



# ANNUAL REPORT

2019/2020





The Southern Midlands Council was created on the 2nd April 1993 through the merging of the Municipalities of Oatlands, Green Ponds and the Northern wards of the Municipalities of Brighton and Richmond. The municipal area has a predominantly rural based economy.

Towns and localities include Mangalore, Bagdad, Broadmarsh, Elderslie, Dysart, Kempton, Melton Mowbray, Oatlands, Tunbridge, Tunnack, Parattah, Woodsdale, Levendale, Runnymede, Colebrook, Campania, Pontville and Rekuna.

The area of the Southern Midlands is 2,561 sq km's, a high proportion of which is privately owned land (2406 sq.kms), divided into approximately 3,800 rateable properties.

The municipal area is centrally located with both the Midland Highway and the north-south rail route bisecting the municipality.

Council is responsible for 812 kilometres of road made up of 32km of urban sealed roads; 167km of rural sealed roads; 613km of rural unsealed roads and 152 bridges.

Council offices are located in Oatlands and Kempton.



**Front Cover Photo:** Mt Seymour (Courtesy of Denise Smith)

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## Our Vision

*A community spirit based on friendliness, co-operation and self-help;*  
*An environment which encourages local creativity, enterprise and self-help;*  
*A diversified local economy creating employment opportunities through sustainable agriculture, heritage tourism, forestry, and viable historic villages/service centres;*  
*Development based on the sustainable use of local resources and the physical environment;*  
*A range and standard of services within the Southern Midlands that are affordable and efficient.*

## Our Mission

*Work for the benefit of the community;*  
*Be progressive and provide leadership;*  
*Operate as a team of Councillors and Employees focused upon performance;*  
*Be financially responsible.*

## Our Guiding Principles

*Consult and listen to our customers and employees by maintaining open communication;*  
*Treat people with respect and courtesy;*  
*Give advice to the best of our professional ability;*  
*Be sensitive to the needs of residents and visitors;*  
*Respond promptly to customers concerns and requests;*  
*Be fair, equitable and consistent in decisions and conduct;*  
*Fully utilise the expertise and resources available to Council within the organisation and the community;*  
*Develop the full potential of Councillors and all Employees;*  
*Operate in accordance with the "Codes of Conduct" adopted by Council.*

# Introduction

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## *The Year in Review*

I am pleased that the Southern Midlands Council has had a positive year for 2019/20 with many achievements to report. Most importantly, Council has maintained a strong balance sheet which is consistent with our long-term financial management strategy.

Specific undertakings, not necessarily the largest, are listed to demonstrate the breadth of activities across the entire Southern Midlands. They include the following:

- Extending our sealed road network through the construction and seal of unsealed roads: - Huntington Tier Road (300m); Roberts Road (350m); Eldon Road (800m); Banticks Road (1km); and Blackbrush Road (1km) – total of \$407,600.
- Concrete bridges replacing timber or old structures were installed on Hardings Road at Brown Mountain and Woodsdale Road crossing the Nutting Garden Rivulet.
- Tunbridge - renewal of kerb & gutter in the vicinity of the Community Hall for a total of \$35,088; upgrade / extension of the Tunbridge Hall toilets at a total cost of \$84,864. The latter project being party funded by contributions from the Hall Management Committee and grant funding from the Tasmanian Community Fund.
- Upgrades totalling \$66,370 were completed at the Mangalore Equestrian Arena.
- Resurfacing and installation of an irrigation system at the Runnymede Recreation Ground was commenced with an investment of \$40,527 as at end of the financial year.

Progress continued through the year towards finalisation of design work for the Oatlands Aquatic Centre in anticipation of seeking tenders for construction.

From March 2020 a challenge was presented to Council, and our community, with the advent of the Covid-19 pandemic. I wish to acknowledge the efforts by Council staff to adapt to the new operating conditions imposed upon them, and their endeavours to minimise the impact on services to ratepayers and customers. They have continued in their roles, delivering outstanding service. I wish to take this opportunity to sincerely thank all staff for their commitment and dedication.

In addition to the above, there were significant impacts on many of our tourism and hospitality businesses and the community as a whole. In this regard, Council, through its Financial Hardship Policy, will continue to respond and assist where possible.

Acknowledgement and appreciation is extended to my fellow elected members and I commend this Annual Report to ratepayers and residents of the Southern Midlands.

A handwritten signature in black ink, appearing to read 'A. Green'.

Clr Alex Green  
**MAYOR**



# Overview

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## Update from the General Manager

This Annual Report is one of four major documents produced by Council each year to ensure public accountability. They are the:

- Strategic Plan;
- Annual Operational Plan;
- Annual Budget; and
- Annual Report and Financial Statement.

All of these documents are available to the public.

The *Local Government Act 1993* requires Council to provide a summary of the Operational Plan for the year including performance in respect of targets set for the period. The following section of the Annual Report details the key achievements during the 2019/20 reporting period. The format of the Annual Report is consistent with the respective strategic themes contained in Council's Strategic Plan - Infrastructure; Growth; Landscapes; Lifestyle; Community; and Organisation.

