



Financial Management Strategy and Long Term Financial Plan

2023/24 to 2032/33



Contents

1. Executive Summary	3
2. Introduction.....	5
What is financial sustainability and how is it measured?	5
Where is Council now?	6
Future Development	7
How does the LTFP fit in?.....	8
3. Modelling assumptions.....	9
Changes to assumptions or other relevant matters	9
Key assumptions.....	10
Modelling assumptions – Revenue	11
Rates and charges.....	11
Fees and charges and statutory fees and fines.....	11
Investment revenue – TasWater.....	12
Investment revenue – interest earnings	12
Operating grants.....	12
Other revenue	12
Modelling assumptions – Expenses.....	13
Employee costs.....	13
Materials and contracts.....	13
Depreciation	13
Other expenses.....	13
Modelling assumptions – Capital items	14
Capital grants	14
Gain or loss on disposal of assets.....	14
Asset renewal	14
New Assets	14
4. Modelling outcomes – key performance indicators	15
Underlying operating result	17
Underlying operating result ratio	17
Net financial (liabilities)/assets	18
Net financial (liabilities)/assets ratio	18
Asset renewal ratio	19
Asset sustainability ratio.....	19
Cash balance.....	20
5. Risk, Sensitivity Analysis.....	21
Rates.....	22
Employee salaries and wages.....	23
Materials and services/other expenses.....	24
Depreciation	25
6. Appendices	26
10 year Operating statement	27
10 year Cash flow statement	28
10 year Balance sheet	29

1. Executive Summary

This Long Term Financial Plan (LTFP) is a key component of Council's strategic and financial management framework. It seeks to ensure Council can deliver on the objectives and strategies detailed in its Strategic Plan and Community Vision. It is also a requirement pursuant to sections 70 and 70A of the *Local Government Act 1993* for Council to have a long term financial plan and strategy.

Whilst Council has an existing LTFP, this Plan was last reviewed and updated in 2016. Many circumstances have changed since the 2016 review. A substantially revised plan was tabled for Council adoption in June 2022, but was deferred until after the local government elections in October 2022, to allow the incoming council to consider and adopt a plan.

Financial sustainability has been a topical issue for local government for many years now, primarily caused by too many councils across the country recording operating deficits and a seeming inability to fund to the required level the replacement of infrastructure as it ages. There are several reasons for this including policy choices by councils, increased demand for services, population growth, service and cost transfers from other levels of government, and large portfolios of infrastructure that require significant funds to operate, maintain and replace. Councils also face community pressure regarding increases in rates.

The Plan has been developed with Council's key financial strategies at its core: moderate underlying surpluses, sufficient liquidity and cash flow, and asset renewal requirements being adequately funded.

The forecasts contained within this LTFP are necessarily based upon assumptions and these are detailed in this Plan. The intent is to move to moderate sustainable underlying surpluses in a timely fashion. The forecasts show:

- An operating deficit in 2023/24 but substantially reduced from 2022/23;
- A small underlying operating surplus in 2024/25 with the remaining years across the plan period achieving slightly larger, but still modest surpluses;
- A low level of debt – and which will be fully paid in the 2023/24 financial year;
- Sound cash balances for operational and capital purposes; and
- Asset renewal needs being fully funded.

The achievement of the above will mean Council meets all accepted measures of financial sustainability while being able to meet community expectations for services.

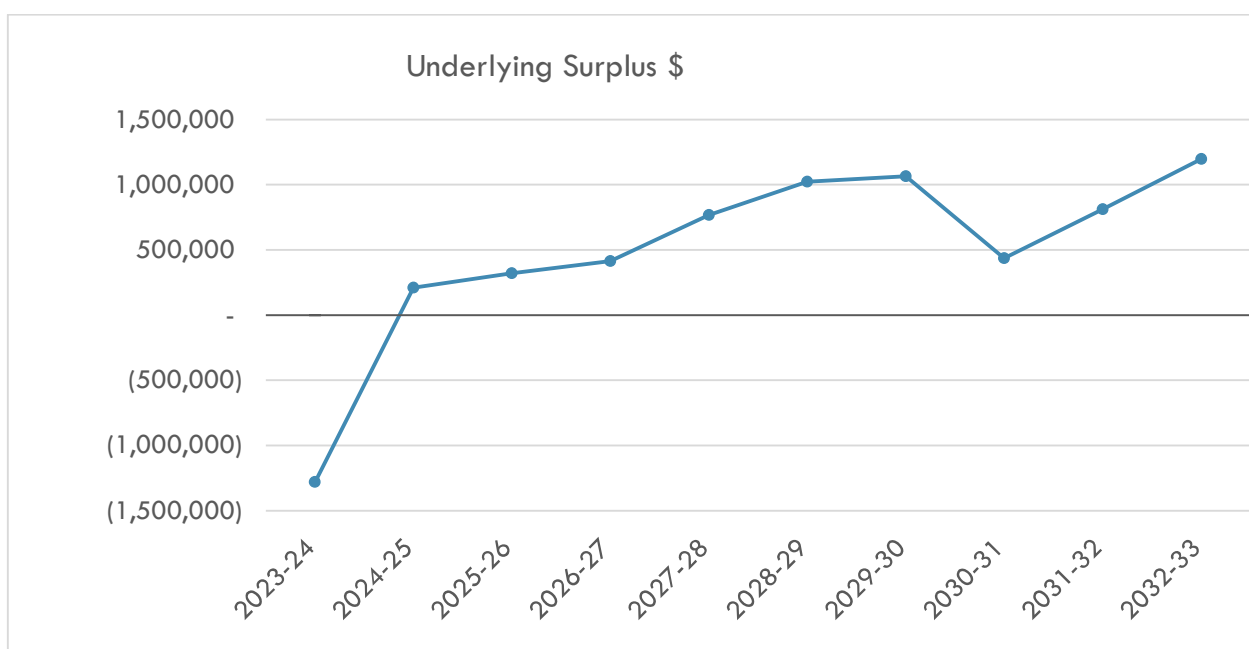
One of the key assumptions underpinning the forecasts relates to rates. The plan is premised on a 12% increase in 2023/24, followed by increases of 8% and 6%, then decreasing to 3-4% over the remaining period of the plan. This is not including the State Government fire levy, any redistributive effects of property revaluations, property value indexation between revaluations, or changes to Council rating policy.

A challenge to be faced by Council is that it is not operating sustainably. That is, it is incurring operating deficits. The budget for 2022/23 was for an underlying deficit of \$2.97M. By policy choice it has traditionally charged its ratepayers low rates. The average rates in the Huon Valley are the fifth lowest in the state or 25th of the 29 councils. The Future of Local

Government Review comparison data shows that for the 2020/21 financial year, council's average rates (excluding fire levy) were \$1,275. The statewide average was \$1,748, and our neighbouring councils of Kingborough and Derwent Valley were \$1,617 and \$1,382 respectively.

This cost versus revenue imbalance, which has gradually arisen over a period of years, is a situation which is being addressed through a variety of means including productivity improvements, consideration of the level of fees and charges for services, and consideration of the services and service levels that are valued by the community and provided by Council. Rates, being council's largest revenue source, necessarily must also contribute. Council's current financial performance and the necessity for rate increases of the order set out above is further explained in Section 2. Resolve will be required to ensure Council adheres to the strategy over the coming years.

The assumptions in the Plan, including those for rate increases, produce the forecast of Council's underlying operating result. Council is currently operating in deficit. A return to operating surplus is forecast for 2024/25.



The development of a LTFP is always an evolving process as circumstances change, financial years are completed, or new information comes to light. However, this LTFP also requires the further development of some underpinning processes. These include the matters referred to above, the costing of various plans and strategies, the development of Council's capital works program, and the development of a new Community Vision and consequent strategic and operational plans. It is intended the LTFP will be updated and re-adopted by Council annually.

Also, the state government review, announced in 2021, of the Future of Local Government is underway. This is a three-stage, 18-month review program, including direct engagement with local government, communities, and users of local government services to identify specific needs and opportunities for reform in the sector. The stage 2 interim report has been released. The report, although not using these words, is flagging amalgamations, mergers or combinations of councils and shared services. It is important Council moves to a financially sustainable position in order to be in a strong negotiating position as these reforms come to fruition. The review outcomes will need to be incorporated into the LTFP, when known.

2. Introduction

The LTFP sets out Council's objectives, goals and desired outcomes in financial terms. The purpose of the LTFP is to express in financial terms the activities that Council proposes to undertake over the medium and longer term to achieve its strategic objectives and community expectations and to do this in a financially sustainable way.

The LTFP aims to ensure:

- Community expectations of services and service levels are delivered;
- The financial impacts of new initiatives are included in long-term financial planning;
- Modest underlying surpluses are achieved;
- Resources are available to fund the replacement of assets as they expire and wear out and fund required new infrastructure;
- Stable and predictable rate increases are maintained;
- Council's financial position will be robust enough to recover from unanticipated events and absorb the volatility inherent in revenues and expenses; and
- An equitable distribution of costs between current and future generations.

What is financial sustainability and how is it measured?

Financial sustainability is particularly important for local government because of the roles that councils play in the lives of its community. Councils provide services, programs, and hold on behalf of the community large asset portfolios. These assets include buildings, road infrastructure, playgrounds, stormwater infrastructure, bridges, walking tracks, plant, and sporting and recreational facilities. The ability to sustainably fund the services required by the community and to maintain and replace the infrastructure assets when they require it is critical.

Financial sustainability is generally assessed in three main areas:

- Operating performance – is council operating at a surplus or as a minimum breakeven. In other words, is sufficient income generated to cover all costs, both cash and non-cash.
- Liquidity/cash flow/debt - does council have sufficient liquidity in order to be able to operate sustainably and is the level of indebtedness (if any) affordable.
- Asset management – Given the very large portfolio of community assets and infrastructure that councils control, do they have the ability to fund the replacement of them when required.

These are discussed further in Section 4.

The primary source of income for councils is rates.

Where is Council now?

Council's budget position is challenging. Recent underlying operating results have been a deficit in 2018/19, a small surplus in 2019/20, a small deficit in 2020/21 (a much larger one was budgeted for), a deficit in 2021/22, and a large deficit budgeted for 2022/23.

The COVID situation impacted upon 2020/21 and to a lesser degree 2021/22. The 2021/22 deficit was also a function of policy choices made by Council in setting the budget. The current LTFP provides for annual rate increases of around 4% and had it not been for the COVID situation, increases of this order would likely have been applied. However, because of COVID and the unknown impacts on the economy, Council chose not to increase the General Rate in 2020/21 and resolved an increase to the General Rate of 4.95% for 2021/22. This total of 4.95% across the two years is clearly less than may have otherwise occurred, and represents revenue forgone, and is a contributor to the budgeted deficit. Overall, a policy choice was made by Council to not immediately burden ratepayers and to alleviate what otherwise would have been a higher rate increase.

In the longer term Council's budget position is also challenging. Perhaps this is best demonstrated by the rates comparison in Section 1 – the average rates in the Huon Valley are the fifth lowest in the state. Council is not generating sufficient revenue to match costs. Council, over the years, has elected to keep rates low, but at the same time services to the community have been expanded. There are aspects of Council's business that have been under-invested in previously and require additional investment. In other words, there is a catch up period. The process of remedying this situation commenced in the 2022/23 budget with roads maintenance, strategic land use planning, learning and development, and governance (among others) receiving additional allocations. Along with some operational challenges in Council's medical centres in relation to the availability of GPs causing unfavourable financial outcomes, the sum total of these factors was a significant underlying operating deficit of \$2.976M budgeted for 2022/23.

This is not sustainable and this structural imbalance between revenue and costs needs addressing. For organisational sustainability (financial, human, community relevance) this is being addressed through a variety of means including productivity improvements, consideration of the level of fees and charges for services, and consideration of the services and service levels that are valued by the community and provided by Council. Rates however are Council's largest revenue source and thus necessarily must also contribute. It is for this reason, this plan is based upon some significant rate increases in 2023/24 of 12% and 2024/25 of 8% in order to move Council to a small operating surplus position, and thus a sustainable financial footing, in a timely fashion.

Future Development

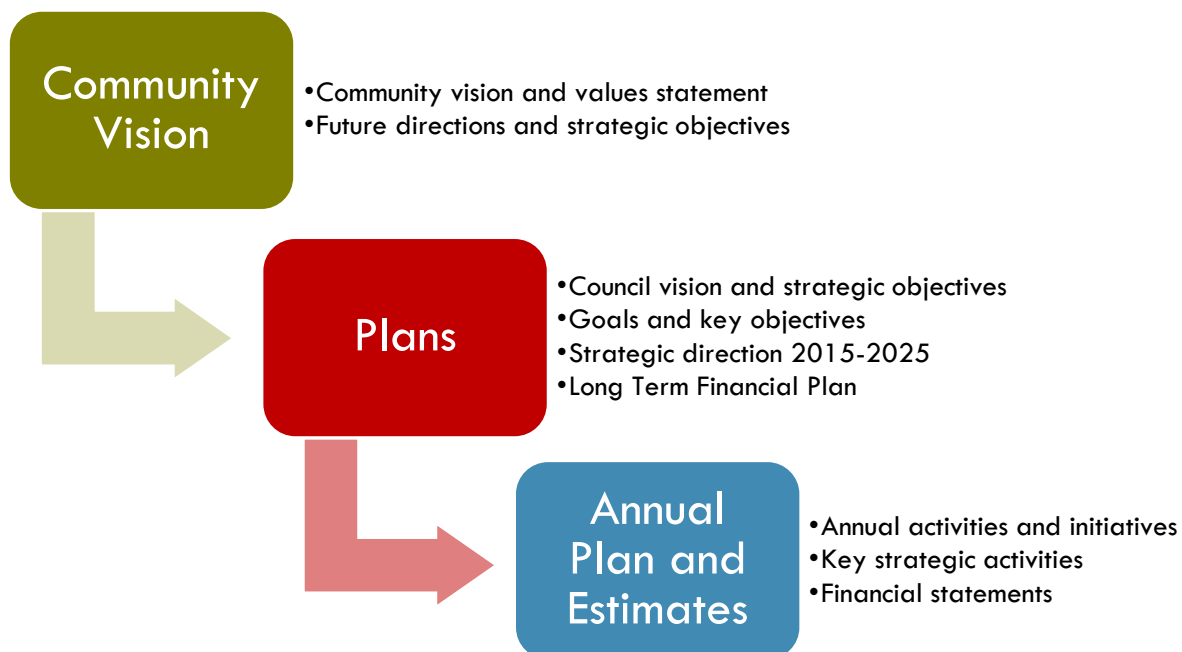
As noted in the Executive Summary, this LTFP is effectively a reset given the period that has elapsed since the last review. In addition, the development of a LTFP is always an evolving process as circumstances change, financial years are completed, or new information comes to light.

However, this LTFP also requires the further development of some key processes. Any LTFP can only be as good as the underpinning data included in the financial model. To this end there are some organisational processes that require further work in order to provide more meaningful input to the modelling and forecasting. These include:

- A review of the services Council provides to the community and the levels of those services. Council has commenced the development of a new Community Vision which will then in turn inform Council's Strategic Plan and organisation structure to best deliver the required services.
- As is the norm in local government, Council has many plans and strategies. The reason for this of course is that councils provide a very diverse and large number of services and programs. These plans and strategies can include things like waste management strategies, climate change strategies, arts and culture strategies, strategies for youth services, aged services, medical services, and economic development strategies to name a few. In addition, there are management plans such as stormwater management plans and area or precinct plans or individual facility management plans. These plans and strategies tend to be aspirational in nature and often are not fully developed into timeframes and cost implications. This work will need to be progressively done so that it can be fed into the financial modelling.
- Cash reserves. Council does have strong cash balances and an opportunity exists to utilise some of those balances. Before doing so, work needs to be done to identify the highest and best use as there are many options available as to how any cash balance could be invested. As noted in Section 4, cash balances are forecast to rise across the Plan period but will be required for asset renewal and new infrastructure, particularly in stormwater.
- The financial outcomes, if any, of the findings of the state government Future of Local Government review.
- The asset renewal program will be updated annually.

How does the LTFP fit in?

The LTFP is an important part of Council's overall strategic framework. The following diagram shows the LTFPs integration with other corporate planning documents.



3. Modelling assumptions

The preparation of the LTFP is underpinned by a financial model. The model allows for analysis and modelling of various financial scenarios. For the purpose of financial modelling a number of assumptions are necessary.

General assumptions:

- The LTFP generally provides for the maintenance of existing services and service levels.
- Where departures from existing service levels are known and costed, they are separately included in the model.
- Asset renewal requirements are based on Council's current practice of basing asset renewal allocations on depreciation expense or renewal projections from the asset management system. Council will progressively move to the latter method as the maturity of its asset data improves.
- The New asset allocation is based on individual business cases for projects.
- Maturing debt will be repaid as it falls due.
- Specific assumptions are based on known information (such as Enterprise Agreement increases) or on an analysis of recent history.

Changes to assumptions or other relevant matters

As noted at Section 2, the 2022/23 Budget contains a number of additional investments being made into parts of the business that have been under invested in the past. These include roads maintenance, strategic land use planning, learning and development, and governance. The 2023/24 budget continues this remedial action with investments into strategic land use planning, climate change, emergency management and response, traffic management, and in information technology to generate efficiency gains in Council and committee reports and agenda preparation, people management and cemetery operations, as well as transitioning Council's document management system to be cloud hosted. It is possible there may be the need for further investments in these, or other parts of the business and community, in the following or later years.

Further, Council's medical centres are experiencing some operational challenges in relation to the availability of GPs and which is affecting both fee revenue and costs. A deficit of \$434,000 was budgeted for 2022/23, and following a review of fee levels, of \$165,000 for 2023/24. The current assumption is that medical centres will return to breakeven in 2024/25 and this what the modelling reflects. There is a risk this may not occur.

New subdivisions are expected to be completed during the period of the Plan. Costs such as maintenance and depreciation on assets taken over have not been included as it is too subjective as to when, and how by much, these costs will materialise.

Key assumptions

The key assumptions used in the revenue and expenditure forecasts are summarised in the following table, then further discussed in more detail. Note that Section 5 shows the sensitivity of the LTFP to changes in assumptions for the major income and expense items of rates income, employee salaries and wages, materials and services and other expenses, and depreciation.

Key assumptions	Comment
Rate base growth	Rate base growth is difficult to predict and has been based on the average for the last five years. For the General Rate the assumption is 1% and for the Waste and Stormwater 0.5% because not all properties receive these services.
General rate	As discussed in Section 2, in order to move to a sustainable financial position, rate increases at 12% for 2023/24, 8% for 2024/25, then 6% for 2025/26, then decreasing to 4% and 3.25% for the remaining years of the plan.
Waste management charges	As per general rate.
Stormwater charge	As per general rate.
Fire rate	The fire services contribution is a State Government levy collected by local government but paid to the State Fire Commission (SFC). It has been increased at 5% per annum based on recent annual increases. The annual increase clearly impacts upon ratepayers but for Council's financial modelling purposes is not influential because it is a straight in and out – amounts collected are paid directly to the SFC. Councils receive a 4% commission for providing this service.
User charges and statutory fees and fines	Increased at 3% annually being an approximate long term CPI rate.
Interest rate on investments	Assumed at 4.5% for 2023/24 and 2024/25 then decreasing slightly with expected movements in the RBA cash rate.
Operating grants	Operating grants are assumed to be unchanged. Financial Assistance Grants are increased at 1.4% per annum.
Capital grants	Capital grants are assumed to be unchanged.
Employee costs	Increased initially for known increases as per Council's Enterprise Agreement (for 2023/24 and 2024/25), then guidance has been taken from RBA economic outlook statements. For the latter years of the plan 3% per annum has been assumed being an approximate long term CPI rate. Increases in the superannuation guarantee charge in 2023/24, 2024/25 and 2025/26 have been included.
Materials and contracts	Materials and contracts, and Other expenses (below), are difficult to predict because they represent an amalgamation of many individual expense items. They have been assumed to increase at 4.2% per annum being the average for the past ten years.
Depreciation	Depreciation is based on the current forecast from the asset management system, adjusted for forecast asset renewal and new asset expenditure, as well as an estimate of revaluation outcomes.
Other expenses	As per Materials and contracts, assumed at 4.2% per annum.

These are further explained below.

Modelling assumptions – Revenue

Rates and charges

Rates and charges are Council's largest source of income. Consistent with the role of local government, few services fully pay for themselves and as a result they need subsidising, either in part, or full, from rates income.

Rates and charges include revenue from the General Rate, the stormwater removal charge, the waste management charge for kerbside refuse collection and kerbside recycling collection, the fire rate (to pay the State Government's fire contribution levy), and supplementary rates. Late payment penalties and interest appear in fees and fines.

Annual rate increases (General, waste and stormwater) have been assumed at 12% for 2023/24, 8% for 2024/25, then 6% for 2025/26, then decreasing to 4% and 3.25% for the remaining years of the plan. As noted in the Introduction (Section 2) Council is currently recording operating deficits as expenses are greater than revenue and this needs to be remedied. Whilst not the only option available, being the largest revenue source rates must be a contributor to correcting this situation.

This Plan is not in any way affected by changes in the Council's rating strategy – it simply models total rate revenue required per annum irrespective of how that is apportioned to individual properties. For the same reason, the Plan is unaffected by periodic revaluations or the application of property value indexing by the Valuer-General.

Fees and charges and statutory fees and fines

This represents the income generated by Council's many services, including waste management centres, building/plumbing/planning fees, statutory certificates, retirement villages, sports centres, licences (eg. dogs, food), hall hire, cemetery fees as well as children's services and medical services.

Council is exploring ways to increase fee and charge income and transition to a fairer user-pays model where possible rather than relying on rates increases. Increases to fees and charges were approved by Council at the May 2023 meeting and waste management fees and charges and planning fees in particular were increased in line with this model.

The Plan assumes an increase in fee and charge income consistent with an estimated long term CPI of around 3%.

Investment revenue – TasWater

Dividend income is received as a result of Council's ownership interest in TasWater. Dividends are outside the control of Council and are dependent upon TasWater's dividend policy and profitability.

The forecast is based on TasWater's draft Corporate Plan FY 2024-28. It provides for the full dividend payments of \$20M to councils, together with special dividends being catch up payments of dividends not paid in 2019/20 and 2020/21. This means \$509,000 for 2023/24 to 2025/26, then reverting to \$424,000 thereafter.

Investment revenue – interest earnings

Interest income is earned on Council's cash investments. The forecast is based on the estimated cash balance at the end of each financial year using an estimated interest rate of 4.5% for 2023/24 and 2024/25 then decreasing slightly with expected movements in the RBA cash rate.

Operating grants

Operating grants are funds received from both the State and Australian governments for the purpose of delivering Council services. The main source of grant revenue is the Australian Government Financial Assistance Grants (FAG) received via the State Grants Commission.

The FAGs are assumed to increase by 1.4% per annum. This is based on Council's recent experience. No increase is assumed for other operating grants.

Other revenue

Other income is not significant but comprises amounts such as private works, commission received for collecting the State Government's fire levy and rebated interest on Council's TASCORP loan under the Accelerated Local Government Capital Program (will be fully repaid in 2023/24).

The Plan assumes an increase of 3% per annum.

Modelling assumptions – Expenses

Employee costs

Employee costs include the costs of employees such as base pay and oncosts comprising payroll tax, training, superannuation and allowances. It excludes amounts capitalised.

Forecasts for financial years 2023/24 and 2024/25 include increases arising from Council's Enterprise Agreement. For increases after that guidance has been taken from RBA economic outlook statements. For the latter years of the plan 3% per annum has been assumed being an approximate long term CPI rate. Increases in the superannuation guarantee charge in 2023/24, 2024/25 and 2025/26 have been included. Employee numbers are assumed to not change.

Materials and contracts

Materials and contracts includes plant and vehicle costs, IT costs (licences, support agreement, software subscriptions), electricity, water and sewer costs, phone systems, photocopier lease and operating costs, building and facility maintenance, locum costs in medical centres, material costs in parks and reserves and roads, and contractor costs across the business (eg. roads, stormwater, parks and reserves, footpath maintenance, bridge maintenance, facility cleaning). Materials and contracts, and Other expenses below, are difficult to predict because they represent an amalgamation of many individual expense items. They have been assumed to increase at 4.2% per annum being the average for the past ten years.

Depreciation

Depreciation is based on the current forecast from the asset management system, adjusted for forecast asset renewal and new asset expenditure, as well as an estimate of revaluation outcomes. Depreciation can be difficult to predict given the many factors that influence it such as the timing of works completion, and ongoing reviews of asset useful lives and the cyclic revaluation of asset classes the results of which are also difficult to predict.

Other expenses

Other expenses include insurance, land tax, advertising and marketing, Councillor allowances, postage, waste collection and management costs, subscriptions, bank charges and a range of costs not included elsewhere.

Modelling assumptions – Capital items

Capital grants

Capital grants are grants received to upgrade existing assets or to create new assets. They include Roads to Recovery grants and other specific-purpose capital grants. These are difficult to reliably forecast and therefore only the Roads to Recovery grants have been included. Any additional capital grants received will not impact the underlying result as they are excluded from that calculation.

Gain or loss on disposal of assets

Gains or losses on the disposal of assets can arise from the normal turning over of the vehicle fleet and plant, or when infrastructure assets are replaced when they still have a book value. Council asset planning procedures are designed to replace assets at the end of their service life but sometimes this is not possible and assets must be replaced ahead of time, thus resulting in a write off amount.

This item is difficult to predict. An amount of \$250,000 loss on disposal per annum has been assumed.

Asset renewal

Asset renewal requirements are based on Council's current practice of basing asset renewal allocations on depreciation expense or renewal projections from the asset management system.

New Assets

The New Assets allocation is based on individual business cases for projects. For 2023/24 to 2025/26 modelling is sourced from the ten year new asset program. Because the remaining years of that program are indicative only, modelling has been based on Council's previous practice of the allocation being 2.25% of general rate revenue, plus the annual TasWater dividend.

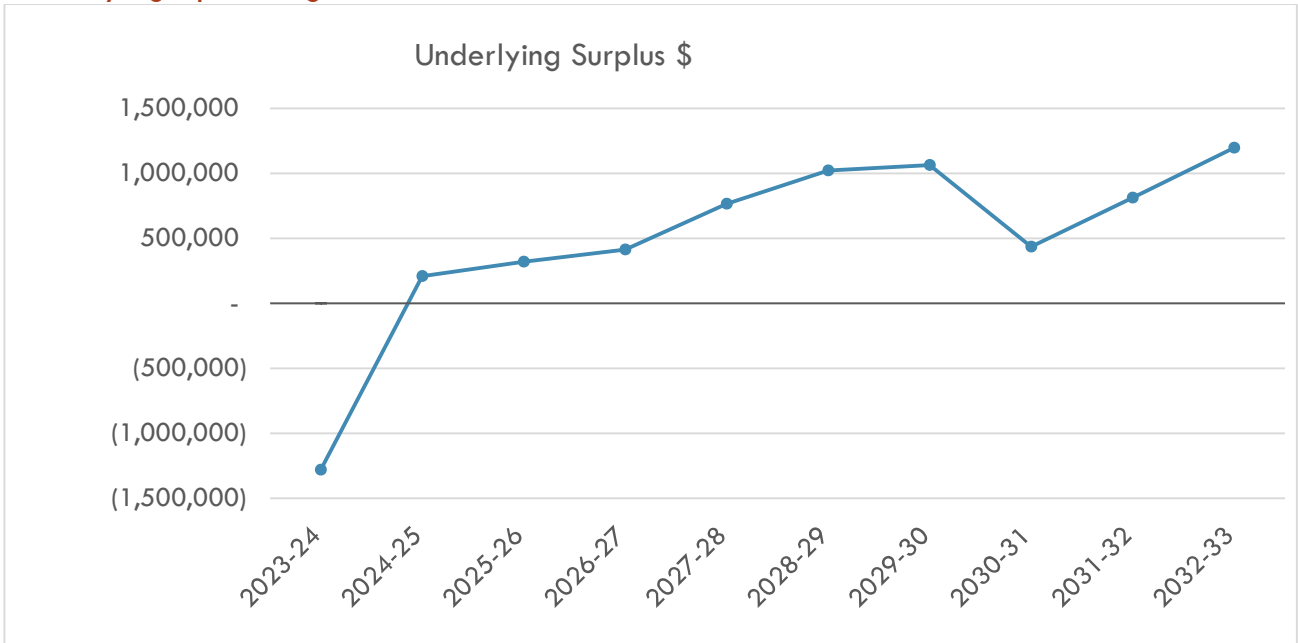
4. Modelling outcomes – key performance indicators

For the purpose of measuring financial sustainability, seven measures have been adopted. These measures are as per the Local Government (Management Indicators) Order 2014 and are required to be published in council annual financial statements. The Tasmanian Audit Office has identified benchmarks for each measure.

Measure	Description	Calculation and interpretation	Benchmark	HVC status
Underlying operating result	Measures whether recurrent, ongoing income is sufficient to cover recurrent costs. It excludes non-recurring income and expenditure as well as capital income such as capital grants, contributed assets, and revaluation changes. It is regarded as a better measure than the overall operating result which includes non-recurring items.	Recurrent income less recurrent expenditure. Financial sustainability is dependent upon, on average over time, council's costs being less than its revenues. This ensures equity between generations and ratepayers in that each generation is responsible for the cost of the resources they consume.	Greater than zero. It is appropriate to record moderate surpluses to provide contingency for unexpected events such as natural disasters.	Benchmark initially not met as deficit forecast for 2023/24. Benchmark achieved in 2024/25 and subsequent years.
Underlying operation result ratio	Expresses the underlying operating result as a % of recurrent income – enabling comparisons with others.	Underlying operating result divided by recurrent income.	Greater than zero. Modest surpluses in the range of 1.5% to 2.5% are considered appropriate.	Benchmark initially not met as deficit forecast for 2023/24. Benchmark achieved in 2024/25 and subsequent years.
Net financial (liabilities)/assets	This measures what is owed to others and is thus a measure of indebtedness. It is broader than just borrowings as it includes amounts owed to creditors, employee provisions, amounts held in trust and all other liabilities.	Total financial assets less total liabilities.	Zero	Benchmark met. Council is in a net financial asset position for the life of the plan.

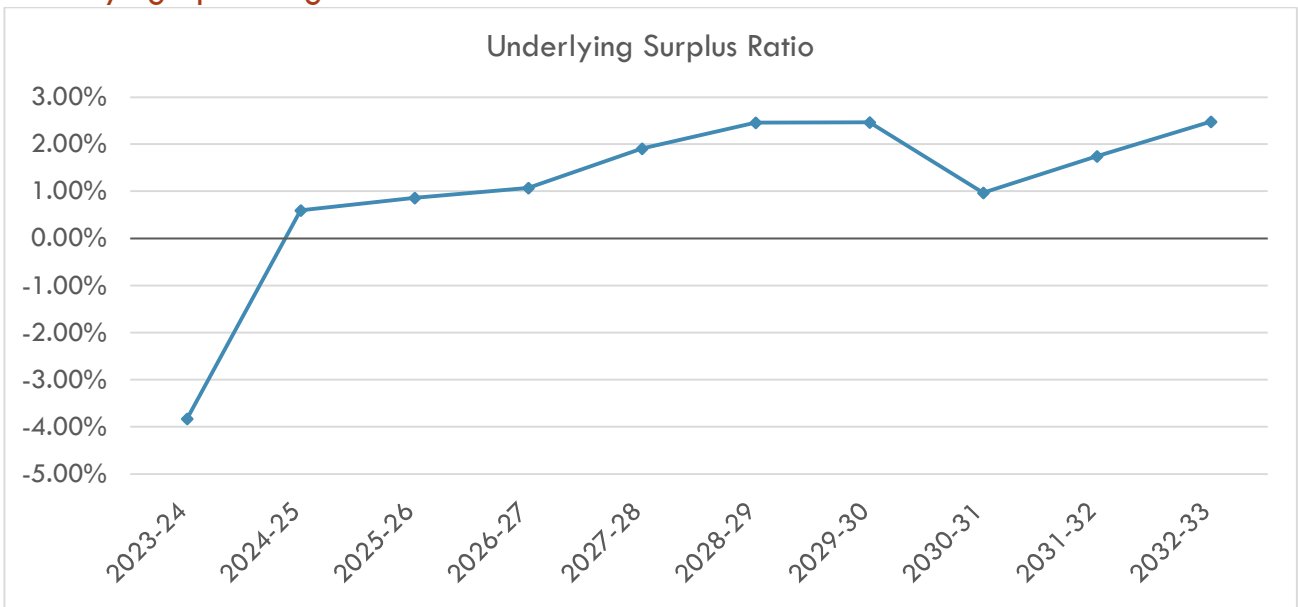
Measure	Description	Calculation and interpretation	Benchmark	HVC status
Net financial (liabilities)/assets ratio	Expresses net financial (liabilities)/assets as a % of recurrent income – enabling comparisons with others.	Net financial (liability)/asset divided by recurrent income.	If a net financial liability exists: <ul style="list-style-type: none"> • 0 to negative 50% is considered low risk • Negative 50% to negative 100% medium risk • Greater than negative 100% high risk If a net financial asset exists this is clearly low risk.	Benchmark met. Council is in a net financial asset position for the life of the plan.
Asset renewal funding ratio	Measures the capacity to fund asset replacement requirements. An inability to fund future requirements will result in revenue or expense or debt consequences, or a reduction in service levels.	Future asset replacement expenditure funded as per LTFP divided by required asset replacement expenditure per asset management plans.	100%	Benchmark met.
Asset sustainability ratio	Measures whether assets are being replaced at the rate at which they are wearing out. For a young asset portfolio required expenditure may be less. With an older portfolio required expenditure may be more. Over time, if it averages at or near 100% the service of the portfolio is being maintained.	Asset replacement expenditure as a % of depreciation expense.	Typically set at 100%, however this does not allow for the sometime legitimate periods of less than 100% or more than 100%.	Averages 76.6% over the life of the plan. See discussion below.

