-24.</p> <p>15 Nov 2024 Investigations ongoing.</p>	Office of the General Manager	
Council 24/09/2024				
AO145-24	POLICY REVIEW - INFORMATION MANAGEMENT (RECORDKEEPING) CP-CCS-CG-050	<p>30 Sep 2024 Finalise the Information Management (Recordkeeping) Policy in the Corporate Document Framework, and publish to web, per Item AO145-24.</p> <p>03 Oct 2024 Awaiting the publishing of the document through the Global Document Register.</p>	Corporate and Commercial Services	
Council 24/09/2024				
AO146-24	POLICY REVIEW - PUBLIC INTEREST DISCLOSURE PROCEDURES CP-CCS-CG-012	<p>30 Sep 2024 Finalise the Public Interest Disclosures Policy in the Corporate Document Framework, and publish to web, per Item AO146-24.</p> <p>02 Oct 2024 Sent to the Ombudsman for review and approval. Refer CM 24/30826.</p>	Corporate and Commercial Services	
Council 24/09/2024				

<p>Council Meeting Action Report Outstanding Actions for Open Sessions up to Sep 2024</p>	<p>Date From: 1/01/1900 Date To: 30/09/2024 Printed: Monday, 18 November 2024</p>
-------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------

Item Number	Report Title	Action	Department	Completed
AO148-24	LOCAL GOVERNMENT ACT - NEW STATEWIDE CODE OF CONDUCT	<p>30 Sep 2024 Develop a Dispute Resolution Policy by September 2025, as required under the new section 28JA of the Local Government Act 1993, as noted in Report AO148-24.</p> <p>14 Oct 2024 Waiting for State Government to provided model policy.</p> <p>15 Nov 2024 No further update.</p>	Office of the General Manager	
Council 24/09/2024				

MINUTES AND REPORTS OF COMMITTEES**AO186-24 BURNIE CITY YOUTH COUNCIL - UNCONFIRMED MINUTES OF MEETING HELD ON 24 OCTOBER 2024**FILE NO: 2/5/34

RECOMMENDATION:

“THAT the Unconfirmed Minutes of the Meeting of the Burnie City Youth Council held on 24 October 2024, be received and noted.”

SUMMARY

The meeting of the Burnie City Youth Council was held on Thursday 24 October 2024 where Burnie Youth Councillors discussed ‘speed counselling’ with Deputy Mayor Giovanna Simpson, Cr Chris Lynch and Cr Trent Aitken and feedback for the 2024 Youth Council.

The Youth Council also made decisions around progressing initiatives, such as a smoking ceremony at New Year’s Eve and a video advocating for a zero tolerance to racism in Burnie.

A copy of the meeting minutes is attached.

ATTACHMENTS

[1](#)  Burnie Youth Council Minutes 24 October 2024

5.	Feedback on Youth Council The Youth Councillors provided feedback on the 2024 Youth Council.
6.	Discussion & Next Steps
7.	Next Meeting Thursday 21 November – end of year event: 9.15am to 3.15pm at Camp Clayton. Youth Councillors are to be dropped off/picked up at Council Offices.

Closed: 11.27am

Unconfirmed

AO187-24 NON AGENDA ITEMS

In accordance with the requirements of Regulation 8(5) of the *Local Government (Meeting Procedures) Regulations 2015* a matter may only be discussed at a meeting if it is specifically listed on the agenda of that meeting.

Council by absolute majority may decide at an ordinary meeting to deal with a matter that is not on the agenda if the General Manager has reported:

- (a) the reason it was not possible to include the matter on the agenda; and
- (b) the matter is urgent; and
- (c) that advice has been provided under section 65 of the *Act*.

There being no further business the Mayor declared the meeting closed at ____pm.