Underlying operating result



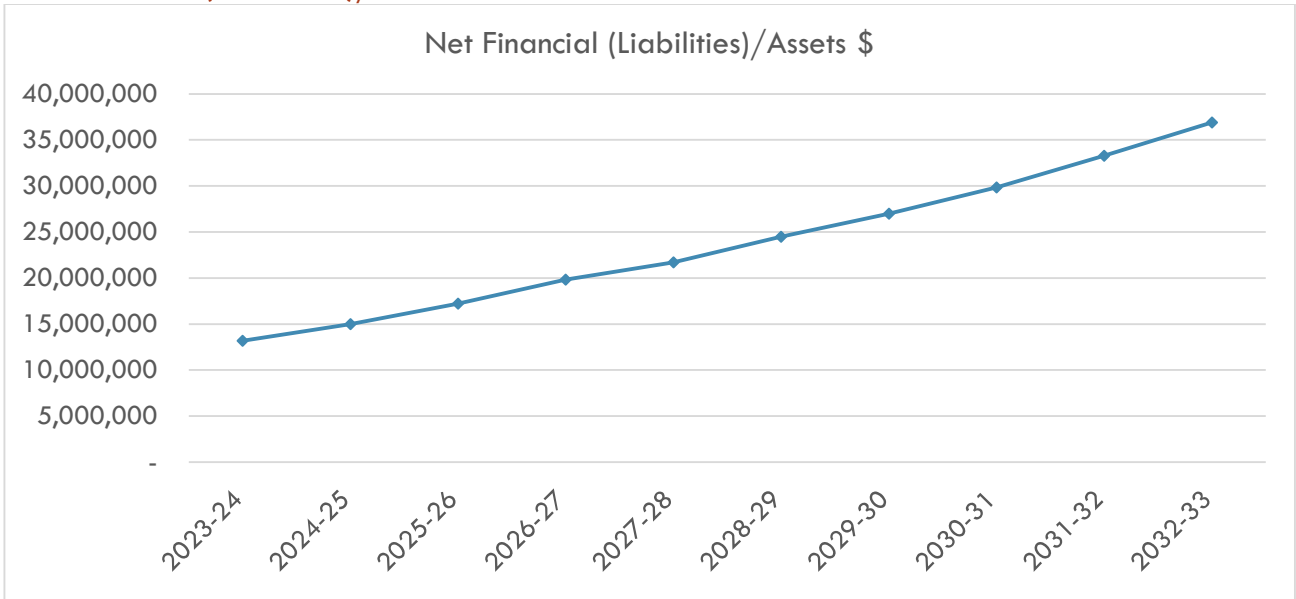
Council is currently operating in deficit. The reasons for this have been explained in Sections 1 and 2. However, based on the assumptions set out in this Plan, a return to operating surplus is forecast for 2024/25. This is based on some significant, but necessary rate increases in 2023/24 and 2024/25 in order to ensure Council is operating on a sustainable basis. The dip in 2030/31 reflects an expected jump in depreciation following the revaluation of the road and bridges asset classes.

Underlying operating result ratio



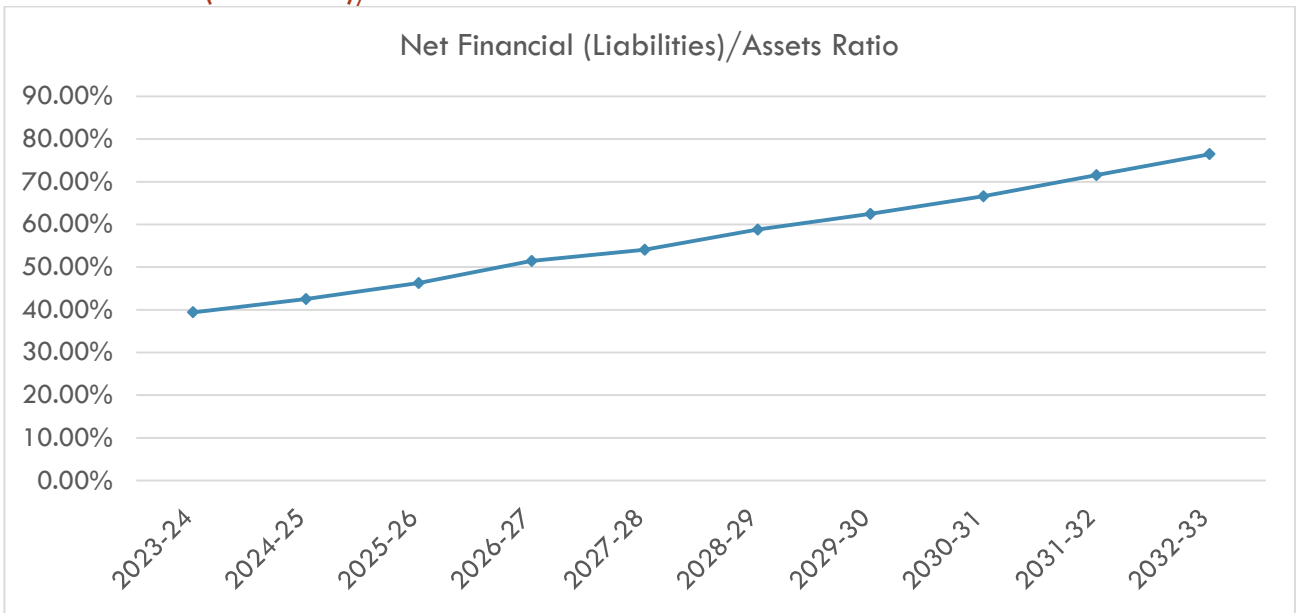
This graph expresses the underlying operating result as a percentage of operating revenue. It shows the forecast 2023/24 deficit at 3.83% which is a significant improvement over 2022/23 of 9.9%. It returns to surplus in 2024/25 and settles around the 1% to 2.5% range. Whilst the benchmark might be regarded by some as breakeven, it is appropriate that Council's target be modest surpluses to allow for unexpected circumstances.

Net financial (liabilities)/assets



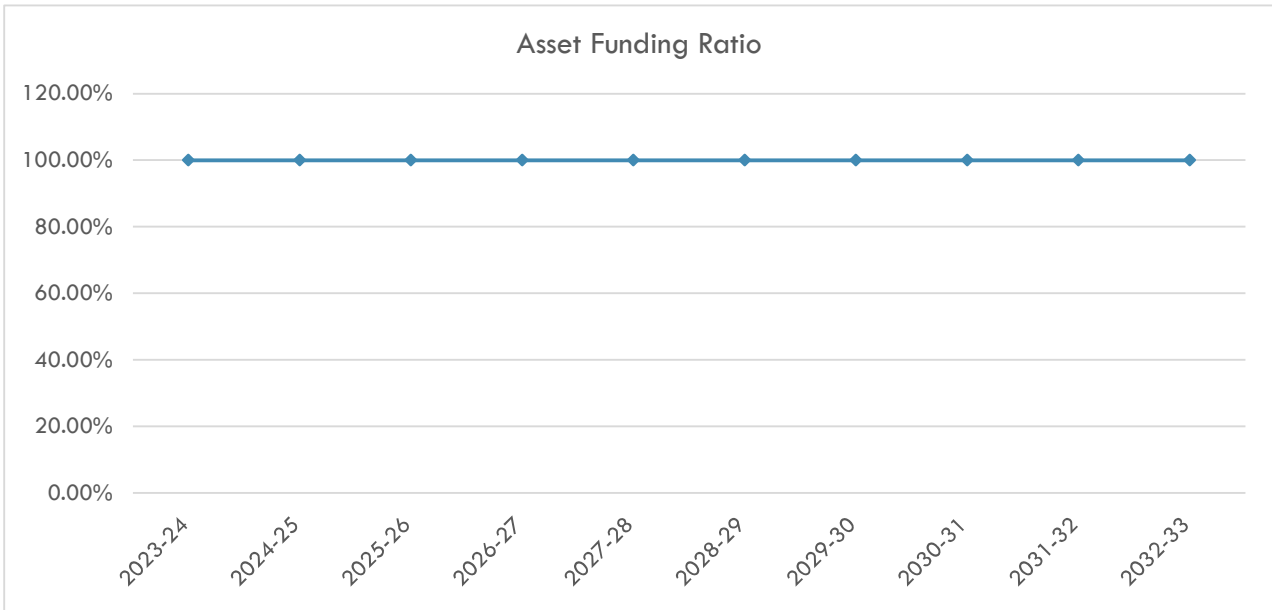
This graph shows Council is in a net financial asset position (and thus exceeds benchmark) as amounts owed to creditors, employee entitlements, amounts held in trust and all other liabilities including debt will be comfortably exceeded by financial assets (inventories, receivables and cash). The position continues to improve as forecast cash balances increase.

Net financial (liabilities)/assets ratio



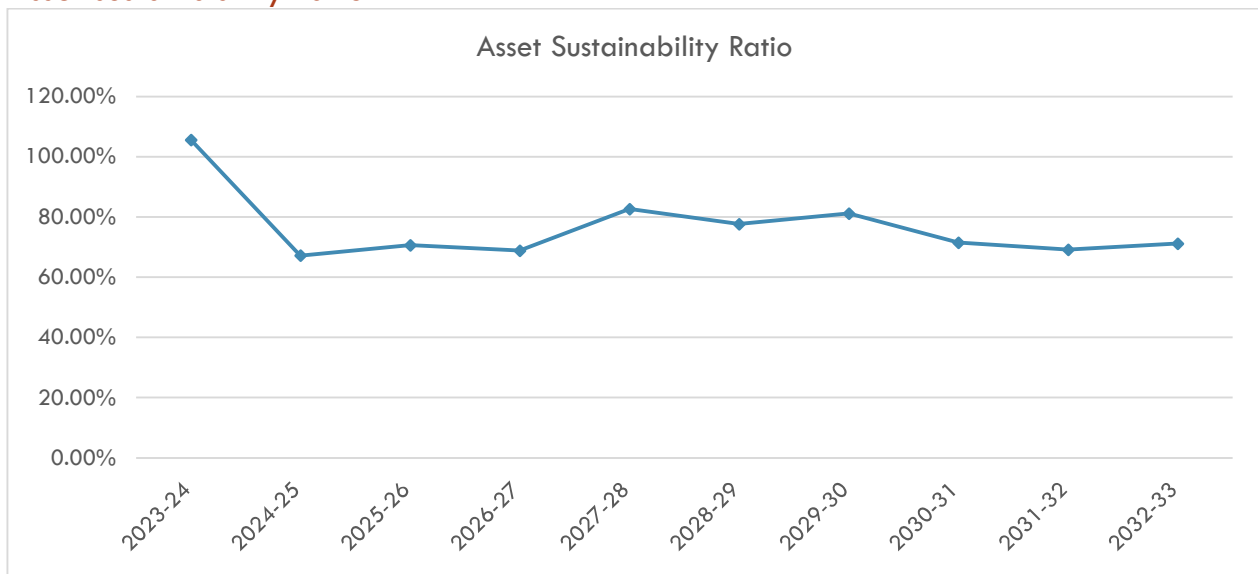
As noted above, Council will be in a net financial asset position and rising.

Asset renewal ratio



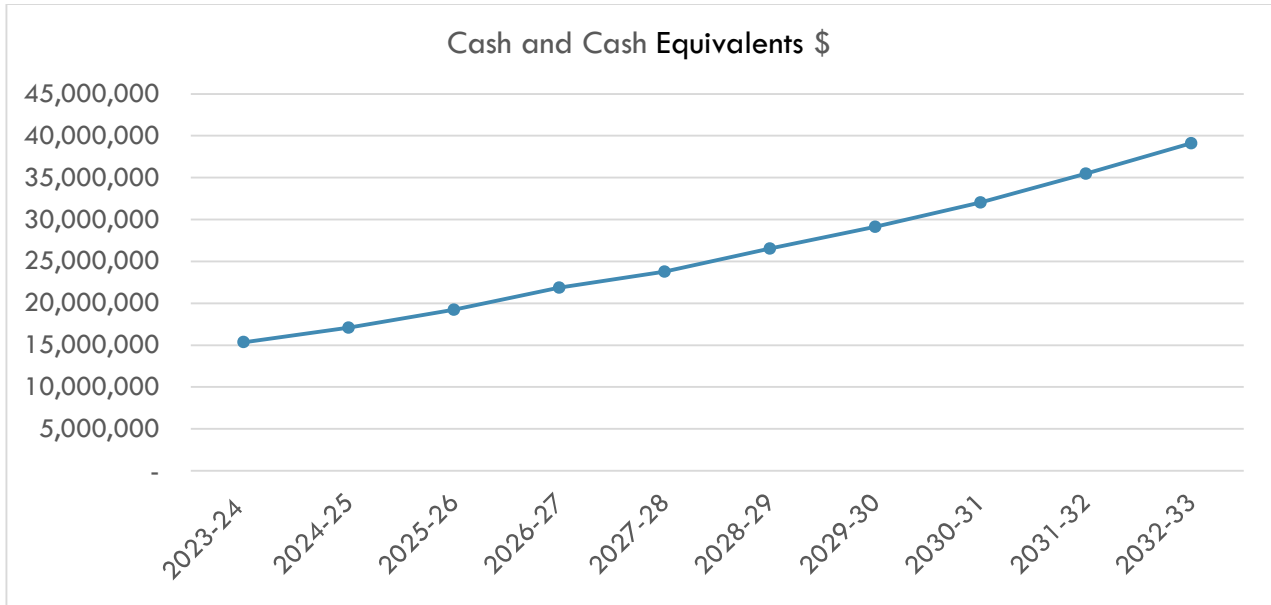
This graph indicates that all of Council's known asset renewal requirements will be fully funded.

Asset sustainability ratio



This ratio averages 76.6% over the life of the plan. This ratio must be considered with the asset renewal ratio which is accepted as a better indicator. What these are showing is that over the next ten year period, Council will be funding all known asset renewal requirements. This happens to be less than the depreciation over that same period. As noted above in the Table, the benchmark for this ratio is typically set at 100%, however this does not allow for the sometime legitimate periods of required asset renewal expenditure being less than 100% or more than 100% as renewal profiles do not always match depreciation profiles. A number of Council's asset portfolios are relatively young in their overall life cycle, and this is reflected in this result. These classes include stormwater, bridges, and footpath and kerb.

Cash balance



Council's cash balances are forecast to rise over the plan period. This is primarily because the forecast operating surpluses will generate cash, together with, as discussed above, Council's expenditure on asset renewal will be less than depreciation. In the future required asset renewal expenditure will increase and will draw upon these cash reserves. In addition, Council will be exploring further investments into the business and community in areas such as innovation and productivity measures to improve systems, processes and infrastructure that will aim to minimise future operating costs and meet the increasing regulation being place on the local government sector.

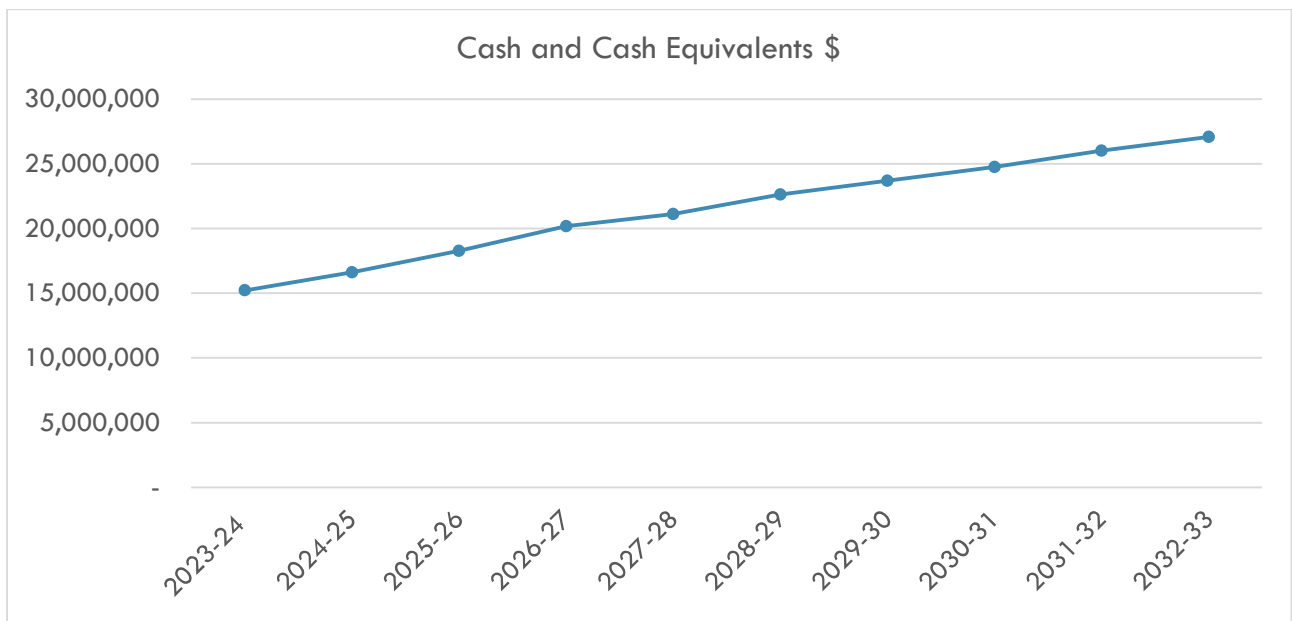
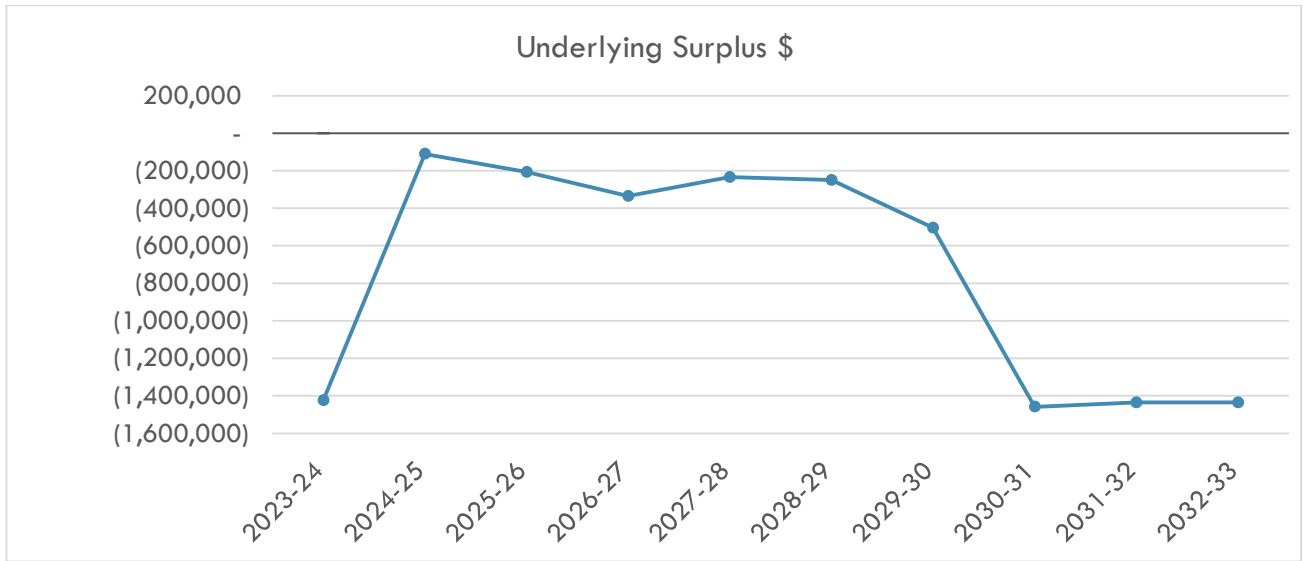
5. Risk, Sensitivity Analysis

Council's three largest expense items are employee salaries and wages, materials and services/other expenses and depreciation.

Council's largest revenue item is rate revenue. The outcomes of the LTFP can be significantly affected if actual results for any of these items are different from those forecast. The analysis below demonstrates the sensitivity of the LTFP to changes in assumptions for the above categories.

Rates

The following shows the impact if rates increases were 1.0% less per annum than assumed in this Plan.

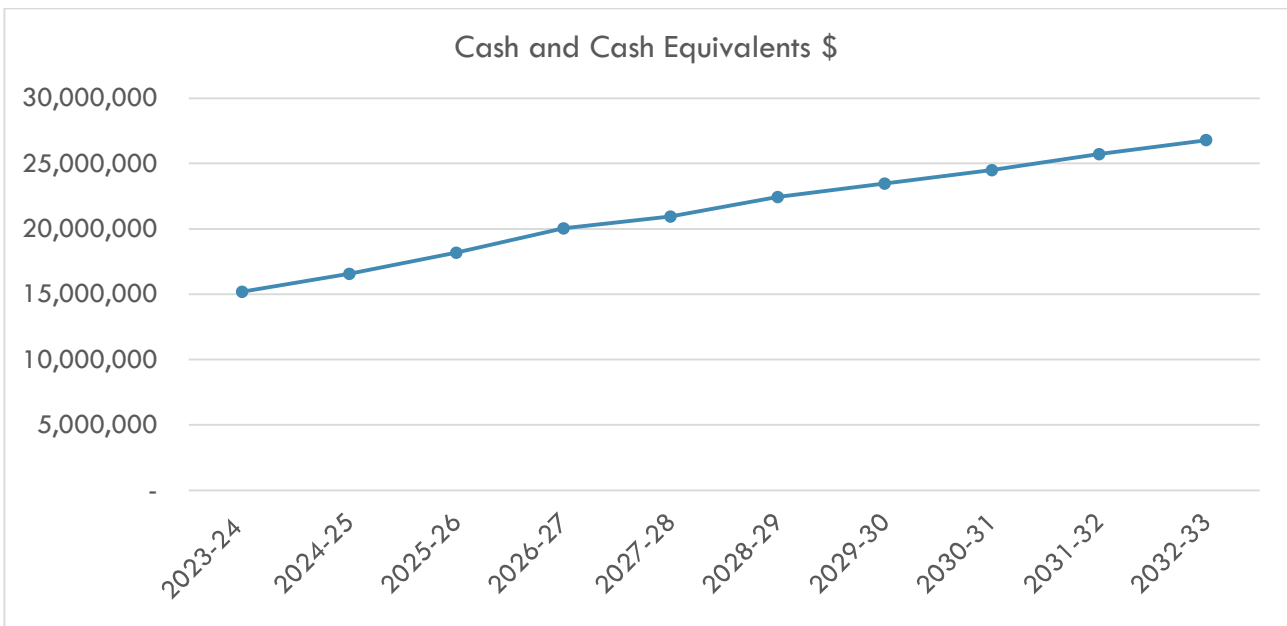
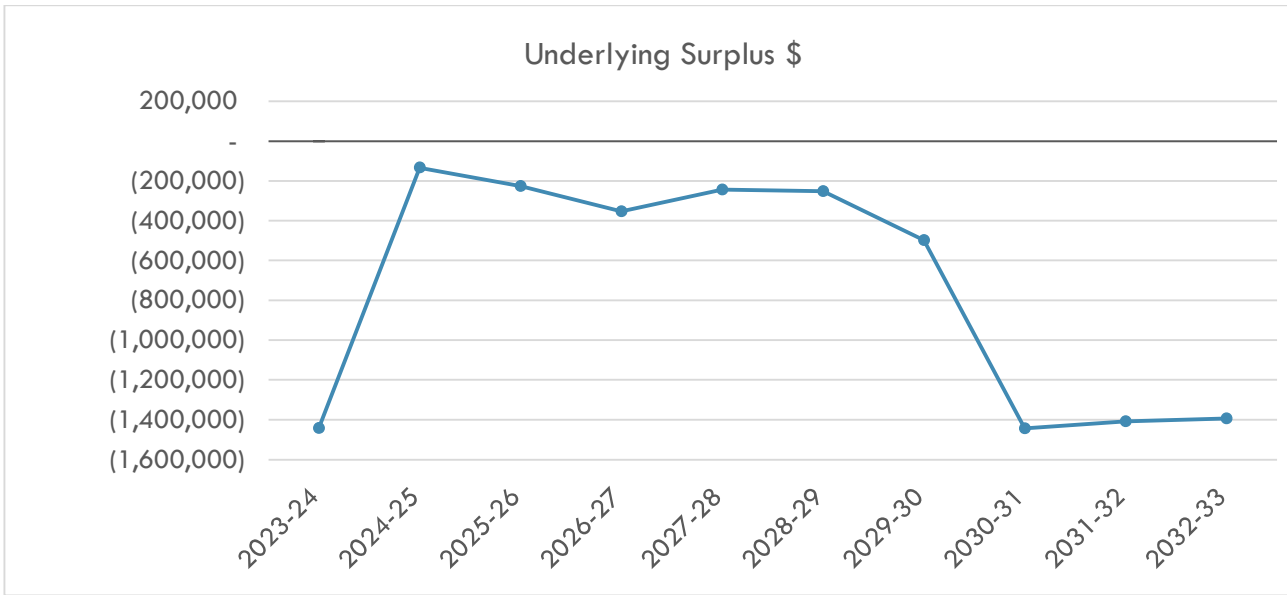


Being the largest income source, changes in assumptions to rates has a large effect on forecasts. Over the life of the Plan Council’s operating result decreases by \$12.3M and remains in deficit every year. Cash generated is reduced by \$12.0M.

The Plan is based on increases of 12% for 2023/24, 8% for 2024/25, then 6% for 2025/26. The impacts on the Plan will be significant if these are not implemented.

Employee salaries and wages

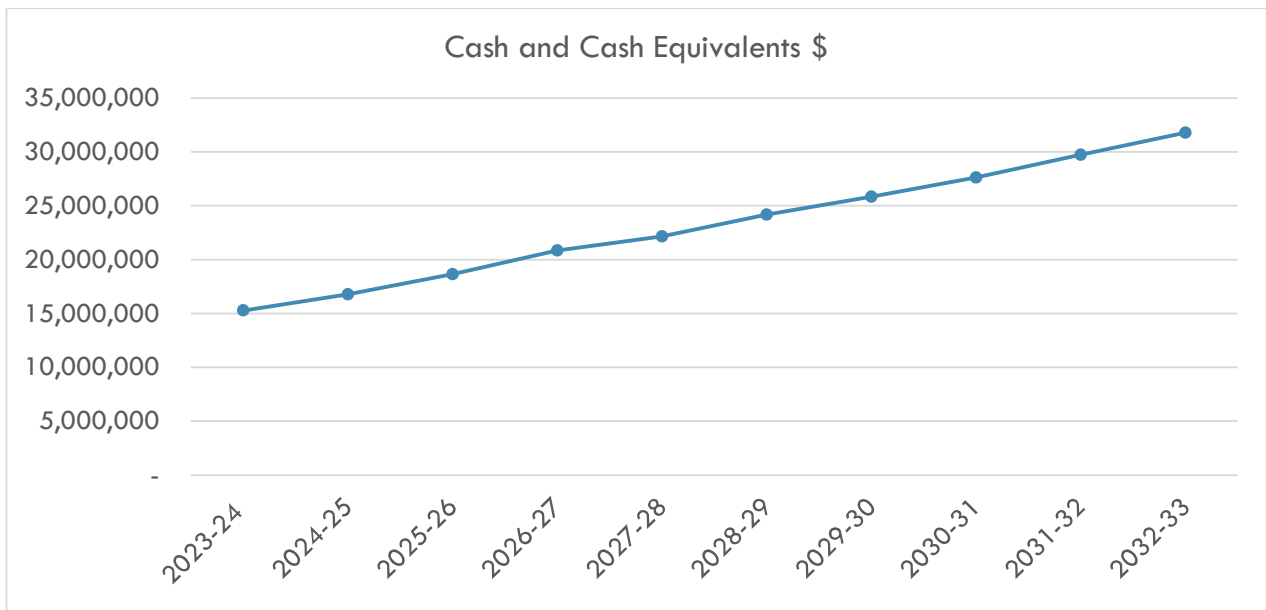
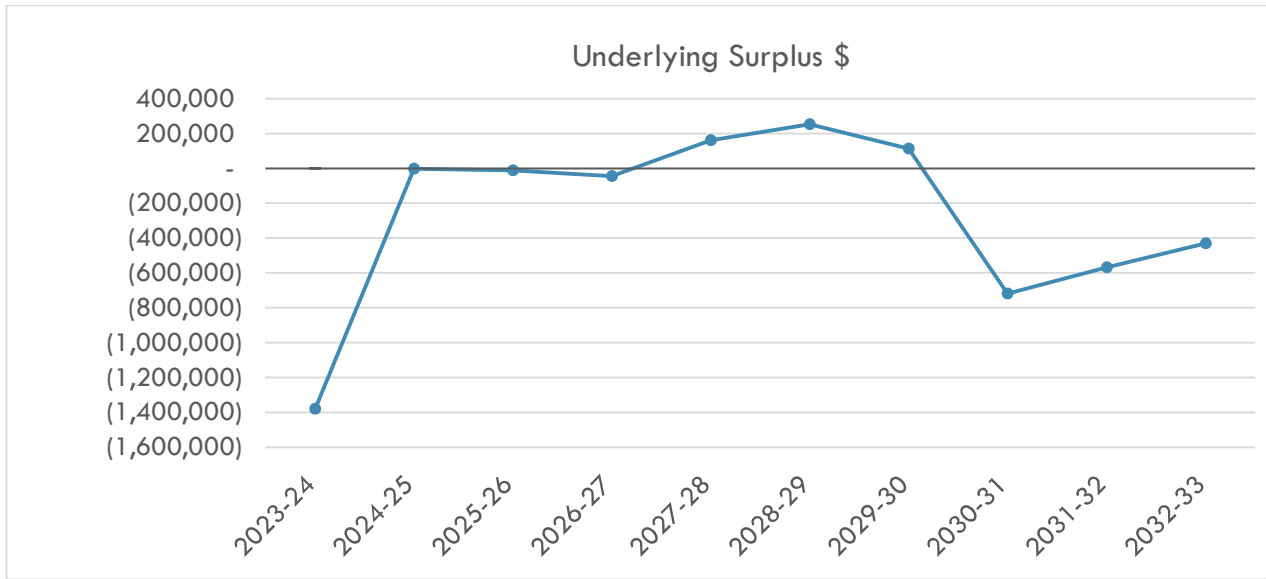
The following shows the impact if salary and wage increases were 1.0% higher per annum than assumed in this Plan.



Over the life of the Plan Council's operating result decreases by \$12.4M and remains in deficit. Cash generated is reduced by \$12.3M.

Materials and services/other expenses

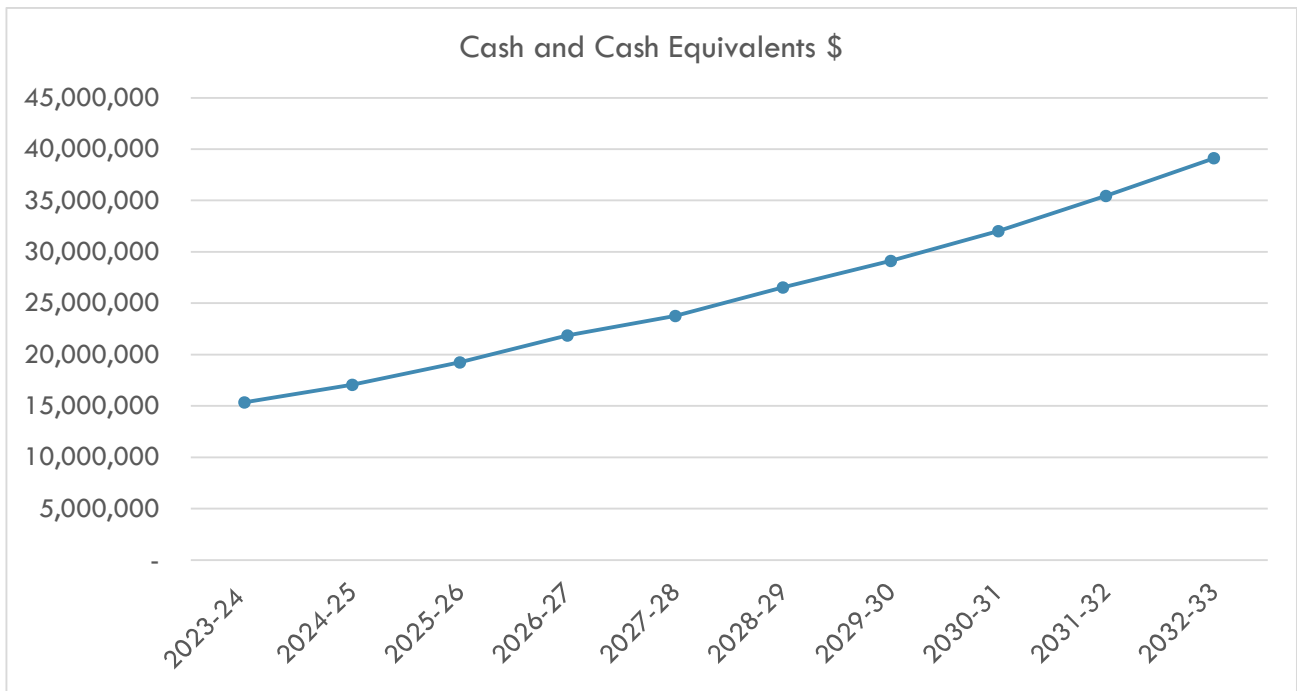
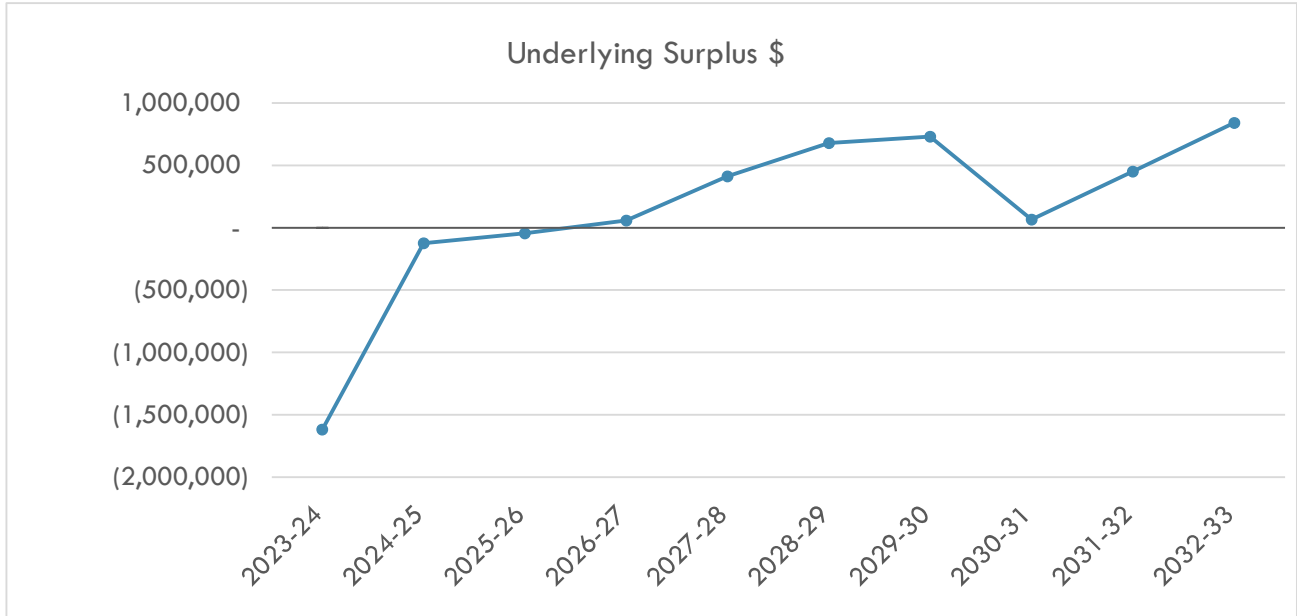
The following shows the impact if materials and services cost increases were 1.0% higher per annum than assumed in this Plan.



Over the life of the Plan Council’s operating result decreases by \$7.59M and cash generated is reduced by \$7.32M. The forecast shows operating surpluses and deficits, but the average is a deficit across the period.

Depreciation

The following shows the impact if depreciation increases were 5.0% higher per annum than assumed in this Plan. A higher variance of 5.0% has been selected than those above because, as noted at Section 3, forecasting depreciation can be difficult due to the many factors that influence it.



Over the life of the Plan Council's operating result decreases by \$3.50M and cash generated is unchanged. The average asset sustainability ratio across the Plan falls from 76.6% to 73.2%. The asset renewal ratio is unchanged at 100%.

6. Appendices

10 year Operating statement

	Budgeted 2022-23	Budgeted 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Projected 2030-31	Projected 2031-32	Projected 2032-33
Income from Continuing Operations											
Recurrent Income											
Rates and charges	16,617,063	19,279,552	20,993,072	22,451,943	23,576,217	24,756,956	25,816,811	26,922,426	28,075,796	29,279,008	30,534,238
Statutory fees and fines	1,253,700	1,960,884	2,019,711	2,080,302	2,142,711	2,206,992	2,273,202	2,341,398	2,411,640	2,483,989	2,558,509
User fees	6,685,640	6,294,337	6,483,167	6,677,662	6,877,992	7,084,332	7,296,862	7,515,768	7,741,241	7,973,478	8,212,682
Grants	4,593,702	4,735,403	4,603,291	4,660,037	4,717,577	4,775,923	4,835,086	4,895,077	4,955,908	5,017,591	5,080,137
Contributions - cash	21,540	21,540	-	-	-	-	-	-	-	-	-
Interest	100,000	750,000	637,608	708,309	673,426	765,235	832,178	928,519	1,019,233	1,120,776	1,241,128
Other	114,900	152,480	257,054	364,766	375,709	386,980	398,590	410,547	422,864	435,550	448,616
Investment revenue from water corporation	424,000	509,000	509,000	509,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000
	29,810,545	33,703,196	35,502,902	37,452,018	38,787,632	40,400,418	41,876,729	43,437,735	45,050,682	46,734,392	48,499,311
Capital Grants											
Capital grants received specifically for new or upgraded assets	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686
Contributions - non-monetary assets	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustments for investment property	-	-	-	-	-	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-
	414,686	414,686	414,686	414,686	414,686	414,686	414,686	414,686	414,686	414,686	414,686
Total Income from Continuing Operations	30,225,231	34,117,882	35,917,588	37,866,704	39,202,318	40,815,104	42,291,415	43,852,421	45,465,368	47,149,078	48,913,997
Expenses from Continuing Operations											
Employee benefits	(16,153,522)	(16,736,490)	(17,107,536)	(17,877,375)	(18,592,470)	(19,150,244)	(19,724,752)	(20,316,494)	(20,925,989)	(21,553,769)	(22,200,382)
Materials and services	(3,587,158)	(4,655,116)	(4,850,631)	(5,054,357)	(5,266,640)	(5,487,839)	(5,718,329)	(5,958,498)	(6,208,755)	(6,469,523)	(6,741,243)
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	(6,255,600)	(6,737,402)	(6,843,535)	(7,611,417)	(7,661,312)	(7,744,601)	(7,742,999)	(7,744,400)	(8,593,480)	(8,633,584)	(8,700,198)
Finance costs	(13,100)	(5,682)	-	-	-	-	-	-	-	-	-
Other expenses	(6,487,107)	(6,849,268)	(6,491,807)	(6,589,152)	(6,853,132)	(7,252,176)	(7,418,817)	(8,103,851)	(8,638,110)	(9,015,822)	(9,410,481)
Total Expenses from Continuing Operations	(32,496,487)	(34,983,958)	(35,293,509)	(37,132,301)	(38,373,555)	(39,634,861)	(40,604,896)	(42,123,244)	(44,366,334)	(45,672,698)	(47,052,303)
Operating Result from Continuing Operations	(2,271,256)	(866,076)	624,079	734,403	828,763	1,180,244	1,686,519	1,729,176	1,099,034	1,476,380	1,861,694
Other Comprehensive Income											
Items that will be reclassified subsequently to net result											
Items that will not be reclassified subsequently to net result											
Fair value adjustments on equity investment assets	-	895,000	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	3,300,657	3,687,780	38,990,148	3,568,466	5,244,225	644,347	1,137,209	36,166,667	3,425,727	4,719,803	605,347
Total Comprehensive Result	1,029,402	3,716,704	39,614,227	4,302,869	6,072,988	1,824,590	2,823,728	37,895,843	4,524,762	6,196,182	2,467,040
Underlying Surplus/(Deficit)	(2,935,942)	(1,280,762)	209,393	319,717	414,077	765,558	1,021,833	1,064,490	434,348	811,694	1,197,008

10 year Cash flow statement

	<i>Budgeted</i> 2022-23	<i>Budgeted</i> 2023-24	<i>Projected</i> 2024-25	<i>Projected</i> 2025-26	<i>Projected</i> 2026-27	<i>Projected</i> 2027-28	<i>Projected</i> 2028-29	<i>Projected</i> 2029-30	<i>Projected</i> 2030-31	<i>Projected</i> 2031-32	<i>Projected</i> 2032-33
Cash Flows from Operations											
Rates	16,603,238	19,206,607	20,946,126	22,411,974	23,545,415	24,724,607	25,787,774	26,892,135	28,044,197	29,246,043	30,499,848
Statutory fees and fines	1,253,700	1,960,884	2,019,711	2,080,302	2,142,711	2,206,992	2,273,202	2,341,398	2,411,640	2,483,989	2,558,509
User charges	6,521,474	6,173,006	6,474,667	6,629,309	6,857,148	7,041,719	7,255,787	7,470,852	7,695,912	7,926,086	8,162,411
Grants	4,593,702	4,735,403	4,603,291	4,660,037	4,717,577	4,775,923	4,835,086	4,895,077	4,955,908	5,017,591	5,080,137
Contributions	21,540	21,540	-	-	-	-	-	-	-	-	-
Interest revenue	100,000	750,000	637,608	708,309	673,426	765,235	832,178	928,519	1,019,233	1,120,776	1,241,128
Investment revenue from water corporation	424,000	509,000	509,000	509,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000
Other revenue	114,900	152,480	257,054	364,766	375,709	386,980	398,590	410,547	422,864	435,550	448,616
Payments to employees	(16,153,522)	(16,736,490)	(17,107,536)	(17,877,375)	(18,592,470)	(19,150,244)	(19,724,752)	(20,316,494)	(20,925,989)	(21,553,769)	(22,200,382)
Payments to suppliers	(3,177,436)	(4,526,437)	(4,891,585)	(5,014,781)	(5,194,492)	(5,391,564)	(5,660,954)	(5,808,989)	(6,084,327)	(6,371,184)	(6,638,522)
Payments other	(6,500,207)	(6,854,950)	(6,491,807)	(6,589,152)	(6,853,132)	(7,252,176)	(7,418,817)	(8,103,851)	(8,638,110)	(9,015,822)	(9,410,481)
Net Cash from Operating Activities	3,801,389	5,391,044	6,956,527	7,882,388	8,095,891	8,531,472	9,002,094	9,133,194	9,325,329	9,713,261	10,165,266
Cash Flows from Investment Activities											
Payments for property, plant & equipment	(6,178,000)	(8,467,178)	(5,917,782)	(6,371,936)	(6,137,461)	(7,283,483)	(6,914,194)	(7,206,037)	(7,088,782)	(6,939,331)	(7,178,446)
Proceeds from sale of plant & machinery	-	-	-	-	-	-	-	-	-	-	-
Cash receipts & payments for deposits	-	-	-	-	-	-	-	-	-	-	-
Payments for investments											
Capital Grants	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686
Net Cash Used in Investment Activities	(5,513,314)	(7,802,492)	(5,253,096)	(5,707,250)	(5,472,775)	(6,618,797)	(6,249,508)	(6,541,351)	(6,424,096)	(6,274,645)	(6,513,760)
Cash Flows from Financing Activities											
Borrowings	(289,051)	(296,469)	-	-	-	-	-	-	-	-	-
Payment of lease liabilities											
Net Cash from Financing Activities	(289,051)	(296,469)	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in cash held	(2,000,976)	(2,707,917)	1,703,431	2,175,138	2,623,116	1,912,675	2,752,586	2,591,842	2,901,233	3,438,616	3,651,506
Cash and cash equivalents at the beginning of the year	14,077,460	18,070,079	15,362,162	17,065,593	19,240,731	21,863,847	23,776,521	26,529,108	29,120,950	32,022,183	35,460,799
Cash and Cash Equivalents at the End of the Year	12,076,484	15,362,162	17,065,593	19,240,731	21,863,847	23,776,521	26,529,108	29,120,950	32,022,183	35,460,799	39,112,305

10 year Balance sheet

	Budgeted 2022-23	Budgeted 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Projected 2030-31	Projected 2031-32	Projected 2032-33
Assets											
Current Assets											
Cash and cash equivalents	18,070,079	15,362,162	17,065,593	19,240,731	21,863,847	23,776,521	26,529,108	29,120,950	32,022,183	35,460,799	39,112,305
Trade and other receivables	1,756,537	1,950,813	2,006,259	2,094,581	2,146,228	2,221,190	2,291,302	2,366,508	2,443,435	2,523,792	2,608,452
Inventories	99,195	112,148	118,136	124,622	129,066	134,433	139,345	144,540	149,907	155,509	161,382
Other assets	55,814	218,554	225,110	231,864	238,820	245,984	253,364	260,965	268,793	276,857	285,163
Total Current Assets	19,981,625	17,643,676	19,415,099	21,691,798	24,377,960	26,378,128	29,213,118	31,892,962	34,884,318	38,416,957	42,167,302
Non-Current Assets											
CWIP, property, infrastructure, plant and equipment	274,160,404	279,327,960	317,142,355	319,221,341	322,691,715	322,624,944	322,683,348	358,061,651	359,732,680	362,508,230	361,341,825
Investment in water corporation	31,050,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000
Total Non-Current Assets	309,353,355	311,272,960	349,087,355	351,166,341	354,636,715	354,569,944	354,628,348	390,006,651	391,677,680	394,453,230	393,286,825
Total Assets	329,334,980	328,916,636	368,502,454	372,858,138	379,014,675	380,948,071	383,841,466	421,899,613	426,561,999	432,870,187	435,454,127
Liabilities											
Current Liabilities											
Trade and other receivables	1,713,791	2,018,163	1,989,753	2,042,569	2,126,118	2,234,924	2,304,591	2,466,895	2,604,520	2,716,525	2,833,425
Trust funds and deposits	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Contract liabilities											
Borrowings											
Lease liabilities											
Provisions	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498
Total Current Liabilities	3,980,289	4,284,661	4,256,251	4,309,067	4,392,616	4,501,422	4,571,089	4,733,393	4,871,017	4,983,023	5,099,923
Non-Current Liabilities											
Provisions	121,575	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593
Borrowings	296,469	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	418,044	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593
Total Liabilities	4,398,333	4,454,254	4,425,845	4,478,660	4,562,209	4,671,015	4,740,682	4,902,987	5,040,611	5,152,616	5,269,516
Net Assets	324,936,647	324,462,382	364,076,609	368,379,478	374,452,466	376,277,056	379,100,784	416,996,627	421,521,388	427,717,571	430,184,611
Equity											
Accumulated Surplus	182,839,991	183,248,663	222,862,890	227,165,759	233,238,747	235,063,337	237,887,065	275,782,908	280,307,669	286,503,852	288,970,892
Reserves	125,516,692	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719
Total Equity	308,356,683	324,462,382	364,076,609	368,379,478	374,452,466	376,277,056	379,100,784	416,996,627	421,521,388	427,717,571	430,184,611



Estimates and Annual Budget

2023/24

Meeting: 07.06.2023
Item Number: 16.010/23+
Page 30 of 126



Table of Contents

1. Executive Summary	3
Introduction	3
Operating Result.....	5
Cash Flows	7
2. Budget Influences	9
Salaries and Wages.....	9
TasWater Dividends	10
Childrens' Services.....	10
Medical Services.....	10
Interest rates.....	10
State Government	10
3. Operating Result.....	11
3.1 Revenues	12
3.2 Expenses.....	17
4. Capital budget	26
Capital Works.....	26
Asset Renewal	28
New Assets.....	30
Funding Sources	30
5. Borrowings / Debt	31
6. Cash Flow.....	32
Estimated Cash Flow Statement	32
7. Appendices.....	35
Departmental Summary 2023/24	37
Unit Summary 2023/24.....	38
Summary of Rates and Charges 2023/24.....	42

*** Please note:**

Figures in the following narrative have been rounded to the nearest \$'000 for ease of reading. There may also be rounding differences between Tables within the document.

1.Executive Summary

Introduction

Pursuant to the *Local Government Act 1993*, Council is required to prepare Estimates (the Budget) of its revenue and expenditure each financial year. These are required to be adopted by 31 August each year.

The 2022/23 budget was a budget of response – responding to community feedback by allocating additional resources into areas such as roads, strategic land use planning, governance and communications. These inclusions gave rise to a significant operating deficit.

The 2023/24 budget demonstrates Council's commitment to delivering services to our community. This year's investments reflect a forward-thinking approach, with a strong emphasis on addressing climate change, bolstering emergency management and response capabilities, improving traffic management, and harnessing the power of information technology. These strategic initiatives are expected to generate efficiency gains in various areas, including Council and committee reports, agenda preparation, people management, and cemetery operations. Moreover, the transition of Council's document management system to Cloud hosting promises enhanced accessibility and streamlined processes. The ongoing pursuit of investing in the business signals a dedicated effort to continue the catch up process as described in last year's budget document.

This budget also responds to Council's operating deficit situation. As highlighted last year, by incurring operating deficits, Council is not operating sustainably. Council, as a policy choice, has kept rates low over the years, but the services provided to the community have expanded. As has been noted in previous budget reports, Council has low rates compared to other councils and has recently further assessed the level of fees and rates against comparative councils. While it was noted some Council fees are higher due to the unique requirements of servicing the area, the average rates in the Huon Valley are the fifth lowest in the state or 25th of the 29 councils. The Future of Local Government Review dashboard data confirmed that Council average 2020/21 rates were up to 15% lower than comparable Tasmanian councils, such as Northern Midlands and Waratah-Wynyard (both rated rural agricultural, very large) and our neighbouring councils. Council's average rates (excluding fire levy) were \$1,275. The statewide average was \$1,748, Waratah-Wynyard \$1,400, Northern Midlands \$1,493, Kingborough \$1,617 and Derwent Valley \$1,382.

Further analysis confirmed that average 2020/21 rates for the Huon Valley as a percentage of the 2021 median household income (2021 Census) was 26% lower than that of the average rates and incomes for Northern Midlands and Waratah-Wynyard.

It has also been noted that Council is rated more positively/advantaged to Northern Midlands and Waratah-Wynyard in the Australian Bureau of Statistics (ABS) socio-economic index, a ranking system that compares areas socio-economic advantages and disadvantages for areas across Australia.

In addition, the cost of service provision is increasing. As at the end of March, the council cost index calculated by the Local Government Association, showed local government costs increasing by 8.1%. The consumer price index for Hobart for the same period was 6.9%.

As a community we need to resolve the operating deficit situation. Council must generate sufficient revenue to cover all costs, meet community expectations and to provide a small margin for contingencies and emergencies. To this end a full review of fees and charges has been undertaken with increases introduced, particularly in planning and waste management. To address the deficit, rates, being comparatively low, must play a role. Accordingly, an increase of 12% is proposed. Despite these measures, Council remains in an operating deficit situation.

As noted above however, the rate rise will also fund considerable community benefit. These include:

- Major investment will go toward relining both the Huonville and Port Huon swimming pools;
- The Dover Medical Centre redevelopment;
- Stormwater improvements including \$580,000 for Channel Highway between Smith Street and Thorp Street;
- Continued road improvements including Peverata Road bridge;
- \$220,000 for Shipwrights Point jetty;
- \$85,000 for the Huonville foreshore playground;
- A 50% discount on planning fees for applicants who have been approved to receive a first home owners grant; and
- Increased resourcing in a number of areas to improve community service levels. These include in Planning assessment, climate change to lead our response and strategies, and in the important area of emergency management and response.

Throughout the budget process much work has gone into developing a long-term financial plan to guide Council into an operating surplus situation. This plan is tabled for adoption with this budget.

Operating Result

Council's underlying operating result is forecast to be a deficit of \$1,281,000 for the 2023/24 financial year which represents an improvement from the 2022/2023 forecast of \$2,936,000.

Major factors impacting the Budget include:

- General rate increase of 12% to fund the investments into the business, meet community service level expectations, and address the operating deficit;
- Fees and charges have been updated with fees in Waste management and Development Services changing significantly to transition to a fairer user-pays model;
- Building and Plumbing fees are proposed to be increased between 8% and 25%;
- Reflecting Council's transition to a user pays approach where appropriate Planning fees are proposed to be increased between around 8% and 144%. Those planning fees proposed to be increased by 144% include:
 - applications for permitted and discretionary use or development (applicable to certain dwellings, ancillary dwellings, extensions and outbuildings)
 - applications for minor amendment to permits
 - applications for subdivision and boundary adjustments
 - applications for certificate of approval for strata plan
 - compliance (where applicable);
- A 50% discount on planning fees for applicants who have been approved to receive a first home owners grant has been introduced;
- Increases in kerbside waste collection of \$30 for a 120L bin and \$53 for a 240L bin and recycling collection charges of \$9 per bin reflecting increased costs;
- Due to the increased cost to Council associated with landfill disposal, transport costs and the State Government Waste Levy, waste fees have increased accordingly. However, whilst most fees have increased, Council has attempted to minimise cost impacts to the community by decreasing the fees associated with small volumes of waste and scrap metal and car bodies;
- An allocation of \$500,000 towards the upgrade of the Dover Medical Centre, this includes \$300,000 from reserves and an additional \$200,000. This project is majority grant funded;
- Medical Services are budgeted at a deficit of \$165,000, which is improved from the 2022/23 budgeted deficit of \$434,000. Ideally Medical Services would be budgeted at/around breakeven, however the budgeted deficit reflects operating challenges which continues to affect both revenue and costs. Council will be exploring how to take advantage of the federal budget Medicare and medical workforce related investments and this may positively impact the budgeted deficit;
- Increase in the allocation to roads maintenance of \$100,000 to meet traffic management standards;

- An allocation of \$250,000 for the Road Drainage Project, to upgrade identified road cross-over drains in conjunction with resheeting works;
- Increased staffing in the Planning, Climate Change, Emergency Management areas and additional employee hours at waste transfer stations to address safety issues;
- Increase in the State Government fire levy (State Fire Commission);
- Increasing insurance costs particularly for cyber insurance;
- Asset revaluations in Playgrounds and Walking Tracks, affecting depreciation expenses;
- \$100,000 for a strategic Rating review and \$50,000 allocated to the review and preparation of a new Enterprise Agreement
- Additional investment in the following areas:
 - Strategic land planning
 - Information technology.



Cash Flows

Council's cash balance is forecast to decrease by \$2,708,000 primarily due to a larger asset renewal works program.

Operating cash flow

Council's operating cash flow is forecast to increase by \$1,590,000 primarily due to the rates increase and investment returns.

Capital

Capital expenditure for the 2023/24 financial year is budgeted to be \$8,467,000. Capital expenditure requirements are sourced from Council's asset management plans and inspection programs, as well as the Strategic Plan.

Major expenditure in Council's asset renewals include \$2,894,000 for the road network, \$581,000 for replacement of plant and fleet, \$980,000 for buildings, \$154,000 for footpath and kerb, \$340,000 for bridges, \$82,000 for car parks, \$152,000 for playgrounds, \$1,356,000 for sports facilities, \$193,000 for Stormwater, \$70,000 for Information Technology and \$220,000 for jetty facilities.

The 2023/24 spend for new assets consists of a \$720,000 allocation toward stormwater works with the primary project being the Channel Highway between Smith Street and Thorp Street. An allocation of \$300,000 for the Port Huon Pool facility including mechanical ventilation and structural work. Other allocations include in IT, works required at the Cygnet and Huonville waste transfer stations, and the purchase of additional wheelie bins as the service is extended.

A more detailed analysis of the capital spend is detailed in Chapter 4.

Financing cash flow

No new borrowings are forecast and \$296,000 of borrowings will be repaid.

Rates

Rates revenue is forecast at \$19,279,000 being an increase of \$2,662,000 compared with the 2022/23 budget, with the increase representing the change in the general rate, increases in service charges, growth in the rate base from development, additional properties serviced by the kerbside waste collection service, and the increased state government fire service levy.

Conclusions

The 2023/24 budget continues the theme of responding to community service standards and expectations by the inclusion or expansion of funds into program areas. However, Council's operating deficit and low rating levels compared to similar councils needs to be remedied and these have been a major influence on the proposed rate increase.

In addition, the state government Future of Local Government review is flagging amalgamations, mergers or combinations of councils, however described, as well as increasing shared services between councils. It is important Council moves to a financially sustainable position in order to be in a strong negotiating position as these reforms come to fruition.

Throughout the budget process much work has gone into developing a long-term financial plan to guide council into an operating surplus situation. This plan is tabled for adoption with this budget. This plan proposes a general rate increase of 12% for 2023/24 followed by an increase of 8% in 2024/25 which will result in a small operating surplus. A further 6% is proposed for 2025/26. These may change as circumstances change and information updated.

As the 2023/24 financial year evolves, updated forecasts and estimates will be provided. Annual budgets are prepared at a point in time, based on information available at that time, and so regular review and update is necessary.



2. Budget Influences

The Annual Plan and Budget is premised on a number of influences and assumptions, which are likely to impact on the delivery of services provided by Council.

As noted in Section 1, the 2023/24 Budget continues the theme of responding to community standards and expectations, which commenced in the 2022/23 period. The 2023/24 budget also responds to its operating deficit situation.

In order for Council to generate sufficient revenue to cover all costs, and to provide a small margin for contingencies and emergencies, fees and charges have been reviewed, and increases as appropriate, particularly in planning and waste management. Additionally, an increase of 12% is proposed for the general and rate and stormwater rates, along with increases in service charges for kerbside waste removal services.

Salaries and Wages

Total employee costs have increased by \$655,000 reflecting a number of factors. These include:

- a significant decrease in Children's Services employee costs of \$674,000 as discussed below. These reductions are echoed in the budgeted fee income;
- salary and wage increase of 2.75% arising from Council's Enterprise Agreement. In addition, the superannuation guarantee rate will again increase by 0.50% in July 2023. Together these add approximately \$552,000; and
- 0.67FTE funded from grants for the Village Hub project and the Mental Health Resilience project.

In addition, there are a number of new positions reflecting investment into the business to increase community service. These include:

- Two new positions (2.0 FTE) in Planning to process development applications. As noted above Planning fees and charges have been updated to move closer to cost recovery.
- A new Climate Change Officer (1.0 FTE) position responsible for leading our response to climate change noting a climate change emergency was declared at the January 2023 Council meeting;
- Two new positions of 0.5 FTE each in Emergency Management and Emergency Recovery, responsible for Council's and the community response to emergency management;
- Additional hours at Dover and Cygnet Waste Transfer Stations to address safety concerns of lone workers; and
- A new 1.0 FTE in Building Compliance responsible for addressing building non-compliance. The costs of this position are expected to be recovered from compliance management.

TasWater Dividends

TasWater's draft Corporate Plan 2024-28 provides for the full dividend payments of \$20M to councils, together with special dividends being catch up payments of dividends not paid in 2019/20 and 2020/21. This means \$509,000 for 2023/24 to 2025/26, then reverting to \$424,000 thereafter.

Childrens' Services

The budget has been significantly reduced, with the budgeted income of \$699,000 and budgeted expenditure of \$681,000 undergoing a similar reduction. These changes were brought about by a focused review of teacher-child ratios, seasonal fluctuations, and the fact that many staff members are completing higher-level qualifications that directly impact the teacher-child ratios at each centre. The approach this year has been to forecast what these ratios and changes will be and reflect them as a conservative budget forecast.

Medical Services

Medical Services are budgeted at a deficit of \$165,000, which is improved from the 2022/23 budgeted deficit of \$434,000. Ideally Medical Services would be budgeted at/around breakeven or better, however the budgeted deficit reflects operating challenges which continues to affect both revenue and costs. Council will be exploring how to take advantage of the federal budget Medicare and medical workforce related investments, and this may positively impact the budgeted deficit.

Interest rates

The budget for interest earnings is substantially increased over the 2022/23 budget due to rising interest rates. In the current year, the budgeted figure was revised upwards to reflect this. The budget for 2023/24 is \$750,000, up from \$100,000.

State Government

The Fire Service Levy Council pays to the State Fire Commission has increased by 4.8% to \$727,000. Increases for the past two years have been 6.1% and 8.1%.

3. Operating Result

This section considers Council's forecast 2023/24 operating result. It is presented as follows:-

- Revenue by revenue type refer 3.1
- Expenses by expense type refer 3.2

Statement of Profit or Loss and Other Comprehensive Income

	<i>Ref</i>	<i>Budget 2022/23</i>	<i>Budget 2023/24</i>	<i>Variance</i>
Income from Continuing Operations				
Recurrent Income				
Rates and charges	3.1.1	16,617,063	19,279,552	2,662,489
Statutory fees and fines	3.1.2	1,253,700	1,960,884	707,184
User fees	3.1.3	6,685,640	6,294,337	(391,303)
Grants	3.1.4	4,593,702	4,735,403	141,701
Contributions - cash	3.1.5	21,540	21,540	-
Interest	3.1.6	100,000	750,000	650,000
Other income	0	114,900	152,480	37,580
Investment revenue from water corporation	3.1.8	424,000	509,000	85,000
		29,810,545	33,703,196	3,892,651
Capital Grants				
Capital grants received specifically for new or upgraded assets	3.1.9	664,686	664,686	-
Contributions - non-monetary assets		-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.1.10	(250,000)	(250,000)	-
Net asset revaluation increment/(decrement)		-	-	-
		414,686	414,686	-
Total Income from Continuing Operations		30,225,231	34,117,882	3,992,651
Expenses from Continuing Operations				
Employee benefits	3.2.1	(16,153,522)	(16,736,490)	(582,968)
Materials and services	3.2.2	(3,587,158)	(4,655,116)	(1,067,958)
Impairment of receivables		-	-	-
Depreciation and amortisation	3.2.3	(6,255,600)	(6,737,402)	(481,802)
Finance costs		(13,100)	(5,682)	7,418
Other expenses	3.2.4	(6,487,107)	(6,849,268)	(362,161)
Total Expenses from Continuing Operations		(32,496,487)	(34,983,959)	(2,487,472)
Operating Result from Continuing Operations		(2,271,256)	(866,077)	1,405,179
Underlying Surplus/(Deficit)		(2,935,942)	(1,280,763)	1,655,179

Meeting: 07.06.2023
Item Number: 16.010/23*
Page 40 of 126

3.1 Revenues

3.1.1 Rates and Charges

Rate income is expected to increase by \$2,662,000 from the 2022/23 financial year.

Rates comprise several components:

- A General Rate which funds the majority of Council services. It represents approximately 82% of total rates income.

Rates are calculated based on the Capital Value of a property which is determined by the State Government Valuation Division. The amount paid varies depending on the value of the property (subject to a minimum amount). That is, the higher the capital value, the higher the General Rate paid.

- Service charges for waste management, recycling services, and stormwater management. For those ratepayers who receive these services a flat rate charge will apply on their rates notices. Different flat amounts apply depending on the size of waste bins at the property.
- A Fire Rate. This is simply a flow through payment to the State Government. Council is annually advised by the State Fire Commission how much fire levy it must pay to the Commission. Council collects that levy through the fire rate and then forwards it to the Commission.

A full table of all Rates is provided within the Appendices.

The 2023/24 Budget approves a general rate increase of 12%. As stated in Section 1, the Budget is responding to community feedback by increasing council's investment in some key areas and responding to Council's current financial performance. Council's draft long term financial plan flags further rate increases in the 2024/25 and 2025/26 budgets in order to achieve a sustainable financial outlook.

The Budget funds a range of improvements and initiatives. These include an allocation of \$500,000 towards the upgrade of the Dover Medical Centre (including \$300,000 from reserves), an increased allocation to roads maintenance of \$100,000 to allow for additional traffic management keeping staff and the public safe, increased staffing in the Planning, Climate Change, Emergency Management areas and additional employee hours at waste transfer stations to address safety issues, \$100,000 for a strategic rating review and \$50,000 allocated to the review and preparation of a new Enterprise Agreement. There is also an additional investment into strategic land use planning together with allocations to improve efficiency through investments in technology.

Service charges, representing approximately 14% of total rates income, have been increased to ensure the costs of those services are fully paid for by the users of those services. These increases are:

- An increase in the kerbside recycling collection service charge from \$119 to \$128, and kerbside waste collection service charges from \$195 to \$225 for a 120-litre bin, and from \$292 to \$345 for a 240-litre bin, reflecting increased costs; and
- An increase in the stormwater removal charge of \$125 to \$140.

3.1.2 Statutory fees and fines

The 2023/24 budget has an increase in Statutory fees and fines of \$707,000. This increase is due to the decision to transition the services to a user pays model and resultant increase in fees for these services. These services have in the past been heavily subsidised by ratepayer revenue.

	2022/23	2023/24	Variance
Planning	467,000	855,770	438,770
Building and Plumbing	530,000	654,544	124,544
Compliance	150,200	263,670	113,470
Rate Penalties and Interest	50,000	75,000	25,000
Environmental Health	56,500	61,900	5,400
Infrastructure - Engineering	50,000	50,000	-
Statutory fees and fines Total	1,253,700	1,960,884	707,184



Meeting: 07.06.2023
 Item Number: 16.010/23*
 Page 20 of 26

3.1.3 User fees

The 2023/24 budget has a decrease in User fees of \$391,000. This decrease is attributed to an overall decrease in user fees for Childrens' Services (of \$718,000), which has been partially offset by increases in Medical Services and Waste fees which have increased to align with the cost of the services provided.

The reduction in Customer Service fees (of \$55,000) is due to the decrease in property certificate requests due to the slowdown in the property market.

User fees	2022/23	2023/24	Variance
Customer Service	209,100	154,100	(55,000)
Waste Management	1,280,183	1,324,684	44,500
Huonville Pool	117,000	144,480	27,480
Cemeteries	110,925	123,249	12,324
Cygnets Sports Centre	28,000	38,900	10,900
Health and Wellbeing	-	10,000	10,000
Property Rentals	8,500	-	(8,500)
Port Huon Sports Centre	137,000	144,530	7,530
Administration Support - Legal	120,000	116,662	(3,337)
Administration Support - Infrastructure	-	2,000	2,000
Environmental Health	400	-	(400)
Stormwater	12,400	12,400	-
Sealed Roads	50,000	50,000	-
Retirement Villages	156,536	156,536	-
Public Halls	10,000	10,000	-
User fees Total	2,240,045	2,287,542	47,497
Children's Services			
Geeveston Early Learning and Care	846,710	536,595	(310,115)
The Cottage	1,609,060	1,330,800	(278,260)
Dover Childcare	325,525	247,250	(78,275)
Vacation Care	189,000	149,000	(40,000)
After School Care	210,300	199,150	(11,150)
Children's Services Total	3,180,595	2,462,795	(717,800)
Medical Practices			
Dover Medical Centre	758,000	922,000	164,000
Geeveston Medical Centre	504,000	619,000	115,000
Medical Services other	3,000	3,000	-
Medical Practices Total	1,265,000	1,544,000	279,000
User fees Total	6,685,640	6,294,337	(391,303)

3.1.4 Grants

	2022/23	2023/24	Variance
Financial Assistance Grants	3,736,837	3,991,828	254,990
Huon Valley Food Hub Grant	192,500	-	(192,500)
Health and Wellbeing	132,940	182,800	49,860
Vacation Care	36,000	47,300	11,300
Gearing up	75,000	85,070	10,070
The Cottage	20,000	25,000	5,000
After School Care	-	3,000	3,000
Natural Resource Management	23,310	23,290	(20)
Dover Medical Centre	105,000	105,000	-
Geeveston Early Learning and Care	81,313	81,313	-
Geeveston Medical Centre	125,000	125,000	-
Dover Childcare	65,802	65,802	-
Grants Total	4,593,702	4,735,403	141,701

The 2023/24 budget sees operational grants increase by \$141,000 compared with the prior financial year. Council will not receive notice of its Financial Assistance Grants provided by the Federal Government until the new financial year and the budget is set at the amount received for 2022/23 (which is increased from the amount budgeted).

The Huon Valley Food Hub was established in 2022/23 through grant funding, with the goal of enhancing food resilience in the community. The grant-funded project has now been completed. The Council has decided to fund a Project Officer part-time for 6 months to continue the project. The objective is to transition the management of the Food Hub to the community. The Council's funding is separate from the original grant, and the Project Officer will be responsible for overseeing the project during this period.

3.1.5 Contributions – Cash

There is no change in anticipated Cash Contributions of \$21,540 for 2023/24. This includes contributions from community groups and users of Council owned facilities.

3.1.6 Interest

Council's interest earnings on investments are forecast to increase to \$750,000 for 2023/24.

3.1.7 Other income

	2022/23	2023/24	Variance
Stormwater - Infrastructure	-	35,000	35,000
Dover Medical Centre	2,400	33,500	31,100
Geeveston Medical Centre	28,500	-	(28,500)
Financial Control	29,000	21,582	(7,418)
Customer Service	22,500	28,850	6,350
Port Huon Sports Centre	-	1,000	1,000
Environmental Health	3,600	3,648	48
Private Works	20,000	20,000	-
Cygnets Sports Centre	500	500	-
Natural Resource Management	5,000	5,000	-
People and Safety – Uniform	3,000	3,000	-
Governance	400	400	-
Other income Total	114,900	152,480	37,580

Stormwater – Infrastructure – historically, stormwater infrastructure did not have a separate budget line due to the challenges of accurately predicting the number of stormwater connections. However, due to ongoing development activity, it has become necessary to allocate a dedicated budget for this purpose.

Dover and Geeveston Medical Centres - Transfer of budget from one medical practice to the other to better reflect actuals.

3.1.8 Investment revenue from water corporation

TasWater's draft Corporate Plan 2024-28 provides for the full dividend payments of \$20M to councils, together with special dividends being catch up payments of dividends not paid in 2019/20 and 2020/21. This means \$509,000 for 2023/24 to 2025/26, then reverting to \$424,000 thereafter.

3.1.9 Capital grants

Council's budgeted capital grants include the allocation for Roads to Recovery which is provided by the Federal Government. Council's Roads to Recovery allocation has remained the same with comparison to the prior year.

3.1.10 Net gain/(loss) on disposal of non-current assets

Council has budgeted \$250,000 loss for the disposal or write-off of non-current assets. As Council assets are replaced, the value of the existing asset, if any, must be disposed of or written off as it no longer has any service value. Council asset planning procedures are designed to replace assets at the end of their service life, but sometimes this is not always possible, and assets must be replaced slightly ahead of time, thus resulting in a write-off amount.

3.2 Expenses

3.2.1 Employee benefits

Employee benefits include the costs of employees such as base pay and oncosts comprising payroll tax, training, superannuation, and allowances.

Total Council employee costs have increased by \$655,000 and full time equivalent (FTE) employees has decreased by 3.89. This is represented by:

- A \$583,000 increase despite a reduction of 4.29 FTE attributed to the operating statement; and
- A \$72,000 increase or 0.40 FTE capitalised as part of capital works.

There are a number of factors that contribute to this increase of \$655,000. These include:

- a significant decrease in Children's Services employee costs of \$674,000. These reductions are echoed in the budgeted fee income. This arises due to an improved budgeting process, which better considers factors such as teacher-child ratios and seasonal fluctuations. Many staff members are completing higher education qualifications which also directly impact on the teacher-child ratios. FTEs are budgeted to decrease from 38.16 to 27.85
- salary and wage increase of 2.75% arising from Council's Enterprise Agreement. In addition, the superannuation guarantee rate will again increase by 0.50% in July 2023. Together these add approximately \$552,000; and
- Council is also continuing funding for 0.32 FTE for six months for the Food Hub project. This project commenced with grant funding in the 2022/23 budget.

In addition, there are a number of new positions reflecting investment into the business to increase community service. These include:

- Two new positions (2.0 FTE) in Planning to process development applications. As noted above Planning fees and charges have been updated to move closer to cost recovery.
- A new Climate Change Officer (1.0 FTE) position responsible for leading our response to climate change noting a climate change emergency was declared at the January 2023 Council meeting;
- Two new positions of 0.5 FTE each in Emergency Management and Emergency Recovery, responsible for Council's and the community response to emergency management;
- Additional hours at Dover and Cygnet Waste Transfer Stations to address safety concerns of lone workers; and
- A new 1.0 FTE in Building Compliance responsible for addressing building non-compliance. The costs of this position are expected to be recovered from compliance management.

Total FTEs (which includes Operational and Capitalised Employees) is 171.76. This figure includes 37.24 FTE at Childrens' Services and Medical Services, and an additional 2.67 FTE which are Fully Grant Funded. In comparing Council to others, it is to be noted that most councils do not provide medical or children's services.

Departmental Areas Funding Sources	FTE	Budget 2023/24
Employees funded from the General Rate and/or User Fees	123.58	12,563,722
Childrens' Services employees funded from User Fees and Grants	27.85	2,282,350
Medical Services employees funded from User Fees and Grants	9.39	1,647,738
Fully Grant Funded	2.67	242,680
Total Operational Employees	163.49	16,736,490
Capitalised employees	8.27	925,255

The following table provides further detail on the budget including Full Time Equivalent funding sources and movements between years.

The key for departmental areas funding sources is:

- Rates
- Fees
- Grants



All employee costs include oncosts	2022/23		2023/24		Movement	Funding source	R	F	G
	FTE	Employee Costs	FTE	Employee Costs					
GENERAL MANAGER									
General Manager's Office	2.00	359,875	2.00	376,610	-	16,735	●		
	2.00	359,875	2.00	376,610	-	16,735			
GOVERNANCE AND SUSTAINABLE DEVELOPMENT									
Strategy & Performance Reporting	3.00	329,950	3.00	329,974	-	24	●		
Economic Development	3.00	330,243	2.32	273,302	(0.68)	(56,941)	●		
Building and Plumbing	3.80	404,352	3.80	419,644	-	15,292	●	●	
Planning	6.50	714,471	8.70	986,895	2.20	272,424	●	●	
Legal & Governance Office	4.00	502,308	4.00	534,853	-	32,545	●	●	
Compliance	2.66	248,571	3.00	302,611	0.34	54,040	●	●	
Environment Health	2.00	202,550	2.00	234,726	-	32,176	●	●	
	24.96	2,732,444	26.82	3,082,005	1.86	349,561			
PEOPLE AND CORPORATE SERVICES									
Financial & Corporate	4.05	498,972	5.05	623,556	1.00	124,584	●		
Customer Service	8.00	712,565	8.02	766,183	0.02	53,618	●	●	
Human Resources	4.84	514,674	4.84	530,903	-	16,229	●		
Recruitment Timeframe Adjustment	-	(175,000)	-	(100,000)	-	75,000	●		
Innovation & Productivity	1.00	107,111	1.00	124,238	-	17,127	●		
Information Services	5.24	504,214	5.24	546,021	-	41,807	●		
	23.13	2,162,536	24.15	2,490,901	1.02	328,365			
INFRASTRUCTURE AND ENVIRONMENTAL SERVICES									
Administrative Support	0.50	101,521	0.50	104,731	-	3,210	●		
Natural Resource Management	1.57	162,945	1.88	186,394	0.31	23,449	●	●	
Waste Management	5.88	597,816	6.91	696,482	1.03	98,666	●	●	
Property Management	1.70	164,189	1.70	169,363	-	5,174	●	●	
Technical Services	7.50	718,430	7.30	724,697	(0.20)	6,267	●		
Bridges Maintenance	0.75	55,591	0.75	57,339	-	1,748	●		
Environmental Services	1.20	158,824	2.40	294,093	1.20	135,269	●		
Construction and Town Services	2.25	166,401	0.18	13,379	(2.07)	(153,022)	●		
Stormwater	2.00	148,242	2.00	152,904	-	4,662	●		
Parks and Reserves	7.68	626,793	7.68	646,522	-	19,729	●	●	
Road Maintenance	18.13	1,431,466	20.20	1,640,667	2.07	209,201	●	●	
	49.16	4,332,219	51.50	4,686,571	2.34	354,352			
COMMUNITY WELLBEING									
Community Services	2.21	288,562	2.21	297,674	-	9,112	●		
Media and Communications	4.09	387,183	4.16	396,298	0.07	9,115	●		
Community Development	1.00	125,354	1.00	125,553	-	199	●		
Community Liaison	0.84	73,613	0.84	75,931	0.00	2,318	●		
Arts and Culture	0.84	74,964	0.84	77,325	0.00	2,361	●		
Health and Wellbeing	1.20	107,283	1.26	115,987	0.06	8,704	●		
Retirement Villages	0.24	20,704	0.24	21,748	-	1,044	●	●	
Youth	0.71	63,251	0.71	65,243	-	1,992	●		
Gearing Up	0.63	56,223	0.63	59,039	-	2,816	●	●	
Recreation Services	1.53	170,776	1.53	176,163	-	5,387	●	●	
Huonville Swimming Pool	1.77	161,399	1.77	166,488	-	5,089	●	●	
Port Huon Sports Centre	2.55	217,007	2.55	223,853	-	6,846	●	●	
Cygnets Sports Centre	0.68	53,406	0.68	55,089	-	1,683	●	●	
Village Hub	0.84	73,613	1.41	126,696	0.57	53,083	●	●	
Mental Health	0.53	46,008	0.63	56,948	0.10	10,940	●	●	
Cemeteries	1.21	94,521	0.26	24,600	(0.95)	(69,921)	●		
Emergency Management	0.05	7,016	1.05	105,683	1.00	98,667	●		
	20.92	2,020,883	21.78	2,170,317	0.86	149,434			
Medical Services									
Dover Medical Centre	4.74	859,327	5.05	977,737	0.31	118,410	●	●	●
Geeveston Medical Centre	4.71	730,200	4.34	670,001	(0.37)	(60,199)	●	●	●
	9.45	1,589,527	9.39	1,647,738	(0.06)	58,211			
Children's Services									
	38.16	2,956,037	27.85	2,282,350	(10.31)	(673,687)		●	●
	38.16	2,956,037	27.85	2,282,350	(10.31)	(673,687)			
Operational Employee Costs	167.78	16,153,522	163.49	16,736,493	(4.29)	582,970			
Capitalised Employee Costs	7.87	852,799	8.27	925,255	0.40	72,456	●		●
	7.87	852,799	8.27	925,255	0.40	72,456			
TOTAL COUNCIL EMPLOYEE COSTS	175.65	17,006,322	171.76	17,661,748	(3.89)	655,426			

3.2.2 Materials and services

	2022/23	2023/24	Variance
Dover Medical Centre Upgrade	-	500,000	500,000
Road Drainage Project	-	250,000	250,000
Plant and Vehicles Costs	1,115,366	1,266,110	150,744
Contractors	765,992	905,175	139,183
Materials	636,037	724,037	88,000
Children's Services Strategic Review	47,000	-	(47,000)
Retirement Villages Strategic Review	40,050	-	(40,050)
Depreciation	(674,000)	(708,000)	34,000
IT Consumables	530,030	560,691	30,661
Telephone	100,400	77,000	(23,400)
Equipment Hire	-	18,210	18,210
Building Maintenance	211,987	223,333	11,346
Waste Management Push Up Fees	10,608	1,408	(9,200)
Building Surveyor's Retainer	-	7,500	7,500
Finance Cyber Crime mitigation	4,000	10,900	6,900
Kiosk Purchases	14,200	21,000	6,800
Waste Bin Hire - Contractors	52,550	46,163	(6,387)
Waste Bin Hire - Childrens Services	-	5,720	5,720
Water & Sewerage	146,000	149,939	3,939
Electricity	160,800	163,650	2,850
All Other Materials and Services	15,250	18,250	3,000
Waste Compactor Maintenance	31,523	33,665	2,142
Street Lighting Electricity	161,000	161,500	500
Rubbish Collection	2,500	3,000	500
Operating Costs	30,900	30,900	-
Lawns & Grounds	25,755	25,755	-
Cleaning Non Programmed	5,000	5,000	-
Contract Cleaner	70,410	70,410	-
Vandalism Repairs	13,000	13,000	-
Electricity (on charged)	5,000	5,000	-
Equipment	65,800	65,800	-
Materials and services Total	3,587,158	4,655,116	1,135,458

The major components of the Materials and Services budget include \$500,000 for the Dover Medical Centre upgrade.

As part of this year's budget, there is an allocation of \$250,000 for the Road Drainage Project. This project is a five-year initiative that will run in conjunction with resheeting works which aims to upgrade older non-compliant road crossovers on major and distributor roads. The primary objective of the project is to enhance the road infrastructure's resilience and protection against future rain events.

Plant and vehicle costs comprise mainly depreciation, fuel, maintenance, insurance and registration.

Meeting: 07.06.2023
Item Number: 16.010/23⁺
Page 49 of 126

The major components of the Contractors budget of \$905,000 are for traffic management \$100,000, cemetery contractor including grave digging \$109,000, sealed and unsealed roads contractors \$268,000, public toilet cleaning \$185,000, footpath maintenance of \$60,000, parks, reserves and recreation of \$30,000, planning of \$20,000 and stormwater of \$17,000, and medical locums \$85,000.

The budgeted figure for Materials for the 2023/24 financial year of \$724,000 comprises materials for parks, reserves and recreation grounds \$229,000, sealed roads \$176,000, and unsealed roads \$216,000.

Depreciation represents depreciation on plant and equipment and is a deduction as it is included in the total in the next table.

IT consumables comprises primarily network costs and software licenses and agreements.

3.2.3 Depreciation

Asset Classes	2022/23	2023/24	Variance
Buildings	681,400	681,669	269
Building Contents	129,000	180,000	51,000
Intangibles	12,000	58,333	46,333
Plant and Machinery	674,000	708,000	34,000
Stormwater	197,000	202,000	5,000
Roads	3,008,400	3,156,000	147,600
Bridges	405,700	408,000	2,300
Footpaths	219,500	231,000	11,500
Kerbs	196,400	186,000	(10,400)
Car Parks	130,000	132,000	2,000
Street Furniture	102,900	103,000	100
Walking Tracks	37,500	144,600	107,100
Marine Facilities	108,500	108,800	300
Playgrounds	99,800	153,000	53,200
Sporting Facilities	53,500	85,000	31,500
Predicted Additions	200,000	200,000	-
Total	6,255,600	6,737,402	481,802

Depreciation expense is forecast to increase in 2023/24 by \$481,802. Factors contributing to this are:

- An allowance for asset additions and capitalisations for 2023/24;
- The revaluation of the Walking Tracks and Playgrounds asset classes in 2022/23 which will increase the depreciation charges in 2023/24; and
- The increase in Intangible assets is due to the completion of the municipal area revaluation in 2022 by the Valuer-General, the costs of which have been capitalised and will be amortised over the next six years.

3.2.4 Other expenses

	2022/23	2023/24	Variance
Strategic Planning			
Strategic Planning	620,000	302,080	(317,920)
Strategic Plan	54,500	17,500	(37,000)
Waste			
Disposal cartage to Copping	404,273	535,000	130,727
Collection Service - General	539,653	608,000	68,347
Collection Service - Recycling	497,078	532,160	35,082
Waste Management Levy	142,532	172,800	30,268
Removal of recyclables cost	192,794	151,911	(40,883)
Mulching	193,673	177,055	(16,618)
Sampling and monitoring - Landfill sites	-	75,000	75,000
Waste Compactor	48,528	48,528	-
Internal Cartage of Bins	108,704	85,071	(23,633)
Strategic Rating Review	-	100,000	100,000
IT Costs	-	100,852	100,852
Fire Levies	693,581	726,989	33,408
Climate Change Program	-	30,800	30,800
Liability and Property Insurance	397,781	421,410	23,629
Bank Charges	70,000	87,000	17,000
Building Maintenance	30,000	15,000	(15,000)
Councillors Allowances and Expenses	262,401	274,540	12,139
Advertising & Marketing	160,000	154,000	(6,000)
Audit Fees	73,000	77,800	4,800
Subscriptions	83,908	88,150	4,242
Land Tax	146,000	142,493	(3,507)
Management Program	150,000	150,000	-
Training Levy	130,000	130,000	-
Project/Event Costs	10,000	10,000	-
Valuation Fees	57,500	-	(57,500)
HR System investigation and implementation	-	50,000	50,000
Enterprise Agreement Review	-	50,000	50,000
Asset Management Maturity Assessment	-	40,000	40,000
Staff Survey	25,000	-	(25,000)
Food Hub project	25,000	-	(25,000)
Process Mapping Software	-	22,900	22,900
Mental Health Resilience Project	-	22,500	22,500
Consultancy	35,000	12,500	(22,500)
Election Costs	35,000	12,500	(22,500)
Digital Records Cemetery	-	20,250	20,250
Legal Program	20,000	40,000	20,000
WHS – Additional funds to increase maturity	5,000	25,000	20,000
Community Communication Newsletters	30,000	10,000	(20,000)
All Other Expense Items	1,246,201	1,329,478	83,277
Other expenses Total	6,487,107	6,849,268	362,161

Strategic Planning includes an additional investment into progressing strategic land use planning.

Waste costs have increased reflecting collection costs, industry issues, and the state government Waste Levy, however savings have been made by efficiency improvements resulting in the Removal of recyclables costs, Mulching costs and Internal Cartage of bins decreased budgets. It should be noted that the Collection Services expenses includes an expansion of the collection areas. An allocation of \$75,000 is budgeted for Sampling and monitoring in previous landfill sites (Geeveston and Cygnet).

Management Program is an allocation toward leadership and culture development, this is a continuation of the program which commenced in 2022-23.

\$100,000 for a Strategic Rating review and \$50,000 allocated to the review and preparation of a new Enterprise Agreement.

IT Costs includes migrating software services to the Cloud, backup solution, cyber-audits and software licences. An allocation of \$50,000 has been made to investigate and implement a new Human resource management system. An allocation of \$40,000 for Asset Management Maturity Assessment is also included.

The reduction of \$57,000 in Valuation fees is due to a change in accounting practices. Valuation fees are now included in the Capital Renewal Budget.

A further breakdown of the largest items comprising All Other Expenses Items above is as follows:

All other Expenses	2023/24
Village Hub Project	18,681
Committee Expenses	15,000
Customer service Review	15,000
Security Software	12,100
Vegetation Management	63,290
Cyber Security Audit	27,000
Waste Management Strategy	15,000
Innovation R & D	10,000
Arts & Heritage Committee	10,000
Creative Grant Program	10,000
Point Of Sale System In Recreation Centres	9,000
Gearing Up Program	10,024
Community Education and Activities	15,250
Conferences	10,000
Plaque Purchases	21,000
Pool Chemicals	21,000
Tyre Disposal	20,000
Recruitment	15,000
Place-making Program	5,000
Positive Ageing program support	5,000
Cultural diversity (CALD, A&TSI) program support	5,000
WHS Management System	26,000
Replacement Kerbside Bins	23,500
Rates	15,000
IT Software	47,500
Removal of Scrap Metal	5,000
Operating Activities	6,600
Service Plaques & Honour Rolls	3,000
Cleaning	4,850
Commission - Collection Fees	65,000
Building Act Levy	50,000
Valuation Fees - Supplementaries	42,500
Postage	42,000
Medical Supplies	40,000
Printing & Stationery	35,000

* Further detail provided below

All other Expenses (cont.)	2023/24
Committee Allocations	30,000
Community Grants & Benefits	25,000
Health & Wellbeing Initiatives	22,900
Enact Council Resolutions	20,000
Waste Safety/WHS	20,000
Community Event Support	20,000
Community Engagement	20,000
Meeting Expenses	17,000
Staff Uniforms	16,000
Councillors Code of Conduct	15,000
Industry Relations Support	15,000
Office Equipment	14,000
Furniture & Fittings	12,000
Membership	11,000
NRM activity (Environment Grants)	10,300
Disposal - Unpleasant Waste	10,000
Flood Warning System - Maintenance	10,000
Staff Amenities	10,000
Corporate Risk Management	10,000
Economic Development	10,000
Gratuity	10,000
Audit Panel Remuneration	9,000
Staff Medicals	8,500
Protective Gear	6,500
Compliance	6,000
Youth Programs	5,000
Greg Norris Memorial Scholarship	5,000
Community Recovery	5,000
SES Unit support	5,000
Civic Receptions & Entertaining	5,000
Risk Management	5,000
All Other Expense Items	41,814
Childrens Services *	135,100
Medical Services *	36,070
TOTAL All Other Expenses	1,329,479

All other Expenses – Childrens Services	2023/24
Activities	30,500
Administration	4,000
Art, Craft & Toys	7,500
Cleaning	2,800
Cleaning Materials	9,300
Consumables	5,500
Equipment	10,000
Furniture & Fittings	10,000
IT Equipment	5,000
Lawns & Grounds	5,000
Property Expenses	4,000
Other	41,500
All Other Expenses Total - Childrens Services	135,100

All other Expenses – Medical Services	2023/24
Accommodation	18,000
Administration/Operating Costs	4,000
Cleaning	1,500
Cleaning Materials	1,300
Other	11,270
All Other Expenses Total - Medical Services	36,070



4.Capital budget

Capital Works

This section analyses the planned capital expenditure for the 2023/24 financial year.

Capital expenditure requirements are sourced from Council's Asset Management Plan and inspection programs and condition assessments, as well as the Strategic Plan. It is the community that has the major role in setting the service levels which will meet their needs and outcomes based on their capacity to pay for the service. Council in the first instance will plan for the renewal of its existing infrastructure in order to maintain current service levels.

A distinction is made between expenditure on asset renewal, upgrades, and expenditure on new assets.

Asset renewal expenditure is expenditure on an existing asset to renew or replace it as it has reached the end of its useful service life. An example would be the resealing of a bitumen road.

Asset upgrades are carried out to address deficiencies in current service levels or to meet new standards or statutory requirements. An example of this would be the need to increase the diameter of a stormwater pipe, or to increase the soft-fall requirements in a playground due to changes in Australian Standards.

Expenditure on new assets is an allocation toward the acquisition or construction of new assets. This could be in response to community needs or growth in an area requiring certain infrastructure to be provided. In most cases, new assets will result in additional costs for operation, maintenance, depreciation and eventual capital renewal.



A breakdown of the capital works to be funded in 2023/24 is set out below.

	2022/23	2023/24
Asset Renewal		
Roads	2,635,000	2,894,466
Footpath and kerb	179,246	154,382
Sealed car parks	150,000	82,000
Bridges	260,000	339,800
Marine facilities	50,000	220,000
Playgrounds	160,120	152,300
Sports facilities	315,000	1,356,000
Street furniture	40,000	80,000
Walking tracks	35,000	15,000
Stormwater	193,000	193,000
Plant and fleet	581,230	581,230
Buildings	535,000	980,000
ICT	120,000	70,000
Total	5,253,596	7,118,178
New Assets		
ALGCP repayment	289,051	296,469
Port Huon Sports Centre – pool ventilation	-	300,000
Recreation Services point of sale system	30,000	-
Weighbridge	400,000	-
Geeveston Early Learning Centre Playground	30,000	-
Information technology	50,000	70,000
Stormwater	-	720,000
Parks and recreation	-	40,000
Waste	-	219,000
Total	799,051	1,645,469
Upgrade		
Church Street, Franklin	415,000	-
Grand Total	6,178,596	8,763,647

Asset Renewal

4.1 Roads

The roads allocation includes:

- \$ 900,000 - Unsealed road annual resheeting program
- \$ 500,000 - Pelverata Road
- \$ 250,000 - Reseal preparation as required
- \$ 200,000 - Esperance Coast Road – multi-year work program
- \$ 100,000 - Investigation allowance
- \$ 80,000 - Mountain River Road

4.2 Footpath and Kerb

The footpath and kerb allocation includes:

- \$ 50,000 - Huon Highway, Huonville
- \$ 50,000 - Mary Street, Cygnet
- \$ 48,000 - Scenic Hill, Huonville

4.3 Car Parks

The car parks allocation includes:

- \$ 47,000 - Ranelagh Show Ground
- \$ 35,000 - Mary Street Cygnet car park

4.4 Bridges

The bridge allocation includes:

- \$ 180,000 - Pelverata Road bridge #1442
- \$ 75,000 - Abutment replacement program
- \$ 70,000 - Harrisons Road bridge #205

4.5 Marine Facilities

The marine facilities allocation includes:

- \$ 220,000 - Shipwrights Point Jetty

4.6 Playgrounds

The playground allocation includes:

- \$ 85,000 - Huonville Foreshore
- \$ 25,700 - Franklin Foreshore
- \$ 24,000 - Burtons Reserve
- \$ 17,700 - Kent Beach

4.7 Sports Facilities

The sports facilities allocation includes:

- \$1,000,000 - Huonville Pool relining
- \$ 237,000 - Port Huon Pool relining
- \$ 74,000 - Oval drains
- \$ 40,000 - Judbury oval

4.8 Street Furniture

The street furniture allocation includes:

- \$ 40,000 - Rubbish bin replacement program
- \$ 40,000 - Annual replacement program

4.9 Walking Tracks

The walking track allocation includes:

- \$ 15,000 - Bay View Road, Dover

4.10 Stormwater

The Stormwater allocation includes:

- \$193,000 - Inspection based replacements and works in conjunction with roadworks

4.11 Plant and Fleet

The plant and fleet allocation includes:

- \$ 581,230 - In accordance with Council's replacement schedule

4.12 Buildings

The building allocation includes:

- \$ 300,000 - Town Hall green room, Huonville
- \$ 300,000 - The Hub building roof, Huonville
- \$ 100,000 - Franklin Football Clubrooms, Franklin
- \$ 100,000 - Geeveston Town Hall roof, Geeveston
- \$ 50,000 - Independent Living Units
- \$ 40,000 - Mountain River Hall, external structural work, Mountain River
- \$ 25,000 - Little Athletics Toilet paint, Huonville
- \$ 15,000 - Southport Community Hall, roof lining, Southport

4.13 Information Technology

The information technology allocation includes:

- \$ 70,000 - In accordance with Council's replacement schedule

New Assets

For the 2023/2024 financial year, an allocation of \$1,645,000, including \$720,000 for stormwater upgrades with the major project being the Channel Highway between Smith Street and Thorp Street, \$25,000 for a large animal enclosure at Ranelagh, \$15,000 for a security gate at the Huonville sporting precinct, and \$70,000 for Information Technology. Allocations of \$100,000 for leachate management at the waste transfer stations, and \$119,000 for wheelie bin are also included. \$300,000 is also allocated to structural improvements and mechanical ventilation works at the Port Huon Sport Centre.

Funding Sources

Council's capital works will be funded from:

- Cash from operations \$5,391,000
- Capital grants \$665,000
- Cash reserves \$2,708,000

Capital grants consist of Roads to Recovery grants.



5. Borrowings / Debt

Council has one TASCORP loan obtained under the State Government Accelerated Local Government Capital Program. This loan was drawn in April 2018 and applied toward the surfacing of the car park in Huonville, and the major stormwater project to alleviate land-based runoff flooding in Huonville. This loan is effectively interest free (interest is levied by TASCORP then rebated by the State Government) and will be fully repaid in the 2023/24 financial year.



Meeting: 07.06.2023
Item Number: 16.010/23*
Page 60 of 126

6.Cash Flow

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2023/24 year.

Estimated Cash Flow Statement

Estimating cash flows for Council is a key factor in setting the estimates.

There are three main categories of cash flows:-

- Operating activities – refers to cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works or repayment of debt.
- Investing activities – refers to cash generated or used in the enhancement or creation of infrastructure assets and other assets. These activities also include capital grants and proceeds from the sale of property, infrastructure, plant and equipment.
- Financing activities – refers to cash generated or used in the financing of Council functions and include borrowings and repayment of borrowings, and any associated costs.



Statement of Cash Flows			
--------------------------------	--	--	--

	<i>Budgeted 2022/23</i>	<i>Budgeted 2023/24</i>	<i>Variance</i>
Cash Flows from Operations			
Rates	16,603,238	19,206,607	2,603,369
Statutory fees and fines	1,253,700	1,960,884	707,184
User charges	6,521,474	6,173,006	(348,468)
Grants	4,593,702	4,735,403	141,701
Contributions	21,540	21,540	-
Interest revenue	100,000	750,000	650,000
Investment revenue from water corporation	424,000	509,000	85,000
Other revenue	114,900	152,480	37,580
Payments to employees	(16,153,522)	(16,736,490)	(582,968)
Payments to suppliers	(3,177,436)	(4,526,437)	(1,349,000)
Payments other	(6,500,207)	(6,854,950)	(354,743)
Net Cash from Operating Activities	3,801,389	5,391,044	1,589,654
Cash Flows from Investment Activities			
Payments for property, plant and equipment	(6,178,000)	(8,467,178)	(2,289,178)
Proceeds from sale of plant and machinery	-	-	-
Cash receipts and payments for deposits	-	-	-
Payments for investments			
Capital Grants	664,686	664,686	-
Net Cash Used in Investment Activities	(5,513,314)	(7,802,492)	(2,289,178)
Cash Flows from Financing Activities			
Borrowings	(289,051)	(296,469)	(7,418)
Payment of lease liabilities			
Net Cash from Financing Activities	(289,051)	(296,469)	(7,418)
Net increase/(decrease) in cash held	(2,000,976)	(2,707,917)	(706,941)
Cash and cash equivalents at the beginning of the year	14,077,460	18,070,079	3,992,619
Cash and Cash Equivalents at the End of the Year	12,076,484	15,362,162	3,285,678
Estimated closing Cash Balance end June 2023	18,070,079		

Meeting: 07.06.2023
Item Number: 16.010/23*
Page 62 of 126

Cash flows provided by operating activities

The net cash flows from operating activities are estimated to increase by \$1,590,000. Major changes include increased rates, and fees and charges, along with increased investment returns.

Cash flows used for investing activities

Cash flows from investing represents capital expenditure on property, plant and equipment (see Chapter 4 - Capital Works), and the receipt of Roads to Recovery grants.

Cash flows used in financing activities

Cash flows from financing activities are a net \$296,000 representing the repayment of loan principal. No new borrowings are proposed.

Cash at end of year

Council's cash balance is forecast to be \$15,362,000 at 30 June 2024.

The estimated cash balance is influenced by many factors including budget performance and the timing of associated cash flows, timing of the completion of the capital works program, credit policies, and collection of debts.



7. Appendices

Department Summary

Unit Summary

10 year Capital Renewal Program Summary

Rates Summary



7.1 Department Summary 2023/24

DEPARTMENT SUMMARY	2022/2023			2023/2024			SURPLUS/ (DEFICIT) VARIANCE
	INCOME \$	EXPENDITURE \$	SURPLUS/ (DEFICIT)	INCOME \$	EXPENDITURE \$	SURPLUS/ (DEFICIT)	
GENERAL MANAGER							
Administrative Support	-	646,775	(646,775)	-	463,270	(463,270)	183,505
General Manager Total	-	646,775	(646,775)	-	463,270	(463,270)	183,505
GOVERNANCE AND SUSTAINABLE DEVELOPMENT DEPARTMENT							
Governance and Regulation	331,100	1,823,728	(1,492,628)	446,281	1,998,325	(1,552,044)	(59,416)
Economic Development	192,500	598,580	(406,080)	-	386,552	(386,552)	19,528
Development Services	997,000	2,478,081	(1,481,081)	1,510,314	1,719,989	(209,675)	1,271,407
Strategy and Performance Reporting	-	-	-	-	632,055	(632,055)	(632,055)
Governance & Sustainable Development Total	1,520,600	4,900,389	(3,379,789)	1,956,595	4,736,920	(2,780,325)	599,464
PEOPLE & CORPORATE SERVICES DEPARTMENT							
Rates, Depreciation & Capital Funding	18,599,661	6,009,536	12,590,125	20,883,140	6,485,746	14,397,394	1,807,269
Finance & Corporate	553,000	581,287	(28,287)	1,280,582	734,738	545,844	574,131
Customer Services	231,600	995,265	(763,665)	182,950	1,006,998	(824,048)	(60,383)
People and Safety	3,000	653,874	(650,874)	3,000	935,103	(932,103)	(281,229)
Innovation & Productivity	-	-	-	-	144,238	(144,238)	(144,238)
Information Communication and Technology	-	1,038,444	(1,038,444)	-	1,218,584	(1,218,584)	(180,140)
People & Corporate Services Total	19,387,260	9,278,406	10,108,855	22,349,672	10,525,406	11,824,265	1,715,411
INFRASTRUCTURE CLIMATE & ENVIRONMENTAL SERVICES							
Administrative Support	-	272,891	(272,891)	-	277,721	(277,721)	(4,830)
Technical Services	-	540,186	(540,186)	87,000	785,637	(698,637)	(158,450)
Property Management	18,500	639,924	(621,424)	10,000	652,754	(642,754)	(21,330)
Construction and Town Services	449,150	795,024	(345,874)	510,080	828,411	(318,331)	27,543
Parks and Reserves	6,000	1,083,969	(1,077,969)	6,000	1,112,712	(1,106,712)	(28,743)
Road Maintenance	50,000	2,652,276	(2,602,276)	50,000	3,188,597	(3,138,597)	(536,321)
Environmental Administrative Support	-	182,224	(182,224)	-	174,402	(174,402)	7,822
Climate Change	-	-	-	-	177,356	(177,356)	(177,356)
Natural Resources Management	28,310	237,305	(208,995)	28,290	265,734	(237,444)	(28,449)
Waste Management	3,082,360	3,064,126	18,233	3,724,930	3,451,560	273,370	255,137
Infrastructure Climate & Environment Total	3,634,320	9,467,925	(5,833,605)	4,416,300	10,914,883	(6,498,583)	(664,978)
COMMUNITY WELLBEING DEPARTMENT							
Administration, Media & Communications	-	777,946	(777,946)	-	769,337	(769,337)	8,609
Community Development	364,476	980,132	(615,656)	434,406	1,099,045	(664,639)	(48,983)
Recreation Services	401,425	1,069,329	(667,904)	460,659	1,167,198	(706,539)	(38,635)
Emergency Management	-	43,944	(43,944)	-	144,167	(144,167)	(100,223)
Medical Services	1,533,440	1,967,557	(434,117)	1,815,040	1,980,267	(165,227)	268,890
Dover Medical Centre Upgrade	-	-	-	-	500,000	(500,000)	(500,000)
Children's Services	3,383,710	3,364,086	19,624	2,685,210	2,683,466	1,744	(17,881)
Community Wellbeing Total	5,683,051	8,202,993	(2,519,942)	5,395,315	8,343,479	(2,948,164)	(428,222)
Surplus/(Deficit)	30,225,231	32,496,487	(2,271,256)	34,117,881	34,983,959	(866,077)	1,405,179

Departmental Summary 2023/24

General Manager's Office

General Manager's office decreased expenditure largely due to the transfer of the leadership and culture development program of \$150,000 to People and Corporate Services.

Governance and Sustainable Development

The Governance and Sustainable Development decrease in net cost is due to additional development services fees (including significant increases in planning, building and plumbing as a result of transitioning to a user-pays model), and the prior year containing a \$620,000 allocation for strategic planning. The prior year also contained a Food Hub grant as a one-off funding. Additional FTE resources are also budgeted for in Planning.

People and Corporate Services

An increase in People and Corporate Services is based on general rate income increase and increased Financial Assistance Grant income, as well as investment returns.

Offsetting this, increased expenses relate to depreciation, the transfer of the leadership & culture development program from the General Manager's area, and additional investments in Information Technology.

Infrastructure Climate and Environmental Services

Infrastructure Climate & Environment Services includes the former Environment & Development Services department along with waste, environmental services and development engineering.

There is an increase in user fees for Waste Management to realign revenue with expenditure, a new investment into Climate Change, and an allocation of \$250,000 for the Road Drainage Project to upgrade identified road cross-over drains in conjunction with resheeting works.

Community Wellbeing Services

The Community Wellbeing Services revenue decrease is largely as a result of reassessment of Children's Services budget and a corresponding decrease is shown in Children's Services expenditure. This decrease is offset by Medical Services revenue which is budgeted to increase by \$281,600 as a result of the move to full private billing.

Community Wellbeing increased expenditure is mainly attributed to the \$500K for the Dover Medical Centre upgrade along with the additional resources in Emergency Management.

Unit Summary 2023/24

UNIT SUMMARY	2022/2023			2023/2024		
	INCOME \$	EXPENDITURE \$	SURPLUS/ (DEFICIT)	INCOME \$	EXPENDITURE \$	SURPLUS/ (DEFICIT)
GENERAL MANAGER						
Administrative Support	-	646,775	(646,775)	-	463,270	(463,270)
	-	646,775	(646,775)	-	463,270	(463,270)
GOVERNANCE STRATEGY & SUSTAINABLE DEVELOPMENT						
Governance and Regulation						
Administrative Support	120,000	917,182	(797,182)	116,663	1,003,268	(886,606)
Audit Panel	-	52,800	(52,800)	-	52,800	(52,800)
Elected Members' Costs	400	336,901	(336,501)	400	332,285	(331,885)
Compliance	150,200	289,645	(139,445)	263,670	348,195	(84,525)
Environmental Health	60,500	227,200	(166,700)	65,548	261,776	(196,228)
	331,100	1,823,728	(1,492,628)	446,281	1,998,325	(1,552,044)
Strategy and Performance Reporting	-	-	-	-	632,055	(632,055)
	-	-	-	-	632,055	(632,055)
Economic Development	192,500	598,580	(406,080)	-	386,552	(386,552)
	192,500	598,580	(406,080)	-	386,552	(386,552)
Development Services						
Building and Plumbing	530,000	636,552	(106,552)	654,544	639,184	15,360
Planning	467,000	1,841,529	(1,374,529)	855,770	1,080,805	(225,035)
	997,000	2,478,081	(1,481,081)	1,510,314	1,719,989	(209,675)
PEOPLE AND CORPORATE SERVICES						
Rates, Depreciation & Capital Funding						
Rate Income	13,754,556	-	13,754,556	15,749,574	-	15,749,574
Grants	-	-	-	-	-	-
Financial Assistance Grants	3,736,837	-	3,736,837	3,991,828	-	3,991,828
Roads To Recovery	664,686	-	664,686	664,686	-	664,686
Fire Levy	693,581	693,581	-	727,052	726,989	63
Gain/(Loss) on Disposal	(250,000)	-	(250,000)	(250,000)	-	(250,000)
Depreciation	-	5,315,955	(5,315,955)	-	5,758,757	(5,758,757)
	18,599,661	6,009,536	12,590,125	20,883,140	6,485,746	14,397,394
Finance & Corporate	553,000	581,287	(28,287)	1,280,582	734,738	545,844
	553,000	581,287	(28,287)	1,280,582	734,738	545,844
Customer Service	231,600	995,265	(763,665)	182,950	1,006,998	(824,048)
	231,600	995,265	(763,665)	182,950	1,006,998	(824,048)
Innovation & Productivity	-	-	-	-	144,238	(144,238)
	-	-	-	-	144,238	(144,238)
People and Safety	3,000	653,874	(650,874)	3,000	935,103	(932,103)
	3,000	653,874	(650,874)	3,000	935,103	(932,103)
Information Communication and Technology	-	1,038,444	(1,038,444)	-	1,218,584	(1,218,584)
	-	1,038,444	(1,038,444)	-	1,218,584	(1,218,584)

Meeting: 07.06.2023
Item Number: 16.010/23*
Page 67 of 126

UNIT SUMMARY	2022/2023			2023/2024		
	INCOME \$	EXPENDITURE \$	SURPLUS/ (DEFICIT)	INCOME \$	EXPENDITURE \$	SURPLUS/ (DEFICIT)
INFRASTRUCTURE CLIMATE & ENVIRONMENTAL SERVICES						
Administrative Support	-	111,891	(111,891)	-	116,221	(116,221)
Street Lighting	-	161,000	(161,000)	-	161,500	(161,500)
	-	272,891	(272,891)	-	277,721	(277,721)
			-			-
Technical Services	-	540,186	(540,186)	87,000	785,637	(698,637)
	-	540,186	(540,186)	87,000	785,637	(698,637)
Property Management						
Building Maintenance	-	318,643	(318,643)	-	336,386	(336,386)
Public Halls	10,000	79,558	(69,558)	10,000	75,021	(65,021)
Public Toilets	-	241,723	(241,723)	-	241,346	(241,346)
Property Rentals	8,500	-	8,500	-	-	-
	18,500	639,924	(621,424)	10,000	652,754	(642,754)
Construction and Town Services						
Bridges Maintenance	-	109,241	(109,241)	-	123,667	(123,667)
Bus Shelters	-	4,706	(4,706)	-	4,823	(4,823)
Car Parks	-	32,965	(32,965)	-	33,257	(33,257)
Footpath Maintenance & Street Cleaning	-	249,480	(249,480)	-	256,338	(256,338)
Private Works	20,000	20,000	-	20,000	20,000	-
Stormwater	429,150	378,632	50,518	490,080	390,327	99,753
	449,150	795,024	(345,874)	510,080	828,411	(318,331)
Parks And Reserves	6,000	1,083,969	(1,077,969)	6,000	1,112,712	(1,106,712)
	6,000	1,083,969	(1,077,969)	6,000	1,112,712	(1,106,712)
Road Maintenance	50,000	2,652,276	(2,602,276)	50,000	3,188,597	(3,138,597)
	50,000	2,652,276	(2,602,276)	50,000	3,188,597	(3,138,597)
Environmental Services						
Administration	-	182,224	(182,224)	-	174,402	(174,402)
Climate Change	-	-	-	-	177,356	(177,356)
	-	182,224	(182,224)	-	174,402	(174,402)
Natural Resource Management	28,310	237,305	(208,995)	28,290	265,734	(237,444)
	28,310	237,305	(208,995)	28,290	265,734	(237,444)
Waste Management						
Household Collection	1,802,176	346,295	1,455,881	2,400,246	1,001,748	1,398,498
Waste Management	60,000	1,698,760	(1,638,760)	62,400	1,371,925	(1,309,525)
Southbridge Waste Transfer Station	719,411	341,060	378,351	811,013	393,342	417,671
Geeveston Waste Transfer Station	52,903	98,052	(45,149)	-	26,806	(26,806)
Dover Waste Transfer Station	59,855	129,170	(69,315)	54,218	127,459	(73,241)
Cygnets Waste Transfer Station	168,015	206,201	(38,186)	163,053	288,351	(125,298)
Resource Recovery Centre	220,000	244,589	(24,589)	234,000	241,928	(7,928)
	3,082,360	3,064,126	18,233	3,724,930	3,451,560	273,370

Meeting: 07.06.2023
Item Number: 16.010/23*
Page 68 of 126

UNIT SUMMARY	2022/2023			2023/2024		
	INCOME \$	EXPENDITURE \$	SURPLUS/ (DEFICIT)	INCOME \$	EXPENDITURE \$	SURPLUS/ (DEFICIT)
COMMUNITY WELLBEING DEPARTMENT						
Community Wellbeing Administration	-	328,162	(328,162)	-	330,439	(330,439)
Media and Communications	-	449,783	(449,783)	-	438,898	(438,898)
	-	777,946	(777,946)	-	769,337	(769,337)
Community Development						
Community Development	-	127,054	(127,054)	-	142,253	(142,253)
Community Liaison	-	148,613	(148,613)	-	150,931	(150,931)
Arts and Culture	-	94,999	(94,999)	-	97,358	(97,358)
Health and Wellbeing	132,940	266,904	(133,964)	192,800	375,812	(183,012)
Youth	-	68,251	(68,251)	-	70,243	(70,243)
Retirement Villages	156,536	199,115	(42,579)	156,536	168,435	(11,899)
Gearing Up	75,000	75,197	(197)	85,070	94,013	(8,943)
	364,476	980,132	(615,656)	434,406	1,099,045	(664,639)
Recreation Services						
Recreational Facilities Management	-	229,180	(229,180)	-	235,508	(235,508)
Huonville Swimming Pool	117,000	240,645	(123,645)	144,480	260,446	(115,966)
Port Huon Sports Centre	137,000	316,204	(179,204)	145,530	346,845	(201,315)
Cygnets Sports Centre	36,500	84,792	(48,292)	47,400	91,608	(44,208)
Marine Facilities	-	12,710	(12,710)	-	12,981	(12,981)
Cemeteries	110,925	185,798	(74,873)	123,249	219,810	(96,561)
	401,425	1,069,329	(667,904)	460,659	1,167,198	(706,539)
Emergency Management						
Emergency Management	-	43,944	(43,944)	-	144,167	(144,167)
	-	43,944	(43,944)	-	144,167	(144,167)
Medical Services						
Dover Medical Centre	865,400	1,109,658	(244,258)	1,060,500	1,182,854	(122,354)
Dover Medical Centre Upgrade	-	-	-	-	500,000	(500,000)
Geeveston Medical Centre	657,500	844,703	(187,203)	744,000	784,221	(40,221)
Medical Residence	10,540	13,196	(2,656)	10,540	13,193	(2,653)
	1,533,440	1,967,557	(434,117)	1,815,040	2,480,267	(665,227)
Children's Services						
Administrative Support	-	556,775	(556,775)	-	549,072	(549,072)
After School Care	210,300	175,924	34,376	202,150	148,315	53,835
Vacation Care	225,000	145,447	79,553	196,300	130,314	65,986
The Cottage	1,629,060	1,440,094	188,966	1,355,800	1,198,736	157,064
Geeveston Early Learning And Care	928,023	749,134	178,889	617,908	410,029	207,879
Dover Childcare	391,327	296,712	94,615	313,052	246,998	66,054
	3,383,710	3,364,086	19,624	2,685,210	2,683,466	1,744
Surplus/(Deficit)	30,225,231	32,496,487	(2,271,256)	34,117,881	34,983,959	(866,077)

Meeting: 07.06.2023
Item Number: 16.010/23*
Page 69 of 126

10 Year Capital Renewal Program Summary

ASSET AREA	ASSET CLASS	Year 1 2023/24	Year 2 2024/25	Year 3 2025/26	Year 4 2026/27	Year 5 2027/28	Year 6 2028/29	Year 7 2029/30	Year 8 2030/31	Year 9 2031/32	Year 10 2032/33
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TRANSPORT	ROADS	2,894,466	2,576,000	2,870,000	2,850,000	3,214,160	3,050,000	3,105,000	3,050,000	3,050,000	3,050,000
	FOOTPATH AND KERB	154,382	166,514	119,427	238,162	180,904	105,004	136,396	207,000	83,096	200,000
	SEALED CAR PARKS	82,000	118,000	-	35,000	100,000	80,000	85,000	80,000	80,000	80,000
	BRIDGES	339,800	70,000	280,000	-	396,000	85,000	170,000	90,000	-	-
PARKS AND RECREATION	MARINE FACILITIES	220,000	-	172,000	45,000	40,000	90,000	310,000	146,000	-	-
	PLAYGROUNDS	152,300	9,200	33,000	-	5,000	32,400	69,700	32,100	120,900	30,100
	SPORTS FACILITIES	1,356,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
	STREET FURNITURE	80,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
	WALKING TRACKS	15,000	10,000	18,000	30,000	47,000	7,500	8,000	25,000	15,000	17,000
STORMWATER		193,000	195,000	193,000	193,000	193,000	193,000	195,000	193,000	193,000	193,000
PLANT AND FLEET		581,230	581,230	581,230	581,230	581,230	581,230	581,230	581,230	581,230	581,230
BUILDINGS		980,000	515,000	500,000	500,000	750,000	400,000	410,000	400,000	400,000	400,000
ICT		70,000	60,000	80,000	97,000	58,000	70,000	70,000	70,000	70,000	70,000
INTANGIBLE ASSETS		-	-	-	-	-	370,000	-	-	-	-
	CAPITAL RENEWAL PROGRAM	7,118,178	4,420,944	4,966,657	4,689,392	5,685,294	5,184,134	5,260,326	4,994,330	4,713,226	4,741,330

Summary of Rates and Charges 2023/24

The General rate in the dollar is applied to the Capital Value (CV) of a property, as appearing on rate notices. This value is determined by the Valuer-General (Department of Primary Industries, Parks, Water and Environment).

	2022/23	2023/24
General Rate		
General Rate	0.2420	0.27104
General Rate Commercial	0.4000	0.44800
General Rate Industrial	0.3300	0.36960
Minimum Rate	\$418	\$469

For example, a residential property with a CV of \$500,000 would pay a General Rate of \$1,355.20

$$\$500,000 \times \frac{0.27104}{100} = \$1,355.20$$

Fire Service Act 1979 Contributions

General Land Fire District	0.010980	0.01120
Volunteer Rate	0.012925	0.01310
Minimum Rate	\$44	\$48

Waste Management Charges

120 litre mobile garbage bin	\$195	\$225
240 litre mobile garbage bin	\$292	\$345
Kerbside recycling collection service	\$119	\$128

Stormwater Removal Service Charge

Within stormwater catchment areas	\$125	\$140
-----------------------------------	-------	-------

All Local Government rates are GST exempt.

PAYMENTS

All rates and charges are payable by four instalments which are due on the following dates:

- 15 August 2023
- 31 October 2023
- 31 January 2024
- 30 April 2024

DEFAULT IN PAYMENT OF RATES INSTALMENT

If a ratepayer fails to pay any instalment within twenty-one (21) days of the date on which the rates are due, the Council may require the ratepayer to pay the full amount owing, under Section 124(5) of the Act.

LATE PAYMENTS

Pursuant to section 128 of the Act where any amount of rates or charges or an instalment remains unpaid after the date on which they fall due, the Council will impose a penalty of 3% of the amount so outstanding and charge interest on that amount of 9.85% per annum to be charged on a daily balance.

Meeting: 07.06.2023
Item Number: 16.010/23*
Page 71 of 126

ATTACHMENT C

COUNCIL RATES RESOLUTION

INTERPRETATION

1. The words and expressions used in this resolution and in the *Local Government Act 1993* and the *Fire Service Act 1979* have in this resolution the same respective meanings as they have in those Acts.
2. In this Resolution:
“Act” means the *Local Government Act 1993*;

“Separate Tenement” means each premises, tenement, flat, unit, apartment, single strata title, portion of land set aside for separate occupation or Certificate of Title;

GENERAL RATE

3. Pursuant to section 90 of the Act the Council makes a general rate comprising 0.271040 cents in the dollar of the Capital Value of the land in respect of all rateable land in the Huon Valley Council Municipal Area.
4. Pursuant to section 107 of the Act Council declares that the general rate varies within the municipal area according to use or predominant use of the land as follows:
 - (a) For land used or predominantly used for commercial purposes the general rate is varied by increasing it by 0.17696 cents to 0.4480 cents in the dollar of the Capital Value of the land;
 - (b) For land used or predominantly used for industrial purposes the general rate is varied by increasing it by 0.09856 cents to 0.3696 cents in the dollar of the Capital Value of the land;
5. Pursuant to section 90(4) of the Act the Council sets a minimum amount payable of \$469.00 in respect of the General Rate.

FIRE SERVICE ACT 1979 CONTRIBUTIONS

6. Pursuant to section 93A of the Act the Council makes service rates in respect of the Fire Service Contributions it must collect under the *Fire Service Act 1979* as follows:

General Land Fire District

- (a) A General Land Fire District rate of 0.01120 cents in the dollar of Capital Value of the land on all rateable land in the General Land Fire District which excludes all lands contained within the Volunteer Brigade Rating Districts, subject to a minimum amount payable in the amount of \$48.00.

Volunteer Brigade Fire Rate

- (b) A Volunteer Brigade Fire Rate of 0.01310 cents in the dollar of Capital Value of the land on all rateable land, in the Cygnet, Dover, Franklin, Geeveston and Huonville Volunteer Brigade Rating Districts, subject to a minimum amount payable in the amount of \$48.00.

SERVICE RATES AND CHARGES

Stormwater Removal Charge

7. Pursuant to section 94 of the Act the Council makes a service charge for stormwater removal of \$140.00 for each Separate Tenement on all rateable land (including land which is otherwise exempt from rates pursuant to Section 87 of the Act but excluding land owned by the Crown to which the Council does not supply service to the land) for which a stormwater removal service is supplied or made available.

Waste Management – Kerbside Collection Charges

8. Pursuant to section 94 of the Act the Council makes the following service charges for waste management for each Separate Tenement on all rateable land (including land which is otherwise exempt from rates pursuant to Section 87 of the Act but excluding land owned by the Crown to which the Council does not supply service to the land) to which the Council supplies or makes available the following services:

- (a) The supply and collection of mobile garbage bins for the Kerbside Refuse Collection Service (which pursuant to section 94(3A) of the Act the service charge is varied according to the level of service (capacity) provided) as follows:

\$225.00	In respect of each 120 litre mobile garbage bin
\$345.00	In respect of each 240 litre mobile garbage bin

AND

- (b) The supply and collection of mobile recycling bins for the Kerbside Recycling Collection Service of \$128.00 in respect of each mobile recycling bin.

REMISSIONS

9. Pursuant to section 129 of the Act a remission is granted to rates paid or payable in respect of:
- (a) Rateable land that has been covenanted for conservation in perpetuity under either the Private Forests Reserves or the Protected Areas on Private Land Programs pursuant to the *Nature Conservation Act 2002* of:
 - (i) \$5.00 per hectare and
 - (ii) with a minimum remission per rateable land of \$155.00 and a maximum remission per rateable land of \$500.00 provided that the minimum general rate will not be less than \$314.00 per rateable land.
 - (b) Lessees and licencees who hold leases and licences from the Crown in relation to jetties/slipways and boatsheds so that the total general rate applicable does not exceed \$155.00. Fire service contributions and service charges where applicable are to be levied.

PAYMENT

10. Pursuant to section 124 of the Act the Council determines that all rates and charges are payable by four instalments. The first instalment shall be one-quarter of the rates and charges together with the smallest additional sum as will allow the subsequent three instalments to be equal to each other and in whole dollars and are due to be paid as follows:
- the first instalment by the 15th day of August 2023;
 - the second instalment by the 31st day of October 2023;
 - the third instalment by the 31st day of January 2024; and
 - the fourth instalment by the 30th day of April 2024.

DEFAULT IN PAYMENT OF INSTALMENT

11. If a ratepayer fails to pay any instalment within twenty one (21) days of the date on which the rates are due to the Council will require the ratepayer to pay the full amount owing pursuant to Section 124(5) of the Act.

LATE PAYMENTS

12. Pursuant to section 128 of the Act if any amount of rates or charges or an instalment are not paid on or before the date they fall due:
- (a) a penalty of three (3) percent of that amount will be imposed and payable; and
 - (b) daily interest will be charged and payable on that amount of 9.85% per annum for the period during which it is unpaid.
 - (c) Pursuant to section 129 of the Act a remission of penalty or interest that may be applied under this clause may be granted to any ratepayer who has entered into, and complies with, alternative and flexible payment arrangements or has an approved rate payment deferral under the Council's *Financial Hardship and Payment Assistance Policy*, GOV-FIN 006.

Huon Valley Council

Annual Plan 2023/24

Acknowledgement

We acknowledge the Traditional Custodians of the South East Nation, the Melukerdee people of the Huon River and the Lyluequonny people of the Far South. We recognise their continuing connection to land, water and culture and pay our respects to their Elders, past, present and emerging.

Contents

Acknowledgement	2
Contents.....	3
1. Foreword from the Mayor and General Manager	4
2. Huon Valley at a Glance	7
3. Integrated Planning and Reporting Framework.....	8
4. Council’s Strategic Framework.....	9
5. Key Prioritisation Criteria and Organisational Risks.....	10
6. Approach for 2023/24 Annual Planning.....	16
7. Our Strategic Objectives and Key Initiatives	17
7.1 Strategic Objective 1: A Great Environment.....	17
7.2 Strategic Objective 2: A Prosperous, Resilient Economy.....	22
7.3 Strategic Objective 3: Capable and Productive People and Assets	25
7.4 Strategic Objective 4: Community Wellbeing and Liveability.....	29
7.5 Strategic Objective 5: Council Sustainability, Capacity and Governance	34
8. Council Public Health Goals and Objectives.....	42
9. Measuring Our Progress.....	43
10. Financial Forecasts	45
11. Capital Expenditure	45
12. Appendices.....	46
Appendix 1: Income Statement.....	46
Appendix 2: Balance Sheet.....	47
Appendix 3: Cash Flow Statement	48
Appendix 4: Key Capital Projects.....	49
13. Glossary	51

1. Foreword from the Mayor and General Manager

It is with great pleasure we present our Annual Plan that has been developed in line with the Council's new Four-Year Priorities, following the election of new councillors in October 2022. This is a moment of optimism and excitement, as this is the first Annual Plan for the new Council term. Coincidentally, it is also the last Annual Plan that will be developed in line with our existing Strategic Plan 2015-2025.

This Annual Plan has been developed in the context of numerous initiatives and changes taking place both within and outside of our environment. One gaining significant exposure throughout the community is the Future of Local Government Review process, which was initiated by the Tasmanian Government and has been progressed through the appointment of the Local Government Board (Board) in 2021.

Over the past 16 months, we have actively participated and contributed to the work undertaken by the Board in developing possible reform solutions for the Local Government sector in Tasmania. The next few years will prove crucial to our existence, as we try to further influence and advocate recommendations and options that meet the unique requirements of the community in Huon Valley.

Another key initiative we have progressed is the development of the Community Vision; where we have led various forms of community engagement and consultation processes throughout the community to gather inputs into a vision for Huon Valley. The Community's Vision is:

"We are a diverse, productive and welcoming community with strong connections to the environment.

We will continue to protect and promote the unique opportunities the Huon Valley provides including local produce, creativity, and access to the Huon River.

As the community grows, we will continue to strengthen connectivity, employment, and education, while balancing the opportunities for a rural lifestyle."

The Community Vision will guide our short, medium and long-term plans including our next 10-to-15-year Strategic Plan which will be developed towards the end of 2023. The Vision will also guide the development of another much awaited and crucial strategic land use plan for the broader Huon Valley, the Land Use Development Strategy (LUDS), which will provide much needed clarity and certainty in managing growth and development across the Huon Valley.

Through April to July 2023 the Tasmanian Planning Commission (TPC) will continue to hold hearings into the draft Huon Valley Local Provisions Schedules (HVLPS), based on representations received from interested and impacted residents, businesses, government agencies and other community organisations. The final set of directions and outcomes from the hearing process will guide how we modify and implement the HVLPS. This process is expected to take place over the next two to three years and provide much needed stability and certainty around the application of zones and codes in the Huon Valley in accordance with the Tasmanian Planning Scheme.

At an organisational level, we have not focused as much as we would have liked to on enhancing the community's customer experience when interacting with our services and facilities. As a result, there

have been process and quality assurance gaps that have impacted our ability to meet the community's expectations. A key reason for this situation has been our poor investment in developing and nurturing our staff, which has ultimately impacted our ability and capacity to provide services, especially statutory services including the assessment of development applications and provision of emergency management functions. This is why transforming the organisational culture, to a constructive organisational culture where staff are valued, respected, and rewarded for working as a team, is one of the key initiatives that will be the focus of the organisation over the next four years. Combined with a review of the organisational structure, and a review of core service delivery processes, these initiatives are expected to result in improved resourcing, staff morale, better career progression with training and development opportunities and improved customer experience for clients and customers.

Council's practice of keeping property rates low over the years has meant that we have underinvested in our infrastructure and facilities, and now face the possibility of having budget deficits for most of this term. One of the reasons we had a budget deficit is because our annual revenue growth has been unable to keep pace with the growth in expenditure, and an increase in the population of the Huon Valley. One of our key priorities is to work towards ensuring we become a sustainable and resource efficient organisation over the longer-term. However, we also need to continue investing in our infrastructure and facilities to ensure we are still able to provide an acceptable level of service to the community. Prudent and sustainable financial management will require that we urgently increase our revenue by not only increasing general rates, and fees and charges for specific services, but also address areas of inefficiency through our productivity and innovation program as well as through our Information Technology (IT) investments over the next four years.

We will continue to review our service delivery strategies and models for key services and facilities over the next four years. This is to ensure there is value for money as well as better outcomes for the community, as these services and facilities provide opportunities to connect socially, economically and culturally, thereby enhancing the resilience of the community.

As much as this Annual Plan seeks to reflect new ideas and initiatives that come with a new Council, it must be viewed as a bridging plan between our current Strategic Plan 2015-2025 and the new Strategic Plan which will be developed later this year. More importantly, it is a plan that must reflect the reality on the ground, and stay focussed on some of the key initiatives, projects and activities that will be continued from the previous financial year. To ensure financial sustainability and a continued focus on risk avoidance and management, all key initiatives, projects and activities will also be continually assessed against a prioritisation matrix and our Strategic Risk Register.

This Annual Plan does, however, break with the tradition of developing a single year plan; instead, this plan seeks to envisage a broader four-year period to ensure alignment with the Council term as well as to embrace best-practice across many Australian councils.

The following is a high-level summary of our key focus areas over the next four-year period:

- Enhancing the customer experience by embedding a culture of continuous improvement through our productivity and innovation program, and information and communication technology investments (\$657,812).
- Ensuring a fit for purpose organisational structure that is aligned to Council's strategy, and is supported by streamlined, efficient and effective processes and procedures.

- Ensuring that the statutory planning function is streamlined, simplified and resourced at the correct level.
- Strengthening the capacity of key statutory and core service functions through the employment of staff:
 - 2 new planning positions (2 FTE) within Development Services;
 - 1 position (1 FTE) for Climate Change Officer/Risk Management;
 - 2 new positions (0.5 FTE each) for Emergency Management and Emergency Recovery;
 - Additional hours at Dover and Cygnet Waste Transfer Stations to address safety concerns of lone workers;
 - 1 position (1 FTE) for Building Compliance; and
 - 1 temporary position (1 FTE) to establish the Huon Food Coalition.
- Improving communication and engagement with staff and the community and stakeholders (\$30,000).
- Improving data maturity to improve the quality of decision-making around asset management (\$40,000), waste management and climate change.
- Identifying and implementing sustainable models of service delivery and funding for the medical services, childcare services and retirement villages.
- Creating a people-centric organisation by focussing on the management and development of our staff, and the creation of a culture within the organisation where staff are respected, valued and rewarded (\$150,000).

2. Huon Valley at a Glance

Our Area		Our Infrastructure	
Area	5,497km ²	Road Length Maintained	710.6km
Population (ABS ERP 2022)	19,221	Footpaths Length Maintained	48.1km
Electors (September 2022)	14,174	Bridges /Culverts	208
Rateable Properties (July 2022)	11,123	Marine Facilities (Boat Ramps and Jetties)	18
Rateable Residential Properties (July 2022)	7,727	Public Open Space	174ha
		Playgrounds	15

Our Community Services		Our People	
Medical Centres	2	Employees (Full Time Equivalent)(May 2023)	171.76
Early Learning and Care Centres	3		
Outside School Hours Care Facility	1		
Waste Transfer Sites	3		
Sports Centres and Pools	3		

3. Integrated Planning and Reporting Framework

Our Integrated Planning and Reporting Framework is aimed at ensuring the alignment and integration of the annual planning, budgeting and reporting processes with service delivery requirements. In this Framework, the Community Vision is the first step towards the development of our long-term Strategic Plan.

The long-term Strategic Plan is then influenced by, and influences the long-term resource plans that include the Long-Term Financial Management Plan, Asset Management Plans and Workforce Plans. These longer-term plans are put into action through our Annual Plan/Budget and detailed Operational Plans.

The progress made in implementing key initiatives, projects and activities in our Annual Plan will be monitored through quarterly implementation reports to the Council and through the Annual Report. The implementation of the Strategic Plan will be reviewed on a four-yearly basis, while the long-term plans are reviewed annually.

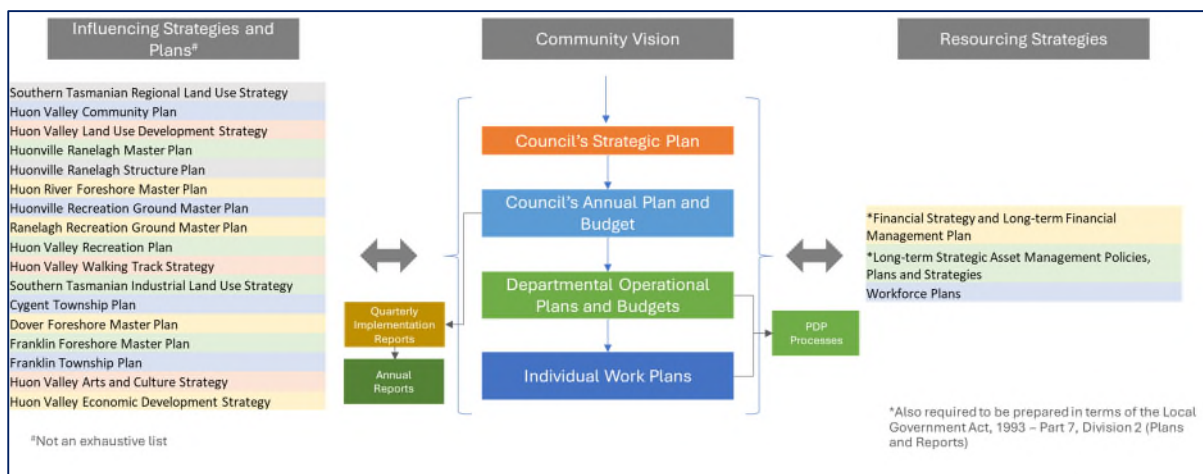


Figure 1

4. Council’s Strategic Framework

Our strategic framework is outlined below. Our purpose is defined in the *Local Government Act 1993*. As the new Huon Valley Vision was just received by council, this Annual Plan is developed based on the current Vision which is described in the Huon Valley Community Plan 2020. This Vision was also utilised to develop the current Strategic Plan 2015-2025, in terms of which the following strategic goals and values were identified.

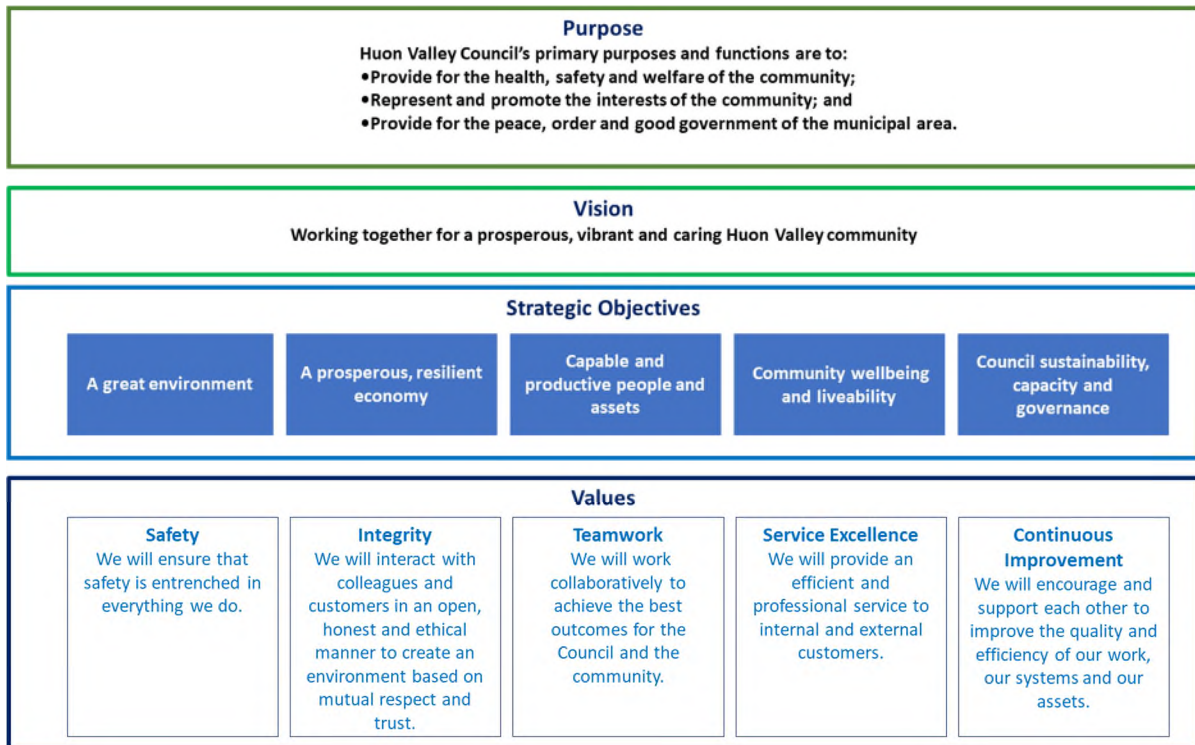


Figure 2

5. Key Prioritisation Criteria and Organisational Risks

A Strategic Risk Assessment was undertaken in 2022/23, following which our Strategic Risk Register was developed, and highlights some of the organisation's strategic risks. These risks continue to be relevant during the short-to-medium term planning period particularly in terms of enabling us to reach our goal of achieving a sustainable and resource efficient organisation.

Risk No.	Risk	Description	Key Controls*
1	Failure to deliver significant strategic projects	Inability to deliver major projects due to a lack of resources and unplanned disruptions that impacts the project.	<ul style="list-style-type: none"> • Monthly meeting reporting reviewed by the Executive Leadership Team (ELT) • Monthly Council meeting reporting reviewed by councillors including project and program delivery status • Community feedback via work orders • Casual employee pool to support labour need
2	Failure to provide Medical Services	Lack of skilled medical staff and funding impacting on the ability to deliver health care services.	<ul style="list-style-type: none"> • Monthly meeting reporting reviewed by ELT • Monthly Council meeting reporting reviewed by Councillors including project and program delivery status • Community feedback
3	Failure to provide Children Services	Lack of skilled early childcare staff and poor project planning impacts on the ability to deliver childcare services.	<ul style="list-style-type: none"> • Monthly meeting reporting reviewed by ELT • Monthly Council meeting reporting reviewed by Councillors including project and program delivery status • Community feedback • Casual employee pool to support labour need
4	Planning	Lack of resources and the inability to prioritise impacts on the ability to plan thereby resulting in lack of focus.	<ul style="list-style-type: none"> • Monthly meeting reporting reviewed by ELT • Councillor Workshops • Monthly Council meeting reporting reviewed by Councillors including project and program delivery status

Risk No.	Risk	Description	Key Controls*
5	Failure to effectively manage Huon Valley Council's waste management services	Increases in the price of disposal, cartage and oncosts, changes in customer expectations and dependencies on key service providers hampers Council's ability to manage waste effectively.	<ul style="list-style-type: none"> • Groundwater sampling from historic landfills • Management plan including communications plan under development for historic landfills • Budget allocation made for historic landfill management improvements • Spot checks by Council of kerbside bins • Contractor management meetings • New kerbside contract performance indicators / penalties • New kerbside contract customer service enhancements • Environmental Education Officer employed to improve communications
6	Inefficient and ineffective service delivery due to weak governance activities	The absence of predefined policies and procedures and ineffective management results in an inability to meet legislative requirements.	<ul style="list-style-type: none"> • Policies and procedures - scheduled review dates • Governance Framework • Procurement Framework - current tender code and procurement procedure • Delegations Register
7	Failure to harness a culture that provides a safe environment	Inadequate resources, a culture not aligned with Council's objectives and values and a lack of investment in staff training results in the failure to harness a culture that provides a safe environment.	<ul style="list-style-type: none"> • Security fobs for Council buildings • Induction program and training • Work Health Safety (WHS) Steering Committee • Culture Improvement Action Plan • Learning and Development Program • WHS Strategy: 3-year action plan
8	Failure to implement and sustain IT governance and strategy	Under-resourcing, a lack of training across all staff, outdated hardware and the absence of back-up and recovery policy lead to a failure to implement and sustain IT governance and strategy.	<ul style="list-style-type: none"> • ICT Disaster Recovery Plan • IT Strategy

Risk No.	Risk	Description	Key Controls*
9	Failure to identify and minimise cyber risks	A lack of stakeholder cyber awareness education, poor cyber security risk culture and increased ransomware attacks and malware attacks lead to a failure to identify and minimise cyber risks.	<ul style="list-style-type: none"> • ICT Disaster Recovery Plan • End user education
10	Inability to maintain a financially sustainable Council	Inflation, interest rates, a lack of planning / forecasting and not enough revenue could result in a financially unsustainable Council	<ul style="list-style-type: none"> • Long Term Financial Plan to monitor long term financial projections against industry metrics • Annual Budget to control spending to monitor financial projections against industry metrics • Investments policy/all investments decisions considers compliance with policy, and reports provided to Audit Panel Meeting and Council Meeting • Qualified staff • Monthly financial reporting - reports are prepared and presented to Audit Panel and Council • External Audit on an annual basis • Purchasing Policy • Delegations register
11	Failure to meet stakeholders' expectations on climate and environment	Lack of strategic planning for current and future climates, infrastructure designed without consideration for future climates and severity of extreme weather events and a lack of funds or resources necessary for climate adaptation activities could lead to a failure to meet stakeholders' expectations on climate and environment.	<ul style="list-style-type: none"> • Administration of the planning scheme, <i>Land Use Planning and Approvals Act 1993</i>, and biodiversity code • Implementing measures set forth in the environmental protection notices from the Environment Protection Authority (EPA) • Implementation of Climate Change Strategies (Part A - Mitigation and incoming Part B - Adaptation) • Natural Resources Management Strategy

Risk No.	Risk	Description	Key Controls*
			<ul style="list-style-type: none"> • Waste Avoidance and Resource Recovery Strategy • Enforcement of State and Federal legislation (<i>Weed Management Act, Litter Act, Environment Protection and Biodiversity Conservation Act</i>) • Education and engagement programs • Designated role for community natural disaster recovery • Environmental monitoring and management of Council owned land (weed control, revegetation, cool burning program)
12	Failure to manage key factors that impact Council reputation	Poor communication with community/ stakeholders and a lack of understanding by stakeholders around Council procedures leads to failure to manage key factors that impact Council reputation.	<ul style="list-style-type: none"> • Regular community meetings • Following the IAP2 Framework • Project specific engagement and communication plans • Clear schedule of regular communication items • Standing Council columns in local media
13	Failure to effectively plan for business continuity and crisis events	A lack of frameworks or procedures for crisis management, and lack of knowledge by stakeholders in responsibility (no triage process) leads to inability to effectively plan for business continuity and crisis events.	<ul style="list-style-type: none"> • Huon Valley Council Business Continuity Plan • Huon Valley Municipal Emergency Management Plan • Huon Valley Community Recovery Plan • ICT Disaster Recovery Plan • Pandemic Contingency Plan • Appointed Emergency Coordinator and deputy, and Recovery Coordinator (for emergency events e.g. bushfire)

Risk No.	Risk	Description	Key Controls*
14	Inability to adapt to changes in external environment (State Government Reform)	Uncertainty on the extent of the changes and impacts that the reforms will have on Council, and an inflexible strategy /strategic plan that does not consider external changes would result in Council being unable to adapt to changes in external environment.	<ul style="list-style-type: none"> Half yearly review of the environment we operate to understand current and emerging opportunities and risks Engagement with Local Government Association of Tasmania and Southern Tasmania Councils Association forums

Table 1

* Not all controls have been listed here

As we do not have all the resources we need to immediately implement all the initiatives, projects and activities identified as necessary to address these risks, we have developed a prioritisation framework to enable us to address these risks in an efficient and effective manner. This risk-based approach has allowed us to identify the key initiatives, projects and activities highlighted in this Annual Plan.



Figure 3

6. Approach for 2023/24 Annual Planning

The Four-Year Plan developed by the new councillors is utilised to identify high-level goals and outcomes for each of the strategic objectives of the current Strategic Plan 2015-2025. The key initiatives, projects and activities were then screened using the Strategic Risk Register and Prioritisation Criteria. This approach utilised both “Bottom-Up” and “Top Down” approaches resulting in a combination of new and current key initiatives, projects and activities.

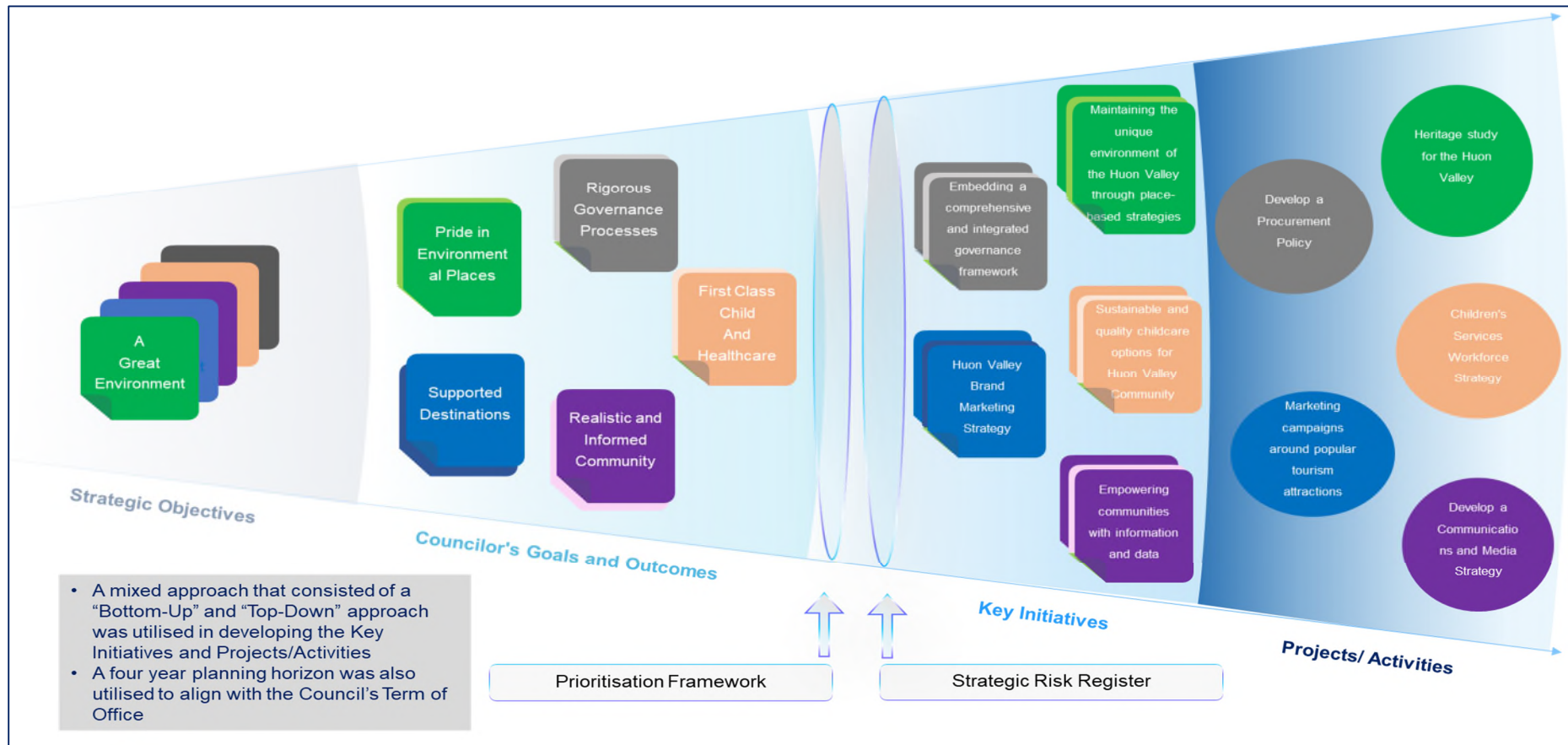


Figure 4

7. Our Strategic Objectives and Key Initiatives

In this section, we highlight how each of the Strategic Objectives align to the Goals and Outcomes developed by the councillors in line with their Four-Year priorities. For each goal and outcome, key initiatives that will be implemented over the next four years are then described, and their annual budget for financial year 2023/24 provided.

The annual budget consists of the amount that has been allocated for expenses, materials, and services over the 2023/24 financial year and does not consist of employee costs. While in many cases, the initiatives are indicated as running across all four financial years, in some cases it is clearly highlighted that the initiative will only run for 2 years or 3 years where applicable. It is also important to note that not all our roles and functions have been highlighted in this Annual Plan. This plan includes key initiatives that are over and above the roles and functions routinely carried out as part of our day-to-day operations and statutory obligations.

7.1 Strategic Objective 1: A Great Environment

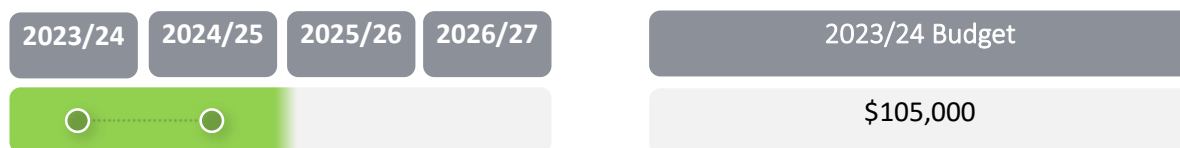
The Huon Valley has historically been known for the beauty and quality of its environmental and natural resources. Our unique environment contributes to the way in which residents and visitors live, make a living, relax and recreate thereby enhancing their quality of life. The following key initiatives will be undertaken to ensure the Huon Valley continues to have a great environment.

1.1. Protected Urban/Rural/Natural Interfaces

1.1.1 Implementation and development of land use strategies

The transition to the Tasmanian Planning Scheme and the development of a Local Provisions Schedules has increased the importance of having in place strategic land use plans that preserve the heritage, history and environmental characteristics that make the Huon Valley region a cherished place, even as economic growth and population growth objectives are met. Much of the strategic work that will be undertaken over the next four years will be a continuation of the work we commenced in 2022/23.

The Huon Valley Land Use and Development Strategy (LUDS) will be finalised early in the 2023/24 financial year. The updated LUDS will also provide the basis to align, review and develop other place-based land use strategies and master plans for the Huon Valley over the next two years. These will include the Huon Link Road Master Plan that will seek to ensure better connectivity, accessibility and lifestyle options following the construction of the Huon Link Road.



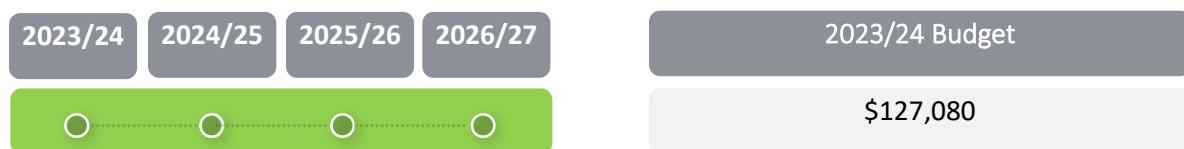
This initiative directly addresses all the prioritisation criteria and Risks 1 and 4.

1.1.2 Implementation of the Tasmanian Planning Scheme

In line with the *Land Use Planning and Approvals Act 1993 (LUPAA)*, the draft Huon Valley Local Provisions Schedules (HVLPS) was exhibited early in 2022, and we received over 400 representations. Council endorsed the Section 35F Report in accordance with LUPAA, which was then utilised by the Tasmanian Planning Commission (TPC) to initiate public hearings into the representations received (ongoing). The TPC directions and outcomes from the hearings on the draft HVLPS are expected to be determined towards the middle of the 2023/24 financial year.

These directions and outcomes might require us to develop place-based plans or conduct further studies on specific aspects such as the need for priority vegetation overlays in specific areas, and amend the zones in the HVLPS. This work is likely to run through the better part of the 2023/24 and 2024/25 financial years before the HVLPS will be finalised and implemented. There will also be a need to re-exhibit the approved HVLPS once it has been approved by the TPC.

Other initiatives including the development of the LUDS and the review of the Southern Tasmanian Regional Land Use Strategy (STRLUS) are also expected to result in amendments to the HVLPS which are expected to be implemented as they arise over the next four years.



This initiative directly addresses all the prioritisation criteria and Risks 1, 4 and 12.

1.2. Pride in Environmental Places

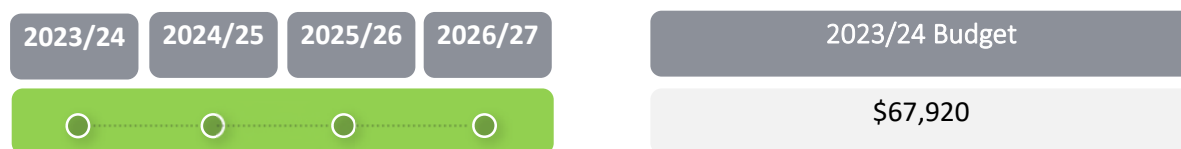
1.2.1. Maintaining the unique environment of the Huon Valley through place-based strategies

The Huon River, mountains, forests and coastal beaches that dot the landscape of the Valley are widely recognised and acknowledged as rare and unique environmental resources that must be preserved and conserved for current and future generations. The Huon Valley also has natural, cultural and historical resources, some of which hold huge social and heritage value. To protect these unique places and ecosystem services, we will proactively inform, involve and engage with communities to produce plans and strategies that meet the unique requirements of these places.

A heritage study for the Huon Valley will be conducted and initially focus on Cygnet, before being extended to other townships across the Huon Valley over the period of the plan. This is expected to result in the identification of all heritage sites across the Huon Valley which must be protected through a variety of place-based control measures such as Specific Area Plans (SAP) and/or Township/Streetscape Character/Local Character Guidelines and Principles. SAP/ Particular Purpose Zone (PPZ)/Local Area Objectives (LAO) will also be developed for identified future growth areas, sensitive and vulnerable places such as Ida Bay and areas with threatened/priority vegetation as identified from time to time.

Studies and analysis to further leverage the Huon River and its proximity to Huonville and Ranelagh in a sustainable manner over the 2025/26 and 2026/27 financial years will also be undertaken. A study

on the impact of subdivisions arising out of the draft HVLPS on Agricultural and Rural Zoned Land will also be part of this initiative as it seeks to preserve the unique rural and primarily agricultural landscape that is predominant across the Valley.



This initiative directly addresses all the prioritisation criteria and Risks 4 and 11.

1.3. Waste Avoided and Resources Recovered

1.3.1. Implementation of the Waste Avoidance and Resource Recovery Strategy

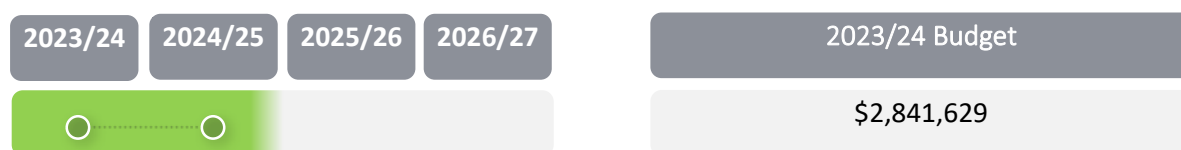
Our Waste Avoidance and Resource Recovery (WARR) Strategy, approved in June 2022, is aiming for reduced waste generation, improved resource recovery rates, provision of an equitable and efficient waste service and the reduction of environmental impacts resulting from waste over the next two years of the Strategy.

A key priority over the next two years will be to continue analysing existing waste management data to enable us and the community to reduce waste and increase the rate of resource recovery. The data will also be used to engage and educate both community and business organisations in their efforts to reduce waste and increase the rate of resource recovery over the next two years.

We will utilise the findings from the waste audit that was conducted in 2022/23 to determine the most efficient and effective ways to continue providing waste management services to communities and businesses in the Huon Valley region. Depending on the results of a feasibility study and consultations with both the community and potential service providers, we may make the move to provide Food Organics Garden Organics (FOGO) services.

Another key project that will be undertaken over the 2024/25 and 2025/26 financial years will be the management of leachate at the Cygnet and Southbridge Waste Transfer Station (WTS), that has resulted from historic landfills, and to ensure compliance with waste management standards, and to reduce the environmental impacts resulting from the management of waste.

Ensuring that our waste management function is appropriately resourced to maintain the safety of our customers and staff will be another key focus during 2023/24, which has resulted in additional officers being assigned to the Cygnet and the Dover WTSs. Moreover, with the closure of the Geeveston WTS, there will be increased staff capacity and extended opening hours at the Southbridge WTS with the same focus.



This initiative directly addresses all the prioritisation criteria and Risks 5,11 and 12.

1.4. Managed Sustainable Development

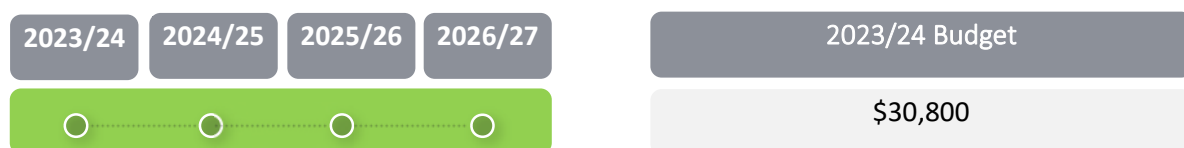
1.4.1. Creating a resilient organisation and community through climate change mitigation and adaptation strategies

At the Ordinary Council meeting on 25 January 2023, the newly elected Council declared a Climate Change Emergency and made a commitment to strategically respond to this evolving emergency over the next four years. We undertook to consider the impacts of climate change in all current and forthcoming strategies, policies, and work plans, thereby putting sustainable development at the heart of everything we do. We are also committed to working with all levels of government, community, business, and experts in taking actions on climate change, including mitigation and adaptation initiatives to create a more resilient organisation and community.

During 2023/24 a Community Climate Change Advisory Group will be established to provide us with specific advice on the actions we can take to reduce the impacts of climate change. We will also coordinate a feasibility study to install solar and energy efficient technologies on our owned buildings and a feasibility study to consider the delivery of a community solar bulk buy scheme. We will continue working on a collaborative Disaster Smart Tasmanian Communities (DSTC) project, which is being undertaken to create a "digital twin" of the natural and built environment (including assets) in 7 high-risk local government areas in Tasmania. This will enhance our data capability and enable us to manage current and future climate related disasters.

To lead and manage these activities, we will appoint a Climate Change Officer during the 2023/24 financial year. The Huon Valley Council's Climate Strategy Part B (Adaptation) will be finalised in coordination with the Regional Climate Change Initiative (RCCI). The implementation of the Climate Change Strategy Part A (Mitigation) with a focus on the Carbon Footprint Reduction Plan will continue through the next four years. This aspect of the work will also include conducting energy audits across our assets during 2023/24.

We will also ensure that we develop appropriate communication and engagement campaigns to get the community involved in addressing environmental and climate change goals across the Huon Valley.



This initiative directly addresses all the prioritisation criteria and Risks 11 and 14.

1.5. Environment Sustains Life and Biodiversity

1.5.1. Sustainable and productive natural resource management

The agriculture and aquaculture sectors are amongst the biggest economic sectors in the Huon Valley and are reliant on the sustainable management of the natural resources within the region. All these activities put pressure on the land and waterways and, as with any human activity, can damage the environment in the Huon Valley.

One of our roles is to work with residents, industries, and businesses to ensure these natural resources are utilised and managed wisely now and into the future. A key project in support will be the development of the Huon Valley Land, Air and Water Strategy in 2023/24 that will guide the way in which natural resources are managed over the next 5 Years.

During the 2023/24 financial year we will update the existing Huon Valley Weed Management Strategy that will then guide our weed management program over the next 5-year period. This will also involve the effective management of priority weeds focusing on eradicable Zone A weeds, and the feasibility of managing the priority weeds program in-house. We will also continue to seek further funding from the Weed Action Fund, so that we can fund additional projects in the Huon Valley.

Public engagements and awareness campaigns will be delivered on a range of natural resource management issues like roadkill, litter, and illegal dumping on a regular basis.



This initiative directly addresses all the prioritisation criteria and Risks 11 and 12.

1.5.2. Community involvement in Natural Resource Management

Our work in terms of managing, conserving, and protecting the bushes, soils, farms, coasts and waterways, and wildlife across the Huon Valley would be totally inadequate without the dedicated support of Landcare groups who provide valuable Natural Resource Management services. During 2023/24 a key priority will be to develop suitable induction material and processes for Landcare groups that will ensure their operational sustainability. This would also involve linking and leveraging our Parks and Reserves Program.

Monitoring of threatened species in the Huon Valley will involve establishing processes for capturing, storing, and sharing data, and educating and involving the community in threatened species monitoring over the next four years.



This initiative directly addresses all the prioritisation criteria and Risks 11 and 12.

7.2 Strategic Objective 2: A Prosperous, Resilient Economy

Much of Huon Valley’s economic growth and development over the years has relied on the natural resources that underpin its key industries of agriculture and aquaculture; these industries have also consistently been its most productive industries and are the largest employers of workforce in the region.

However, over the years there has been a dramatic shift of the economic structure towards a service-based economy that is reflective of an increasingly aged population and changing demographics. This has seen manufacturing, education and training, and healthcare and social assistance increasingly becoming larger sectors and employers in the Huon Valley.

Continued demographic changes, new technological disruptions and the impact of climate change are expected to result in further changes to the economic structure of the Huon Valley over the next few years. The following key initiatives are aimed at promoting resilient economic growth and prosperity in the Huon Valley.

2.1 Economic Development Aligned with Community Values

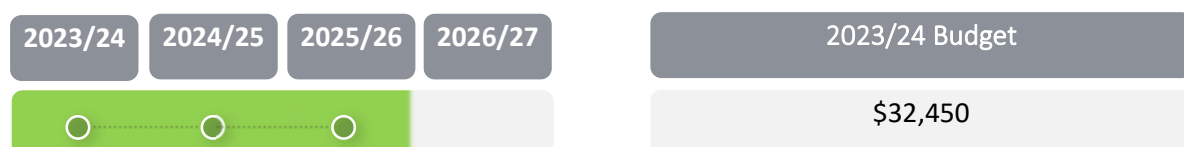
2.1.1 Sustainable, diversified, and localised economic prosperity for all

We expect to update and finalise the Huon Valley Economic Development Strategy early in the 2023/24 financial year. This Strategy aims to facilitate economic growth and development, while at the same time ensuring this is achieved in a manner that takes into consideration the unique lifestyle and values of the Huon Valley community, and does not detract from our climate change and natural environmental goals.

We will implement the new Strategy over the next three years, with the emphasis being on improving the quality of data that will guide our decision-making processes, as well as enable our relationship building and facilitation processes with local business and other government organisations.

Creating an investment policy accompanied by an investment ready project pipeline that can be used to promote the Huon Valley to potential businesses and investors, and creating an enabling environment where businesses and enterprises are encouraged to establish their presence in the Huon Valley will also be a key priority.

The success of the Strategy will also largely rely on creating linkages with other strategies and plans like the LUDS, the Huon Valley Arts and Culture Strategy and the Huon Valley Brand Marketing Strategy.



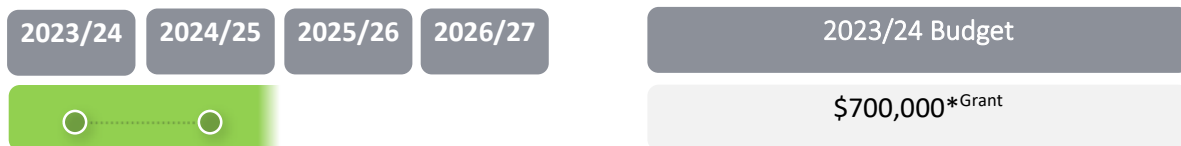
This initiative directly addresses all the prioritisation criteria and Risks 1, 4, 10, 12 and 14.

2.2 Sustainable Local Employment

2.2.1 Providing administrative oversight of the Huon Valley Jobs Hub Authority

The Tasmanian Government has committed \$1.625 million over three years for the establishment of the Huon Valley Jobs Hub (Southern Employment & Training Network) (SETN), the purpose of which is to coordinate training and employment opportunities through existing providers and networks across the Huon Valley and Kingborough Council areas. Our role over the next two years (the period of the grant funding) will be to provide oversight and monitoring of the SETN activity and outcomes to ensure it advocates and contributes to the development of training and sustainable job opportunities that are customised to the needs of the Huon Valley.

As part of this advocacy work, SETN will work with the State Government and other partners in ensuring agreed educational and training initiatives and outcomes are achieved in the Huon Valley over the next four years. This would involve working with businesses, peak industry organisations and training bodies to establish a local presence, and provide training programs, including apprenticeships and traineeships that meet the needs of youth and employers in the region.



This initiative directly addresses all the prioritisation criteria and Risks 1, 10, 12 and 14.

2.3 Supported Destinations

2.3.1 Huon Valley Brand Marketing Strategy

The latest travel and tourism data from Spendmapp (by Geografia) for 2022 shows that the Huon Valley visitor economy has been growing at a faster rate than the statewide visitor economy. While this may be due to a few other factors, it does appear that our marketing and promotional activities are resulting in the region obtaining a larger share of the statewide visitor market.

To continue attracting these travelling segments and to leverage changing consumer preferences following the COVID-19 lockdowns, the Huon Valley Brand Marketing Strategy will be reviewed as part of the development of the updated Economic Development Strategy that is due to be completed early in the 2023/24 financial year.

The Strategy will help shape our marketing activities and will leverage key campaigns that have been held in the past year like the Huon Stories as well as various events and activities linked to the Huon Valley Arts and Culture Strategy. We will continue our marketing and promotional campaigns around popular tourism attractions within the Huon Valley that can be used to attract existing and new segments of travellers from both interstate and intrastate source markets.



This initiative directly addresses all the prioritisation criteria and Risks 4, 10 and 14.

2.4 Circular Investments

2.4.1 Achieving food resilience in the Huon Valley

During 2022/23, a background paper was produced to help guide the focus and direction of the Huon Valley Food Resilience Strategy. The Strategy is expected to be presented to Council by mid-2023, and will outline our focus over the next four years.

The Huon Valley Food Hub project has been running for over 12 months, with much of the time spent with the community and industry to understand and develop a food hub model that is relevant to the community, and the various functions it could serve. A case for a viable business model is expected to be presented to Council by mid-2023.

We have secured a grant through Healthy Tasmania for the Huon Valley Food Hub’s ‘Heartland: A Regenerative Farm School Program’. The Heartland program is a trial project that will enable all public primary schools in the Huon Valley to have a thriving regenerative school farm, nourishing kitchen and access to locally grown produce and seeds. The pilot program is expected to commence from July 2023, and conclude in late 2024.



This initiative directly addresses all the prioritisation criteria and Risks 1, 5, 10, 11 and 14.

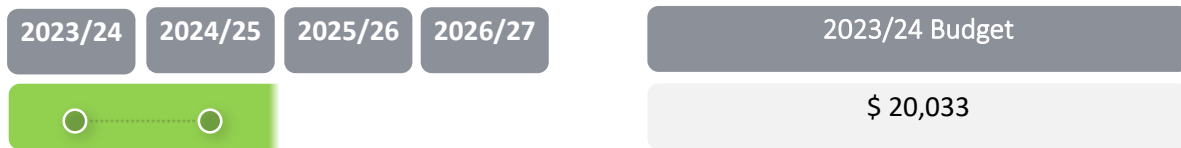
2.5 Community Diversity and Culture Leveraged

2.5.1 Knowing and sharing our stories through arts and cultural activities and events

The Huon Valley region is home to diverse population groups; it is this diversity that inspires and nurtures the arts, food, culture and the uniqueness of the Huon Valley. Over the next two years, we will seek to develop and endorse localised Aboriginal Engagement Protocols in collaboration with local Aboriginal stakeholders. The implementation of these protocols is expected to result in greater engagement, inclusion and participation of the Aboriginal peoples in various arts, cultural and social events, and ensure their meaningful participation in economic activities within the region.

We will also promote arts and cultural events to foster greater exchange and hosting of artists, art shows, events and festivals from across Tasmania as well as interstate, as espoused in the Huon Valley Arts and Culture Strategy as well as the Huon Valley Brand Marketing Strategy over the next four years.

This will also seek to leverage the unique arts and cultural facilities like the Palais Theatre Franklin, the Huon Valley Hub exhibition space as well as the Huon Valley ARTBOX.



This initiative directly addresses all the prioritisation criteria and Risks 10 and 14.

7.3 Strategic Objective 3: Capable and Productive People and Assets

Empowering our community with timely information and data can assist them in improving their knowledge, capability and productivity, and is a key requirement for building a healthy and resilient community. Data and information also enables us to understand the community’s needs and provide them with the required infrastructure, facilities and services that can meet their current and future needs.

Our infrastructure, facilities and services, and planning for a variety of housing solutions is also important for making the Huon Valley a welcoming, inclusive and safe place. The following key initiatives will be undertaken to enhance the capability and productivity of our people and assets.

3.1 Realistic and Informed Community

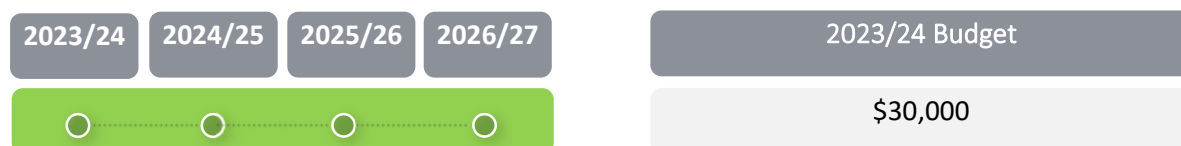
3.1.1 Empowering communities with information and data

We have established various mechanisms and processes for communities to be involved and engaged in our decision-making processes through our Community Engagement Framework. Despite this we have often found ourselves on the back foot, as we strive to meet the community's changing expectations around the level of engagement in the design and management of their communities.

To address these challenges, we will develop a Communications and Media Strategy, and a Communication Framework in the 2023/24 financial year. The implementation of the Strategy and Framework will complement the Community Engagement Framework and ensure its goals and objectives can be achieved in a more effective and efficient manner especially by exploring new ways to accelerate community participation, and harnessing the growth of digital tools to improve how communities respond, connect to, and engage with Council. All our communication and engagements with the community are guided by the International Association for Public Participation (IAP2) framework.

We recognise that traditional mediums of communication must also be utilised to communicate with people who do not have access to digital mediums for a variety of reasons. This will also involve analysing and understanding the best means and options of providing data and information to the community in a timely manner to enable them to contribute meaningfully, and to become more empowered and resilient.

We are also committed to ensuring that feedback from people across different socio-economic backgrounds is fed into our planning and decision-making processes, so that ultimately communities begin to trust that their engagement is valuable, is needed, and is used to create more inclusive and equitable communities across the Huon Valley.



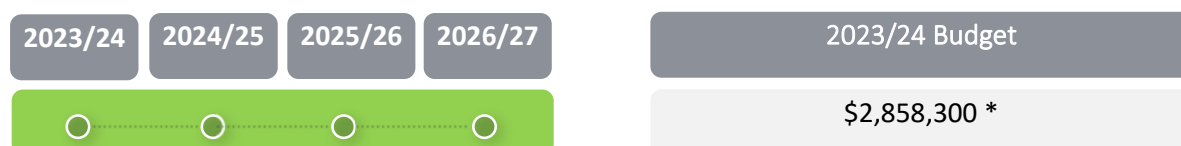
This initiative directly addresses all the prioritisation criteria and Risks 1,2, 4, 6,10,11, 12, 13 and 14.

3.2. Empowered Communities Driving their Own Assets

3.2.1 New approaches to facilities management

We currently maintain and manage various community facilities including community halls, medical centres, childcare facilities, recreation facilities, playgrounds, marine facilities, cemeteries, memorials, sports centres and swimming pools that provide opportunities for social, sporting and cultural interactions and connections. This model of directly managing and maintaining facilities has proven to be unresponsive and ineffective in meeting community needs and requirements.

We will continue in our efforts to provide more integrated and responsive community facilities, by identifying sustainable models of operating and maintaining community facilities, that not only empowers the community, but also provides the flexibility to meet their changing needs. One such approach relies on community members volunteering their time and effort to manage community owned facilities by empowering them with the right data, support, training, advice and tools. During 2023/24 a strategic review on the management of community halls will be undertaken as part of these efforts.



This initiative directly addresses all the prioritisation criteria and Risks 6, 10 and 14.

3.3 Sustainable and Cost-Effective Asset Management

3.3.1 Future proofing our assets

We own and maintain various infrastructure assets that enable us to provide services to different communities in the Huon Valley. These assets include roads (both sealed and unsealed), parks and reserves, stormwater infrastructure, bridges, footpaths/kerbs and buildings in the region.

We will continue reviewing and developing our Asset Management Policy, Asset Management Strategy and corresponding Asset Management Plans each year over the next four years. This is to ensure that the most appropriate asset management models and approaches are incorporated into

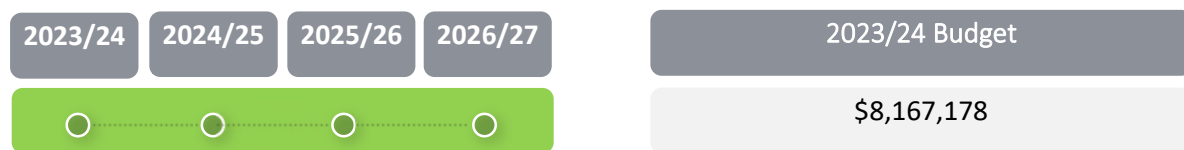
our strategies and plans, as well as future proofing existing and new assets to meet the impacts of climate change over the next decade.

We will embark on a rolling 3-year program to improve the maturity of our asset data through better asset management systems and databases. This will ensure better quality asset data is shared between all role-players involved in asset management and maintenance, enable componentisation of building assets, improve condition assessments, and assist with the valuation of properties.

The improved quality of data will enable better decision-making on asset investment, maintenance, renewal, and disinvestments. It will also provide us with an opportunity to review the use mix and revenue streams for these assets, and seek maximum utilisation and diversification of revenue streams through the repositioning of existing and new assets.

We will continue working on a collaborative DSTC project, which is being undertaking to create a "digital twin" of the natural and built environment (including assets) in 7 high-risk local government areas in Tasmania. This will enhance our data capability and enables us to manage current and future climate related disasters.

Asset renewal will receive a total of \$7,118,178 while new assets will receive \$1,645,469 in the 2023/24 financial year.



This initiative directly addresses all the prioritisation criteria and Risks 2, 3, 4, 5, 7, 10, 11, 12, 13 and 14.

3.4. Great Facilities with Easy Access

3.4.1 Easily accessible and well-located facilities that are managed sustainably

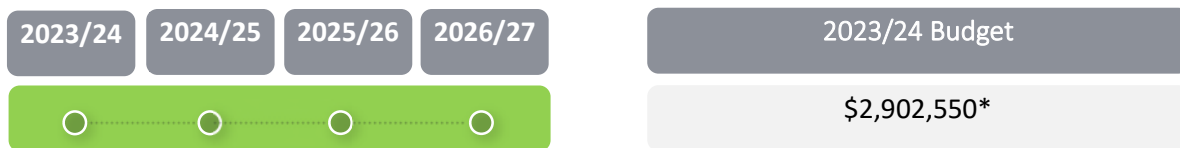
We are one of the largest councils in Tasmania by land area. This combined with the fact that most of our townships are not necessarily located close to each other and are sparsely populated makes the provision of our services and facilities more difficult and expensive.

Despite this, we maintain and manage community halls, medical centres, childcare facilities, retirement villages, recreation facilities, playgrounds, marine facilities, cemeteries, memorials, buildings, sports centres and swimming pools. These facilities provide opportunities for the community to access various services and utilise them for making social, sporting and cultural interactions and connections. While we are currently managing all these facilities, we will also conduct strategic reviews into the operating models of facilities like aquatic facilities, community halls and retirement villages to ensure these services are meeting the future needs of our community.

Waiting on these reviews, we will continue to ensure that each of these facilities are easily accessible to people of all ages and abilities. We intend to embark on a phased process of implementing Point of Sales (POS) systems at our recreational facilities to improve the customer interface, and to ensure

timely and accurate data is available to assist us in making better decisions on fees and charges, and the types of services that need to be provided at these facilities in the longer-term. In 2023/24 this will include rolling out the POS at the Huonville Pool, Cygnet Sports Centre and at the Port Huon facility subject to the outcomes of the review that is currently taking place.

The administrative process of managing the four cemeteries in the Huon Valley is currently inefficient and ineffective. As part of upgrading these processes, a cloud-based application will be procured for the management of the four cemeteries across the Huon Valley in 2023/24. This will not only enable better management of burial and plaque installations for families of the bereaved, but also enable more efficient document management processes across the organisation.



This initiative directly addresses all the prioritisation criteria and Risks 2, 3, 4, 5, 7, 10, 11, 12, 13 and 14.

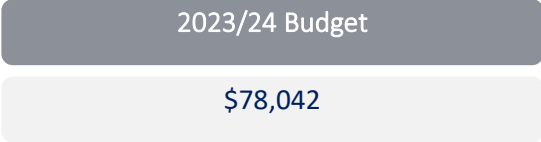
3.5. Roof Over All Residents Heads

3.5.1 Planning and advocating for housing diversity in the Huon Valley

Access to decent housing is one of the most important social issues facing governments at all levels across Australia. Nowhere is this impact more felt than in Tasmania, where rental stress has reached record levels. We will continue to engage with key stakeholders, including the State Government and non-governmental organisations over the next four years to advocate for the development and implementation of more impactful policies and projects that can balance demand and supply side variables for housing in the Huon Valley.

Additionally, through the process of reviewing and developing LUDS and associated master plans, and the implementation of the Local Provisions Schedules, we will seek to proactively identify land for a variety of housing options, including social housing and affordable housing, that confirms and complies with local heritage and design criteria and does not compromise the uniqueness of the regions primarily rural and agricultural features. We also consider the use of various planning controls, including SAPs, to ensure there is adequate supply of land towards housing solutions across the Huon Valley.

We are currently managing and maintaining three retirement villages at Dover, Cygnet and Geeveston that consists of cottages that provide residents the opportunity to retain their independence without the inconvenience of maintaining a property or the uncertainty of the private rental market. A review of the retirement villages operating model was funded and commenced in 2022/23 and will be completed in 2023/24. This is expected to lead to better outcomes for managing and providing retirement villages in the Huon Valley.



This initiative directly addresses all the prioritisation criteria and Risks 1, 4, 10, 12 and 14.

7.4 Strategic Objective 4: Community Wellbeing and Liveability

Our ability to provide quality healthcare and childcare services makes the Huon Valley an attractive place to live and raise a family. Our facilities, including our recreational facilities and open spaces provide the opportunity for both residents and visitors to make social, economic, and cultural connections that are an essential component of building their resilience.

Our health and wellbeing services ensure our most vulnerable community members including the aged, youth and Aborigines can access the services they need the most in a timely manner and live a better quality of life. The following key initiatives will be undertaken to improve the Huon Valley’s wellbeing and liveability.

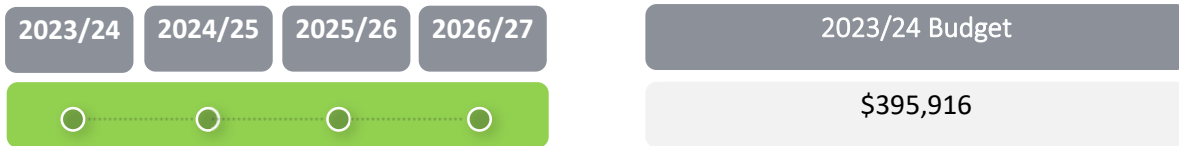
4.1 First Class Child and Health Care

4.1.1 Sustainable and quality childcare options for Huon Valley community

We provide a range of childcare options catering for children aged from 6 weeks to 12 years through our childcare centres based in Huonville, Dover and Geeveston. This also includes after school care and vacation care, with the aim of giving all children in the region the best start in life, and to prepare them for lifelong wellbeing and achievement, thereby creating the basis for a better and more prosperous future. This also enables parents to join the workforce, thereby enhancing prosperity and improving gender equality by enabling parents to join the workforce, return to work and remain in work.

Population growth and economic growth are rapidly changing the supply and demand trends for childcare within the region, as evidenced by a growing waiting list for admission into these childcare facilities. A review of the current Children’s Services Strategy, which is about to commence provides the right opportunity to update the Children’s Services Business Plan in 2023/24. The review will aim to ensure that the best and most appropriate future-focused childcare options that work in the Huon Valley are identified and implemented over the next four years.

The pipeline of skilled and experienced educators is also being enhanced through skills development of existing educators and through the recruitment of new educators. We will recruit and maintain a well-educated and experienced childcare workforce and will aim to finalise the development of our Children’s Services Workforce Strategy in 2023/24, so that it can be implemented over the remaining three years.



This initiative directly addresses all the prioritisation criteria and Risks 3, 10 and 14.

4.1.2 High quality and sustainable medical services to the community

Unlike many of our counterparts, we have provided medical services to people living in the region through two medical centres located at Dover and Geeveston. We took the decision to provide this service as there were no other medical services (public or private) catering to people in the southernmost part of Tasmania.

We have over the last year implemented various recommendations resulting from a review of the Medical Services in 2021, which included unifying both the practices under the banner of Huon Valley Medical Services. A single integrated IT system was also implemented at both centres to address legacy technology issues and to align processes.

However, more needs to be done to enable Huon Valley Medical Services to be a primary care centre of education and training excellence that provides high quality, sustainable services to the community. A key project that will be undertaken during 2023/24 will be the upgrade of the Dover Medical Centre, that will see the facility expanded to host more health care professionals.

Key to ensuring that the practices are financially sustainable will be the review and implementation of a sustainable billing model at the practices from 2023/24, based on an analysis of the implications of the 2023 Federal Budget and the tripling of the bulk billing incentives. The benefit of such a new model is that it will create a better environment for the attraction and retention of medical professionals.

We will attract and retain new General Practitioners through targeted recruitment campaigns that build on the unique selling points of working and living in the Huon Valley. Work will also continue to align processes across both sites to reflect one practice and to enable the smoother sharing of resources.



This initiative directly addresses all the prioritisation criteria and Risks 2,10, 12 and 14.

4.2 Happy and Healthy People

4.2.1 Connecting people to be healthy and happy

Over the years we have implemented several activities and projects in terms of the Huon Valley Health and Wellbeing Strategy that seeks to bring about positive change in the health and wellbeing of residents in the Huon Valley. Key enablers for the implementation of the Strategy are the Huon Valley

Health and Wellbeing Committee and the Huon Valley Service Provider Network (SPN) that will continue their work in terms of identifying emerging health and wellbeing priorities and trends and supporting us with advocacy and promotion of health and wellbeing matters across the Huon Valley.

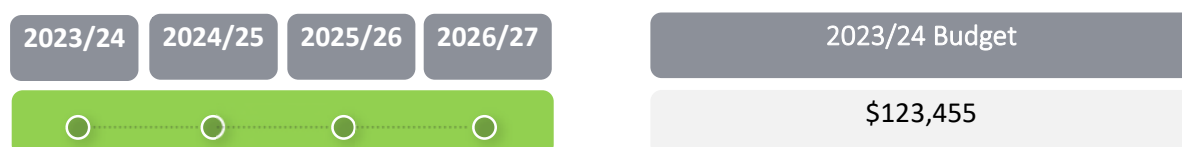
Key projects that will continue to be implemented will include the Age Well Program that aims to connect isolated elderly with groups and activities in the Valley. However, there will be an increased focus on mental health and wellbeing issues in an ageing population to strengthen their preparedness and resilience in the face of increase social and economic adversities.

We will also continue various initiatives launched to benefit youth through the Huon Valley Youth Working Group that was created to support, educate, and celebrate youth in the Huon Valley. This will see the expansion of activities under the 12 to 24: Huon Valley Youth brand which focus on social media campaigns around drugs, tobacco, alcohol use, youth mental health issues and planning youth events that seek to connect and bring youth together.

The Mental Health and Resilience project will continue to be implemented and will provide the Community Response to Suicide (CORES) suicide prevention training to the community and support local volunteers to become facilitators. We will also work closely with the Climate Resilience Network to identify and share resources that mediate the impact of climate change on mental health amongst community members.

We will continue engaging with the South East Tasmanian Aboriginal Corporation to better understand how some of their programs will benefit from the above initiatives and resources.

The Right Place initiative will continue to be expanded by building community awareness of The Right Place as an accessible local health and community directory. The development of an online platform to share local community activities and programs will also be used to support The Right Place over the next four years.



This initiative directly addresses all the prioritisation criteria and Risks 2, 3, 4, 12, 13 and 14.

4.3 Safe Community

4.3.1 Connecting people through safe transport and pedestrian movement options

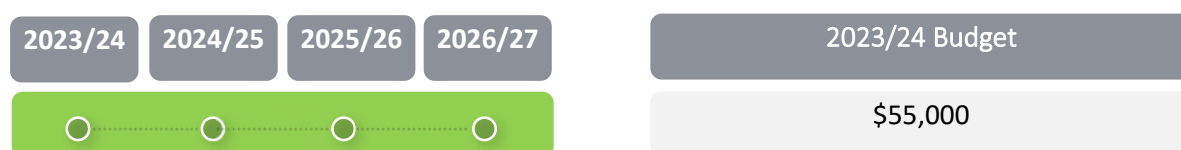
The Huon Valley offers people who want to live, work, invest and play here, safe, interesting, and active spaces and places for their wellbeing and enjoyment. This includes providing them safe and secure transport opportunities to connect with one another.

One of the projects we have planned that will be influenced by the current LUDS involves making vehicle and pedestrian movement and transport options safer through the development of the Huon Link Road Master Plan in 2023/24. The plan will include development options for the adjacent open

spaces in the Esplanade and Foreshore areas, and make movement and accessibility options safer on Main Street, Huonville.

Over the 2023/24 period, we will seek support from the State Government and Kingborough Council to fund a pilot project for a regional approach to safety across the whole road network within the two municipal areas for all road users. We will ensure that our communication campaigns advocate for safer driving conditions across the Huon Valley.

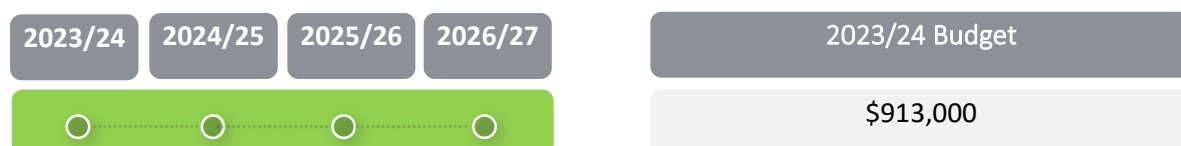
We will also continue to strive to investigate and create opportunities for more safer public spaces where people can spend more time making social and cultural connections. Increasing access to open and green spaces where people of all ages and abilities can relax, refresh and rejuvenate through various leisure or recreational activities is a key priority for us over the next four years.



This initiative directly addresses all the prioritisation criteria and Risks 1, 4, 12, 13 and 14.

4.3.2 Stormwater Management

Providing and maintaining a built for purpose stormwater system to safely collect and dispose of stormwater is another key area that will be the focus of our activities over the next four years as it is expected to play a key role during high rain events and potential floods especially in the context of climate change. This will involve an annual renewal program that is implemented in conjunction with the Road/ Inspection based replacement program. New stormwater infrastructure will be constructed at Channel Highway (Smith Street to Thorp Street), Scenic Hill and Port View Drive over the next three years.



This initiative directly addresses all the prioritisation criteria and Risks 11.

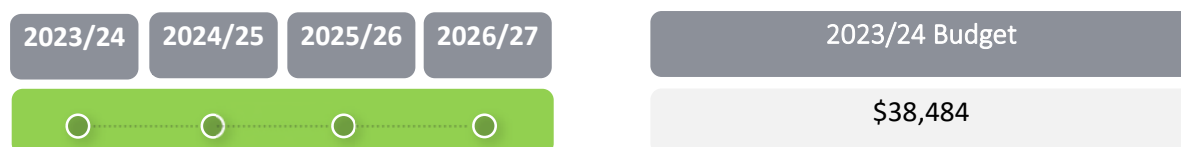
4.3.3 Implementation of the Municipal Emergency Management Plan

Huon Valley has a long bushfire history, and these risks have increased in recent years due to the influx of new residents into rural areas and due to the impact of climate change. The area also has many rivers, the largest of which is the Huon River system. This has also resulted in flooding occurring in Huonville on a regular basis, with tidal influences being a key contributing factor in river heights.

We will continue to work closely with communities across the Huon Valley to ensure they are prepared to handle environmental disasters and emergencies like bushfires, floods and health pandemics, like the COVID-19 pandemic that arise from time to time, through awareness campaigns, capacity building initiatives and the sharing of knowledge and resources.

Community-led models will guide the implementation of our recently reviewed Municipal Emergency Management Plan (MEMP). The MEMP will be reviewed every two years.

The restructuring of our Emergency Management (EM) team as per the recommendations of a recent external audit review will also be a key focus during the 2023/24 financial year, and it is expected that a fully trained and resourced EM team will be in place by the end of 2023/24. This will include the filling of statutory roles including a dedicated Municipal Coordinator and Municipal Recovery Coordinator.



This initiative directly addresses all the prioritisation criteria and Risks 1, 4, 11, 13 and 14.

4.4 Active Children with More To Do

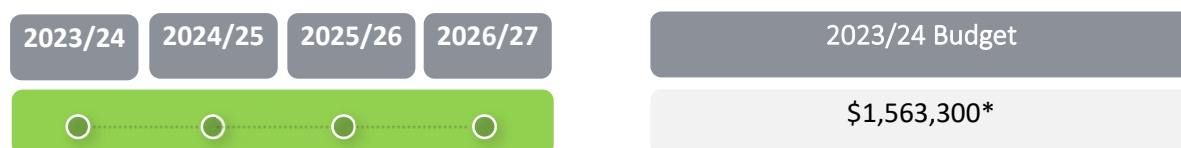
4.4.1 Opportunities for children to engage in sports and cultural activities

We provide a range of childcare options catering for children aged from 6 weeks to 12 years through our childcare centres based in Huonville, Dover and Geeveston. This also includes after school care and vacation care, with the aim of giving all children in the region the best start in life, and to prepare them for lifelong wellbeing and achievement, thereby creating the basis for a better and more prosperous future. As indicated in Section 4.1.1, we will be reviewing the Children’s Services Strategy in 2023/24 to determine better ways of providing childcare options in the Huon Valley.

We also provide spaces and opportunities for children to access a range of community sporting, cultural and recreation facilities throughout the Huon Valley region that keep children engaged and entertained during normal school hours as well as during vacation periods.

Over the 2023/24 period, we will strengthen our investment into aquatic facilities infrastructure to ensure services meet the current and future needs of the community. In the background we will conduct strategic reviews into the operating models of these facilities to determine better ways of managing them. Within this context, we will refurbish (retile) the Port Huon Sports Centre Pool (\$551,650) and the Huonville Pool (\$1,000,000).

The Huonville Foreshore Playground will be renewed, and the Geeveston Early Learning and Care playground will be upgraded during 2023/24.



This initiative directly addresses all the prioritisation criteria and Risks 1, 3, 4 and 10.

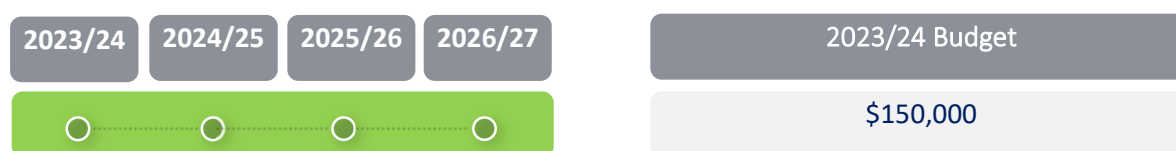
4.5 Proud Community

4.5.1 Rejuvenating our places and facilities

The Huon Valley is a region where communities enjoy a good quality of life through the provision of social and commercial services, and the provision of infrastructure and green open spaces and recreational facilities by us and the State Government.

To maintain this quality of life and liveability, we will ensure the quality and level of service and facilities, especially our sporting and recreational facilities, that are provided to our communities are maintained and improved. This will include a review of existing recreation facility master plans and strategies that will not only inform, but will also be informed by the soon to be developed LUDS. We will develop a Huonville Sport and Recreation Precinct Master Plan that will guide the further development and expansion of sports and recreation facilities within Huonville; however, this is dependent on obtaining external funding.

The Shipwrights Point Jetty which collapsed in 2022 will be replaced in 2023/24 following receipt of a grant of \$150,000 from the Better Fishing Grant.



This initiative directly addresses all the prioritisation criteria and Risks 1, 4, 10, 11, 12, 13 and 14.

7.5 Strategic Objective 5: Council Sustainability, Capacity and Governance

Having access to the right people skills and resources is essential for Council to develop effective and efficient processes and systems. Having the right skills and capabilities is also important to embed and foster the right values within the Council that sustain and support a continuous improvement culture and the delivery of world class services. This in turn will lead to a highly satisfied staff and ultimately community members, which in turn will mean an improved bottom-line through increased uptake of services and the timely payment of rates, fees, and charges. The following key initiatives will contribute to Council's sustainability, capacity and governance.

5.1 Council Attracts, Develops and Retains Talent

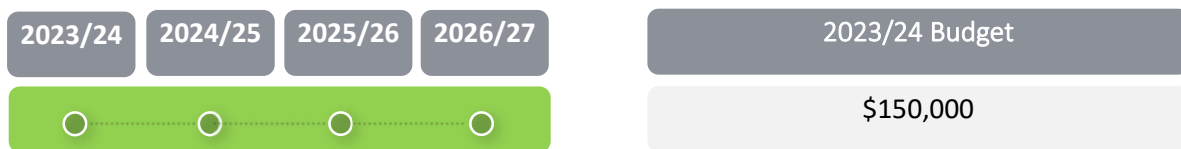
5.1.1 Developing a people-centric culture within Council

In our drive to be an efficient organisation, our focus over the last few years has been on the hard systems side of organisational management, that is, our buildings, facilities and systems. From time to time, this has resulted in lesser emphasis on the human aspects of managing an organisation, namely staff and the culture of the organisation. We are determined to remedy this situation.

The Organisational Culture Inventory (OCI) and Lifestyles Inventory (LSI) initiatives embarked upon during the 2022/23 financial year will be progressed to its next phase over the next four years with the aim of supporting staff to build a more constructive culture across the organisation. This will involve a continued focus on rigorous and dedicated action planning to address the cultural survey results at a Departmental level, Unit level and individual level. Staff cultural surveys will now be conducted every 2 years to determine the progress made, and the changes in organisational culture as a result of the OCI/LSI initiatives.

We will ensure that our People Strategy is implemented over the next four years that seeks to address the challenges that we currently face. An organisation wide Leadership and Cultural Program will also be used to implement the action plans that arise out of the People Strategy and the OCI/LSI initiatives particularly around staff training and development. We will also implement a fully automated and dedicated Human Resources module that will seek to streamline and improve the recruitment, management and development of human resources organisation wide.

We will also begin preparatory work towards the development of a new Enterprise Agreement (EA) by 2025/26 as the current EA is set to expire in 2025. The new EA will aim to support us in attracting, retaining and rewarding our staff for their efforts in serving the community.



This initiative directly addresses all the prioritisation criteria and Risks 4, 6, 7, 10, 12, 13 and 14.

5.1.2 Creating a safe and caring environment for staff, contractors, and the general public

We will continue to uphold safety as a value by focusing on improving how we go about our work in a safe and healthy way for the benefit of our staff, contractors and the general public who visit our offices and facilities by continuing to implement the annual actions plans from the current Work Health and Safety Strategy. This will also involve an increased emphasis on the psychosocial health and the wellbeing of staff in terms of the new *Work Health and Safety Regulations 2022* and the *Work Health and Safety (Transitional) Regulations 2022*.

Additional and ongoing funding will be provided to carry out activities such audits and inspections of our buildings and facilities to ensure they continue to meet the requirements of the new regulations. Our current Work Health and Safety Strategy will be updated in 2025/26, and will be complemented by the full-scale rollout of Lucidity, our Work Health and Safety System, which is currently close to being fully configured for use.

We are working towards ensuring that staff and contractors involved in planning, designing, installing, and managing traffic control at road work sites understand the requirements of the Austroads Guide to Temporary Traffic Management (AGTTM) and are appropriately trained and qualified in its use.



This initiative directly addresses all the prioritisation criteria and Risks 4, 6, 7, 10, 12, 13 and 14.

5.2 Rigorous Governance Processes

5.2.1 Embedding a comprehensive and integrated governance framework

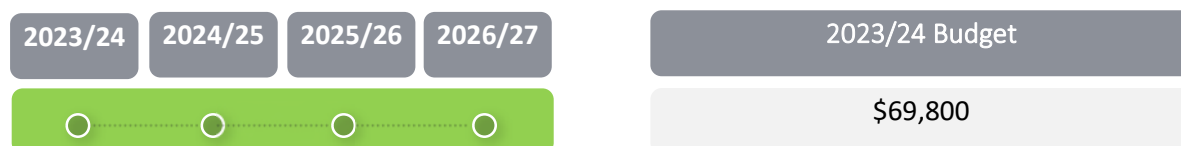
Good governance ensures that we establish and maintain efficient and effective decision-making processes and systems that enable us to provide the following broad functions as legislated in the *Local Government Act 1993*:

- to provide for the health, safety and welfare of the community;
- to represent and promote the interests of the community; and
- to provide for the peace, order and good government of the municipal area.

In our continuing quest to close gaps in our governance processes and systems, we will develop a Governance and Integrity Strategy that will guide improvements to our decision making-processes, delegations, risk management processes and reporting requirements over the next four years.

Over the next three years, the recently updated Risk Management Framework and Risk Register will guide prioritisation and decision making to ensure that we capitalise on our opportunities and better manage current and emerging risks.

Council's procurement processes will also be strengthened with the development of a Procurement Framework in 2023/24, that includes improvements to our Procurement Policy and Tenders and Contracts Code and Procedures, that will be implemented over the next three years.



This initiative directly addresses all the prioritisation criteria and Risks 4, 6, 10 and 12.

5.3 Engaged, Informed and Contributing Councillors

5.3.1 Empowering Councillors to deliver their responsibilities

Following their election in October 2022, new councillors have undergone a comprehensive induction program around their roles and responsibilities as councillors. Given the diversity of responsibilities and services we provide, a key focus over the next four years will be to ensure that councillors are able to access professional learning and development opportunities. This will assist them in delivering their functions by leveraging programs offered by the Local Government Association of Tasmania (LGAT), the Office of the Local Government and the Tasmanian Integrity Commission.

We will ensure that high-level strategic, administrative and governance support is provided to the Mayor and councillors, as well as Council appointed Committees to ensure they fulfil their civic leadership responsibilities and legislative and regulatory responsibilities in an effective and efficient

manner. This will involve providing timely and quality data and information that enables councillors to make informed decisions on behalf of the community they represent. Regular workshops will be held with councillors, where they have an opportunity for in-depth engagement with our staff that enables them to be better informed and engaged on specific projects and issues.

The introduction of a new agenda management system will improve how information is shared with councillors. This system will ensure that Council meetings, Audit Panel meetings and Council Committee meetings are managed effectively and efficiently, by enabling premeeting, meeting and post-meeting processes and collaboration between all the stakeholders involved, attending or impacted by these meetings.

We will support the delivery of the Councillors Four-Year Priorities as identified by the new Council in March 2023, by ensuring it finds expression within the 2023/24 Annual Plan, and in the development and finalisation of our new Strategic Plan in 2023/24, once the Community Vision is finalised.



This initiative directly addresses all the prioritisation criteria and Risks 4, 6, 7, 10, 12 and 14.

5.4 Community that Trusts Council as a Partner

5.4.1 Building trust in Council's processes and systems

Over the years there has been a decline in trust in us, as a Council. To regain the status of a trusted partner, we will improve communication around the context on the decisions we make. We will continue to place the community at the centre of everything we do to ensure more efficient and effective service delivery processes and systems.

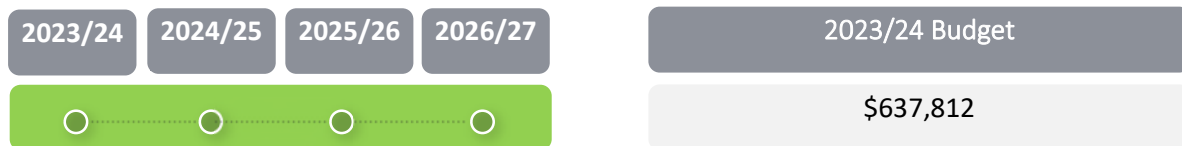
Over the 2023/24 financial year, we will invest in our information technology (IT) systems and processes to ensure our core processes are simplified, decision-making processes are data driven, enable transparency and become more effective and efficient. Our core systems that assist with decision-making and reporting processes will be migrated to the cloud, utilising a Software as a Service (SaaS) approach that is widely accepted as the current best practice.

Our Document Management System will be the first IT system to be migrated to the cloud in 2023/24, followed by the Finance system in 2024/25, the on-site file storage system in 2024/25, and the Property and Rating, Asset Management and GIS systems in 2025/26. The Information Communication & Technology (ICT) Disaster Recovery system and cloud backup solutions, and the replacement of the existing phone system with a cloud-based product for improved disaster recovery options will be finalised and migrated during 2023/24.

Our ICT Strategy will be reviewed and updated to ensure we adopt better practice and contemporary technologies over the next four years. Protecting the security of our data and ICT infrastructure will also be a key focus over the next four years with new security protocols and procedures implemented,

and the network infrastructure upgraded to support new technologies, such as Internet of Things (IoT) devices and to improve the organisation's data security.

Our website and functionality will be refreshed to support emerging technologies and community expectations, with an increased emphasis on improving the contents of the website, making the interface user-friendly and enabling the use of the website on mobile devices that have seen a huge uptake. All these activities are expected to yield improved customer experiences, better response times and access to timely data and information that continues to build the community's trust in us.



This initiative directly addresses all the prioritisation criteria and Risks 7, 8, 9, 10 and 12.

5.5 Transparent, Simplified and Consistent Planning Processes

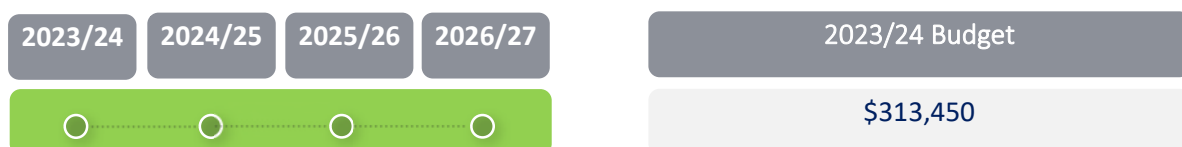
5.5.1 Streamlining and resourcing Council's planning processes

We have a responsibility to function as a Planning Authority in terms of the *Land Use Planning and Approvals Act 1993* (LUPAA). In terms of this role, we assess development applications against current planning scheme and regulations to ensure that development fits within the desired character and zoning of the area, and that unintended impacts that will result from the development are minimised or negated. There have been continuous calls from all involved parties to streamline and simplify the planning processes, especially in the context of the implementation of the Tasmanian Planning Scheme (TPS).

We are currently undertaking a customer experience service review within the Planning area to identify opportunities for improvements that will make the application processes easier for both customers as well as our staff to deliver better outcomes for the community. It is expected that this work will reach conclusion early in 2023/24 in parallel with other complementary areas of work currently being undertaken by us.

A resource review of the area in 2022/23 highlighted that a further two planning resources were required to address the volume of applications through the area and will be appointed in 2023/24.

The outcomes of these three areas of work, and the overall importance of the Planning function for us in terms of the wellbeing and prosperity of the region, is expected to result in a well-resourced, simplified and streamlined Planning function over the next four years. This will also include increasing fees for Planning and Building applications to transition to a user pays model, rather than the ratepayer subsidised model that has been in place.



This initiative directly addresses all the prioritisation criteria and Risks 1, 4, 6, 7, 8, 10, 12 and 14.

5.6 Balanced Budget

5.6.1 Increasing revenue and improving operational efficiency and effectiveness through productivity and innovation

Significant increases in costs through sharp rises in a buoyant economy along with decisions over the past few years to minimise the increase in general rates, has contributed to a situation where our rates are increasingly becoming insufficient to fund our operations and services in a sustainable manner. This has also resulted in a situation where we have not invested as much as we would have wanted to, in our people, assets and infrastructure (both physical and Information Technology).

However, as a community, we need to remedy this situation and move into a position of delivering modest surpluses all at a time when community expectations continue to rise. This is especially true for the provision of statutory services like the processing of planning and building applications and emergency management functions. The cost of maintaining our assets and facilities also continue to increase as they age and require maintenance, renewal and upgrades.

Based on current information and forecasts, we need to increase our general rates by 12% in 2023/24, 8% in 2024/25 and 6% in 2025/26 to ensure this deficit is brought down substantially. Fees and charges will be increased by varying percentages in 2023/24, reflecting the need to factor increased costs that are specific to each service, as well as to factor a shift to a user-pay model.

This position has seen the waste management fees and Planning and Building application fees being increased by higher percentages, to ensure these services can be provided sustainably into the future. We will continue investigating other sources of revenue beyond our predominately rates-based revenue stream.

Over the next four years we will ensure that service delivery will be made more efficient, and customer focused by comparing our services with similar services provided by other councils and in other industries where appropriate, and ensuring our service offerings are comparative in nature. The review of the Children's Services Strategy and the Retirement Villages operating model in 2023/24 are also expected to lead to more efficient and effective outcomes.

We aim to work smarter and minimise the upward pressure on rates and user fees by focusing on improving our operational productivity and efficiency and by investing in Information Technology. Here our productivity and innovation program will undertake organisational assessments to identify areas where process and productivity improvements could result in new or improved revenue and reducing the cost of outputs.

Combined with the current review of core processes that is taking place, a reduction in the cost for outputs is planned to be achieved through process efficiency gains over the next four years. Flowingly, which is a process mapping software system has been implemented to develop process maps and standard operating procedures for our core processes. This system will be utilised for training and inducting staff as well as ensuring institutional process knowledge is stored in a centralised location.

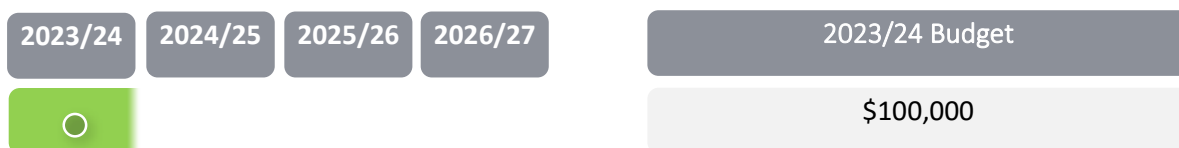


This initiative directly addresses all the prioritisation criteria and Risks 4, 6, 8, 10 and 12.

5.6.2 Strategic Review of Council’s Rating Policy

We adopt policies and make decisions on the rates that must be charged for all properties within the Huon Valley region on an annual basis. We currently apply rates based on property value and with a minimum amount payable, flat charges and higher rates for commercial and industrial properties than for other property classes.

We are also required in terms of the *Local Government Act 1993* to review our rates and charges policy at the end of every 4-year period. In line with this requirement, we will embark on a strategic review of our rating policy during 2023/24. The objective will be to ensure our rates policy is in line with better practice principles and models, fair and equitable, remains in compliance with the Act, and helps us achieve our strategic objectives.



This initiative directly addresses all the prioritisation criteria and Risks 1, 4, 10, 12 and 14.

5.7 Intergenerational and Township Equity

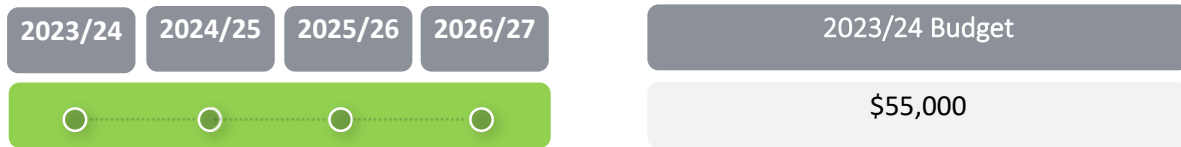
5.7.1 Embedding and integrating long-term planning into Council’s activities

One of the key challenges faced by councils in their quest to address current and future service delivery priorities is the need to ensure inter-generational equity as well as geographical equity. A key activity that we will undertake to ensure that this perspective is embedded within our planning and decision-making processes is through the development of our long-term strategic plans as well as the associated resource planning strategies.

By the end of 2022/23, we aim to finalise the Community Vision process, which will offer powerful insights into the long-term aspirations and wishes the community has for the region. The Community Vision, which captures some of the key elements of intergenerational and township equity, will then be utilised to develop our next 10 to 15-year Strategic Plan in 2023/24. This strategy will firmly embed the principles of intergenerational and township equity, especially when the corresponding financial strategy and ten-year resourcing strategies are developed.

Over the years we have developed several strategies and plans, which often do not factor other plans, and are not integrated with each other in terms of their recommendations and action-plans.

Implementing all these plans as they stand currently could place a huge burden on future generations. The finalisation of the LUDS and the finalisation of our new Strategic Plan provides a great opportunity to align and integrate these strategies to yield greater benefits and cost savings for current and future generations of people who will call the region home.



This initiative directly addresses all the prioritisation criteria and Risks 4, 10, 12 and 14.

5.7.2 Influencing and implementing the recommendations of the Future of Local Government Review process

The current review of the role, function, and design of local government in Tasmania that was initiated through the Local Government Board by the Tasmanian Government in 2022 will significantly impact the community. By being actively involved in the process, we have an opportunity to influence both the recommendations and the final implementation of reforms in a manner that will not compromise on the quality of lives of current and future generations of people who call the region home.

We will proactively develop our position paper/plan that will guide our negotiations with key stakeholders and neighbouring local government authorities. We will keep the community informed as the process unfolds and ensure our staff are provided with timely information and support during this period of change.

At this point of time it is difficult to estimate how long this process will take, but it is expected to run across the next four years, following the release of the interim review report in April 2023.



This initiative directly addresses all the prioritisation criteria and Risks 4, 10, 12 and 14.

8. Council Public Health Goals and Objectives

Our Environmental Health Unit is responsible for ensuring the statutory obligations under the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Burial and Cremation Act 2019*, *Environmental Management and Pollution Control Act 1994*, *Land Use Planning and Approvals Act 1993* and *Building Act 2016* are met. These responsibilities include:

- Food safety
- Notifiable disease investigation
- Public health education and promotion
- Regulation of public health risk activities including tattooing and ear and body piercing
- Approvals for private burials
- Monitoring of recreational water quality including public swimming pools
- Investigation into incidences of air, water and soil pollution
- Assessment and regulation of on-site wastewater disposal systems
- Coordination of school-based immunisation programs
- Regulation of warm water systems including cooling towers
- Public health nuisances
- Public health assessment of planning and building applications

We adopted our Environmental Health Plan at our Ordinary meeting of 31 August 2022. The plan is available on our website at

<https://www.huonvalley.tas.gov.au/council/reports-and-publications/plans-and-strategies/>.

The Plan sets out our public health goals and objectives by adopting a proactive, strategic approach to managing identified public and environmental health issues within our municipal area and to provide clear direction across the organisation to the management of public and environmental health.

Key initiatives that speak to these objectives have been described in detail in the following sections of this Annual Plan:

- 4.1.2 High quality and sustainable medical services to the community
- 4.2.1 Connecting people to be healthy and happy

9. Measuring Our Progress

Strategic Objective	Key Performance Indicator	2022/23 Forecast	2023/24 Target
A Great Environment	Percentage of planned Huon Valley Strategic Land Use Strategic Plans and Strategies developed by the end of the financial year	70%	100%
	Waste Diverted from landfill (%)	24.90%	27.20%
A Prosperous, Resilient Economy	Number of employed persons within the Huon Valley	9,089	9,404
	Percentage change in population	5.30%	3.5%
	Value of total residential and non-residential building approvals	\$74M	\$77M
Capable and Productive People and Assets	Capital works program completed (Physical work %)	100%	100%
	Total Visitation rates to recreation facilities	64,621	71,083
	Total Hours Childcare provided	243,845	254,537
	Total Consultation Rate	21,855	28,888
Community Wellbeing and Liveability	Total number of community programs supported by Council	420	651
	Total number of Creative programs and Huon Valley Events supported	137	131*
Council Sustainability, Capacity and Governance	Community Satisfaction Survey	Was Not Planned for 2022/23	Baseline to be determined based on initial survey
	Number of customer request and complaints:		
	-Roads -Planning -Other	1,312 93 2,567	1,258 79 2,514

Strategic Objective	Key Performance Indicator	2022/23 Forecast	2023/24 Target
	Staff survey result	Constructive styles are below the 25th percentile. Defensive styles are above the 50th percentile	Constructive styles are between the 25th and 50th percentile. Defensive styles at or below the 50th percentile
	Total recordable Injury Frequency rate (rolling 12-month statistic)	16.2	14.6
	Total productivity and procurement benefits	107,712	120,000
	Underlying Surplus /(Deficit) Ratio (%)	> (9.9%)	> (3.8%)
	Average number of website sessions	160,196	169,009
	Number of followers in media platforms (Cumulative of Facebook, Instagram, Eventbrite, YouTube)	10,032	10,980
	Number of customer service centre visits	13,539	12,813**
	Number of visits to Huon Valley Hub	11,347	11,347
	Number of telephone calls received	8,597	7,897**
<p>* This indicator's value has come down due to a change in how the indicator is measured and the hosting of bigger more impactful events</p> <p>**This indicator has gradually been declining over the last three years as there are now more options and platforms for addressing customer queries</p>			

Table 2

10. Financial Forecasts

Financial Summary	FY 2022/23 Budget	FY 2023/24 Budget
Underlying Surplus/Deficit (\$'000)	2,935	1,280
Capital Expenditure (\$'000)	6,178	8,763
Roads	2,635	2,894
Plant and Fleet	581	581
Buildings	535	980
Waste	-	219
Sports Facilities	315	1,396
Bridges	260	340
Information Technology	120	140
Stormwater	193	913
Footpaths and kerbs	179	154
Playgrounds	160	452
Car parks	150	82
Marine Facilities	50	220
Street Furniture	40	80
Walking Tracks	35	15
Other	289	296
Total Capital Expenditure	6,178	8,763

11. Capital Expenditure

We will invest a total of \$8,763,647 in renewing and building new assets and infrastructure during the 2023/24 financial year. This will include \$2,894,466 for road maintenance work (on both sealed and unsealed roads), with a similar amount budgeted for each of the remaining three years. Maintenance of parks and reserves will receive \$1,356,000, while maintenance of stormwater infrastructure will receive \$193,000 and bridges \$339,800. Maintenance of footpaths/kerbs will receive \$154,382 and buildings will receive \$980,000 during 2023/24.

New infrastructure will receive \$720,000 for storm-water infrastructure, \$300,000 for recreation facilities, \$294,376 for parks and open spaces, \$219,000 for waste facilities and \$70,000 for ICT.

12. Appendices

Appendix 1: Income Statement

	Budgeted 2022-23	Budgeted 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Projected 2030-31	Projected 2031-32	Projected 2032-33
Income from Continuing Operations											
Recurrent Income											
Rates and charges	16,617,063	19,279,552	20,993,072	22,451,943	23,576,217	24,756,956	25,816,811	26,922,426	28,075,796	29,279,008	30,534,238
Statutory fees and fines	1,253,700	1,960,884	2,019,711	2,080,302	2,142,711	2,206,992	2,273,202	2,341,398	2,411,640	2,483,989	2,558,509
User fees	6,685,640	6,294,337	6,483,167	6,677,662	6,877,992	7,084,332	7,296,862	7,515,768	7,741,241	7,973,478	8,212,682
Grants	4,593,702	4,735,403	4,603,291	4,660,037	4,717,577	4,775,923	4,835,086	4,895,077	4,955,908	5,017,591	5,080,137
Contributions - cash	21,540	21,540	-	-	-	-	-	-	-	-	-
Interest	100,000	750,000	637,608	708,309	673,426	765,235	832,178	928,519	1,019,233	1,120,776	1,241,128
Other	114,900	152,480	257,054	364,766	375,709	386,980	398,590	410,547	422,864	435,550	448,616
Investment revenue from water corporation	424,000	509,000	509,000	509,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000
	29,810,545	33,703,196	35,502,902	37,452,018	38,787,632	40,400,418	41,876,729	43,437,735	45,050,682	46,734,392	48,499,311
Capital Grants											
Capital grants received specifically for new or upgraded assets	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686
Contributions - non-monetary assets	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustments for investment property	-	-	-	-	-	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-
	414,686	414,686	414,686	414,686	414,686	414,686	414,686	414,686	414,686	414,686	414,686
Total Income from Continuing Operations	30,225,231	34,117,882	35,917,588	37,866,704	39,202,318	40,815,104	42,291,415	43,852,421	45,465,368	47,149,078	48,913,997
Expenses from Continuing Operations											
Employee benefits	(16,153,522)	(16,736,490)	(17,107,536)	(17,877,375)	(18,592,470)	(19,150,244)	(19,724,752)	(20,316,494)	(20,925,989)	(21,553,769)	(22,200,382)
Materials and services	(3,587,158)	(4,655,116)	(4,850,631)	(5,054,357)	(5,266,640)	(5,487,839)	(5,718,329)	(5,958,498)	(6,208,755)	(6,469,523)	(6,741,243)
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	(6,255,600)	(6,737,402)	(6,843,535)	(7,611,417)	(7,661,312)	(7,744,601)	(7,742,999)	(7,744,400)	(8,593,480)	(8,633,584)	(8,700,198)
Finance costs	(13,100)	(5,682)	-	-	-	-	-	-	-	-	-
Other expenses	(6,487,107)	(6,849,268)	(6,491,807)	(6,589,152)	(6,853,132)	(7,252,176)	(7,418,817)	(8,103,851)	(8,638,110)	(9,015,822)	(9,410,481)
Total Expenses from Continuing Operations	(32,496,487)	(34,983,958)	(35,293,509)	(37,132,301)	(38,373,555)	(39,634,861)	(40,604,896)	(42,123,244)	(44,366,334)	(45,672,698)	(47,052,303)
Operating Result from Continuing Operations	(2,271,256)	(866,076)	624,079	734,403	828,763	1,180,244	1,686,519	1,729,176	1,099,034	1,476,380	1,861,694
Other Comprehensive Income											
Items that will be reclassified subsequently to net result											
Items that will not be reclassified subsequently to net result											
Fair value adjustments on equity investment assets	-	895,000	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	3,300,657	3,687,780	38,990,148	3,568,466	5,244,225	644,347	1,137,209	36,166,667	3,425,727	4,719,803	605,347
Total Comprehensive Result	1,029,402	3,716,704	39,614,227	4,302,869	6,072,988	1,824,590	2,823,728	37,895,843	4,524,762	6,196,182	2,467,040
Underlying Surplus/(Deficit)	(2,935,942)	(1,280,762)	209,393	319,717	414,077	765,558	1,021,833	1,064,490	434,348	811,694	1,197,008

Appendix 2: Balance Sheet

	Budgeted 2022-23	Budgeted 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Projected 2030-31	Projected 2031-32	Projected 2032-33
Assets											
Current Assets											
Cash and cash equivalents	18,070,079	15,362,162	17,065,593	19,240,731	21,863,847	23,776,521	26,529,108	29,120,950	32,022,183	35,460,799	39,112,305
Trade and other receivables	1,756,537	1,950,813	2,006,259	2,094,581	2,146,228	2,221,190	2,291,302	2,366,508	2,443,435	2,523,792	2,608,452
Inventories	99,195	112,148	118,136	124,622	129,066	134,433	139,345	144,540	149,907	155,509	161,382
Other assets	55,814	218,554	225,110	231,864	238,820	245,984	253,364	260,965	268,793	276,857	285,163
Total Current Assets	19,981,625	17,643,676	19,415,099	21,691,798	24,377,960	26,378,128	29,213,118	31,892,962	34,884,318	38,416,957	42,167,302
Non-Current Assets											
CWIP, property, infrastructure, plant and equipment	274,160,404	279,327,960	317,142,355	319,221,341	322,691,715	322,624,944	322,683,348	358,061,651	359,732,680	362,508,230	361,341,825
Investment in water corporation	31,050,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000	31,945,000
Total Non-Current Assets	309,353,355	311,272,960	349,087,355	351,166,341	354,636,715	354,569,944	354,628,348	390,006,651	391,677,680	394,453,230	393,286,825
Total Assets	329,334,980	328,916,636	368,502,454	372,858,138	379,014,675	380,948,071	383,841,466	421,899,613	426,561,999	432,870,187	435,454,127
Liabilities											
Current Liabilities											
Trade and other receivables	1,713,791	2,018,163	1,989,753	2,042,569	2,126,118	2,234,924	2,304,591	2,466,895	2,604,520	2,716,525	2,833,425
Trust funds and deposits	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Contract liabilities											
Borrowings											
Lease liabilities											
Provisions	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498	2,166,498
Total Current Liabilities	3,980,289	4,284,661	4,256,251	4,309,067	4,392,616	4,501,422	4,571,089	4,733,393	4,871,017	4,983,023	5,099,923
Non-Current Liabilities											
Provisions	121,575	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593
Borrowings	296,469	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	418,044	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593	169,593
Total Liabilities	4,398,333	4,454,254	4,425,845	4,478,660	4,562,209	4,671,015	4,740,682	4,902,987	5,040,611	5,152,616	5,269,516
Net Assets	324,936,647	324,462,382	364,076,609	368,379,478	374,452,466	376,277,056	379,100,784	416,996,627	421,521,388	427,717,571	430,184,611
Equity											
Accumulated Surplus	182,839,991	183,248,663	222,862,890	227,165,759	233,238,747	235,063,337	237,887,065	275,782,908	280,307,669	286,503,852	288,970,892
Reserves	125,516,692	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719	141,213,719
Total Equity	308,356,683	324,462,382	364,076,609	368,379,478	374,452,466	376,277,056	379,100,784	416,996,627	421,521,388	427,717,571	430,184,611

Appendix 3: Cash Flow Statement

	Budgeted 2022-23	Budgeted 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Projected 2030-31	Projected 2031-32	Projected 2032-33
Cash Flows from Operations											
Rates	16,603,238	19,206,607	20,946,126	22,411,974	23,545,415	24,724,607	25,787,774	26,892,135	28,044,197	29,246,043	30,499,848
Statutory fees and fines	1,253,700	1,960,884	2,019,711	2,080,302	2,142,711	2,206,992	2,273,202	2,341,398	2,411,640	2,483,989	2,558,509
User charges	6,521,474	6,173,006	6,474,667	6,629,309	6,857,148	7,041,719	7,255,787	7,470,852	7,695,912	7,926,086	8,162,411
Grants	4,593,702	4,735,403	4,603,291	4,660,037	4,717,577	4,775,923	4,835,086	4,895,077	4,955,908	5,017,591	5,080,137
Contributions	21,540	21,540	-	-	-	-	-	-	-	-	-
Interest revenue	100,000	750,000	637,608	708,309	673,426	765,235	832,178	928,519	1,019,233	1,120,776	1,241,128
Investment revenue from water corporation	424,000	509,000	509,000	509,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000
Other revenue	114,900	152,480	257,054	364,766	375,709	386,980	398,590	410,547	422,864	435,550	448,616
Payments to employees	(16,153,522)	(16,736,490)	(17,107,536)	(17,877,375)	(18,592,470)	(19,150,244)	(19,724,752)	(20,316,494)	(20,925,989)	(21,553,769)	(22,200,382)
Payments to suppliers	(3,177,436)	(4,526,437)	(4,891,585)	(5,014,781)	(5,194,492)	(5,391,564)	(5,660,954)	(5,808,989)	(6,084,327)	(6,371,184)	(6,638,522)
Payments other	(6,500,207)	(6,854,950)	(6,491,807)	(6,589,152)	(6,853,132)	(7,252,176)	(7,418,817)	(8,103,851)	(8,638,110)	(9,015,822)	(9,410,481)
Net Cash from Operating Activities	3,801,389	5,391,044	6,956,527	7,882,388	8,095,891	8,531,472	9,002,094	9,133,194	9,325,329	9,713,261	10,165,266
Cash Flows from Investment Activities											
Payments for property, plant & equipment	(6,178,000)	(8,467,178)	(5,917,782)	(6,371,936)	(6,137,461)	(7,283,483)	(6,914,194)	(7,206,037)	(7,088,782)	(6,939,331)	(7,178,446)
Proceeds from sale of plant & machinery	-	-	-	-	-	-	-	-	-	-	-
Cash receipts & payments for deposits	-	-	-	-	-	-	-	-	-	-	-
Payments for investments	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686	664,686
Net Cash Used in Investment Activities	(5,513,314)	(7,802,492)	(5,253,096)	(5,707,250)	(5,472,775)	(6,618,797)	(6,249,508)	(6,541,351)	(6,424,096)	(6,274,645)	(6,513,760)
Cash Flows from Financing Activities											
Borrowings	(289,051)	(296,469)	-	-	-	-	-	-	-	-	-
Payment of lease liabilities	-	-	-	-	-	-	-	-	-	-	-
Net Cash from Financing Activities	(289,051)	(296,469)	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in cash held	(2,000,976)	(2,707,917)	1,703,431	2,175,138	2,623,116	1,912,675	2,752,586	2,591,842	2,901,233	3,438,616	3,651,506
Cash and cash equivalents at the beginning of the year	14,077,460	18,070,079	15,362,162	17,065,593	19,240,731	21,863,847	23,776,521	26,529,108	29,120,950	32,022,183	35,460,799
Cash and Cash Equivalents at the End of the Year	12,076,484	15,362,162	17,065,593	19,240,731	21,863,847	23,776,521	26,529,108	29,120,950	32,022,183	35,460,799	39,112,305

Appendix 4: Key Capital Projects

Renewal Projects	Annual Budget 2023/24
Huonville Pool Relining, Huonville	1,000,000
Pelverata Road, Pelverata	500,000
Huonville Town Hall - Green room, Huonville	300,000
The Hub, Huonville	300,000
Wattle Grove Road, Cygnet	250,000
Port Huon Pool Relining (Additional Funding), Port Huon	237,000
Shipwrights Point Jetty Replacement, Shipwrights Point	220,000
Esperance Coast Road, Surveyors Bay	200,000
Pelverata Road (MBA -Bridge No. 70 (1442)), Dillons Creek	180,000
Franklin Football Clubrooms, Franklin	100,000

New Projects	Annual Budget 2023/24
Channel Highway stormwater (Smith St to Thorp St), Cygnet	580,000
Port Huon Sports Centre - pool ventilation, Port Huon	300,000
Wheelie bin - kerbside, various locations	119,000
Scenic Hill stormwater, Huonville	70,000
Port View Drive stormwater, Port Huon	70,000
IT Products (Aerial Imagery), Head Office	70,000
Cygnet Waste Transfer Station leachate management, Cygnet	50,000
Huonville Waste Transfer Station leachate management, Huonville	50,000
Large animal enclosure, Ranelagh	25,000

Capital Programs	Annual Budget 2023/24
Roads Program	2,894,466
Sporting Facilities Program	1,356,000
Capital Buildings Program	980,000
Plant and Fleet Replacement	581,230
Bridge Program	339,800

13. Glossary

ABS: Australian Bureau of Statistics
AGTTM: Austroads Guide to Temporary Traffic Management
CORES: Community Response to Suicide
DSTC: Disaster Smart Tasmanian Communities
EA: Enterprise Agreement
EPA: Environment Protection Authority
FOGO: Food Organics Garden Organics
FTE: Full Time Equivalent
OCI: Organisational Culture Inventory
HVLPS: Huon Valley Local Provisions Schedules
IOT: Internet of Things
IT: Information Technology
ICT: Information and Communication Technology
LAO: Local Area Objectives
LGAT: Local Government Association of Tasmania
LSI: Lifestyles Inventory
LUDS: Land Use Development Strategy
LUPAA: Land Use Planning and Approvals Act 1993
MEMP: Municipal Emergency Management Plan
POS: Point of Sales
PPZ: Particular Purpose Zone
RCCI: Regional Climate Change Initiative
SaaS: Software as a Service
SAP: Special Area Plan
SETN: Southern Employment & Training Network
SPN: Service Provider Network
STRLUS: Southern Tasmanian Regional Land Use Strategy
TPC: Tasmanian Planning Commission
TPS: Tasmanian Planning Scheme
WARR: Waste Avoidance and Resource Recovery Strategy
WTS: Waste Transfer Station