This Annual Report provides an informative overview of Councils' operations for the 2019-20 period and highlights the achievements in meeting the objectives and activities identified in the Strategic Plan.

### Financial Performance

In reference to the accompanying Financial Statements, Council has reported an underlying surplus of \$157K for the year ended 30 June 2020 (\$258K deficit for the year ended 30 June 2019). This is consistent with Council's Long-term Financial Plan. The Underlying Surplus is lower than the 'Result from continuing operations' surplus of \$984K. The '**Underlying Surplus/Deficit**' is an adjusted figure that is the recurrent income (excluding income received specifically for new or upgraded assets, physical resources received free of charge, or other income of a capital nature) of Council for a financial year less the recurrent expenses for that financial year. The Underlying Surplus/Deficit figure allows a more accurate comparison of continued operations between years as it is adjusted to exclude anomalies.

In calculating the underlying surplus there are several adjustments made, the major one being the Australian Government's Roads to Recovery Program funding (\$666K in 2019/20), being excluded from income as it is treated as a Capital Grant. This is despite the Roads to Recovery Program now being an ongoing funding source from the federal government.

An unqualified Audit Opinion was received from the Tasmanian Audit Office on the 27<sup>th</sup> September 2020.

**Other highlights for the past year include:**

- Capital expenditure in excess of \$1.6 million on roads and bridges (detail presented within the report);
- Significant capital spending on public buildings, all aimed at maintaining serviceability and to meet the needs of the community;
- the Australian Government confirming the allocation of \$1.93 million committed during the 2018 election and progressing detailed plans associated with the funded projects and commencement of works;
- Completion of work associated with relocation of the Works Depot at Oatlands to Glenelg Street, Oatlands;
- Purchase of the Kempton Depot site from the Tasmanian Government and subsequent external building maintenance.
- Ongoing planning and preparation of tender documentation for the planned Aquatic Centre at Oatlands, noting that the project has experienced delays due to a number of unforeseeable issues; and

The performance and highlights this year also need to recognise the challenges presented by Coronavirus (Covid-19). The uncertainty surrounding the virus and the restrictions put in place to restrict it not only had a significant impact on the community but also Councils' operations. Office closures and the need to introduce measures to limit potential spread of the virus required a great degree of increased management and planning. I would like to thank all employees' and elected members for their assistance in this process.

In closing, I acknowledge the leadership and contributions provided by the Mayor and all elected members, and the achievements and outcomes documented in this report would certainly not have been possible without the full support of all employees.



Tim Kirkwood  
**GENERAL MANAGER**

# Council

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November 2018 to October 2022



**Mayor**  
Alex Green



**Deputy Mayor**  
Edwin Batt



**Councillor**  
Anthony (Tony) Bantick



**Councillor**  
Anthony (Tony) Bisdee OAM



**Councillor**  
Karen Dudgeon



**Councillor**  
Donald Fish



**Councillor**  
Rowena McDougall

# Council Committee Structure

COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p><b>Mayor</b> <b>ALEX GREEN</b></p>	<ul style="list-style-type: none"> <li>◆ Australia Day Awards Committee (Chair)</li> <li>◆ Enterprise Bargaining/Award Consultative Committee (Chair)</li> <li>◆ Campania Halls Management Committee</li> <li>◆ Colebrook Memorial Hall Management Committee (Chair)</li> <li>◆ Woodsdale Hall Management Committee (Proxy)</li> <li>◆ Campania Recreation Ground Management Committee (Chair)</li> <li>◆ Parattah Progress Association (Proxy)</li> <li>◆ Southern Tasmanian Councils Authority</li> <li>◆ Local Government Association General Meetings</li> <li>◆ TasWater Corporation – Owners Representatives &amp; Board Committee (Proxy)</li> <li>◆ Regional Community Learning &amp; Development Centre Levendale</li> </ul>
<p><b>Deputy Mayor</b> <b>EDWIN BATT</b></p>	<ul style="list-style-type: none"> <li>◆ Southern Midlands Facilities &amp; Recreation Committee</li> <li>◆ Southern Midlands Audit Panel</li> <li>◆ Australia Day Awards Committee (Proxy)</li> <li>◆ Enterprise Bargaining/Award Consultative Committee (Proxy)</li> <li>◆ Campania Halls Management Committee (Proxy)</li> <li>◆ Campania Recreation Ground Management Committee (Proxy)</li> <li>◆ Tunnack Recreation Ground Management Committee (Proxy)</li> <li>◆ Arts Advisory Committee (Chair)</li> <li>◆ Southern Midlands Memorial Trees Committee (Chair)</li> <li>◆ Kempton Streetscape Committee</li> <li>◆ Heritage and Bullock Festival Committee</li> <li>◆ Heritage Hub Management Committee (Chair)</li> <li>◆ Melton Mowbray Park Advisory Group (Chair)</li> <li>◆ Southern Tasmanian Councils Authority (Proxy)</li> <li>◆ Local Government Association General Meetings (Proxy)</li> </ul>

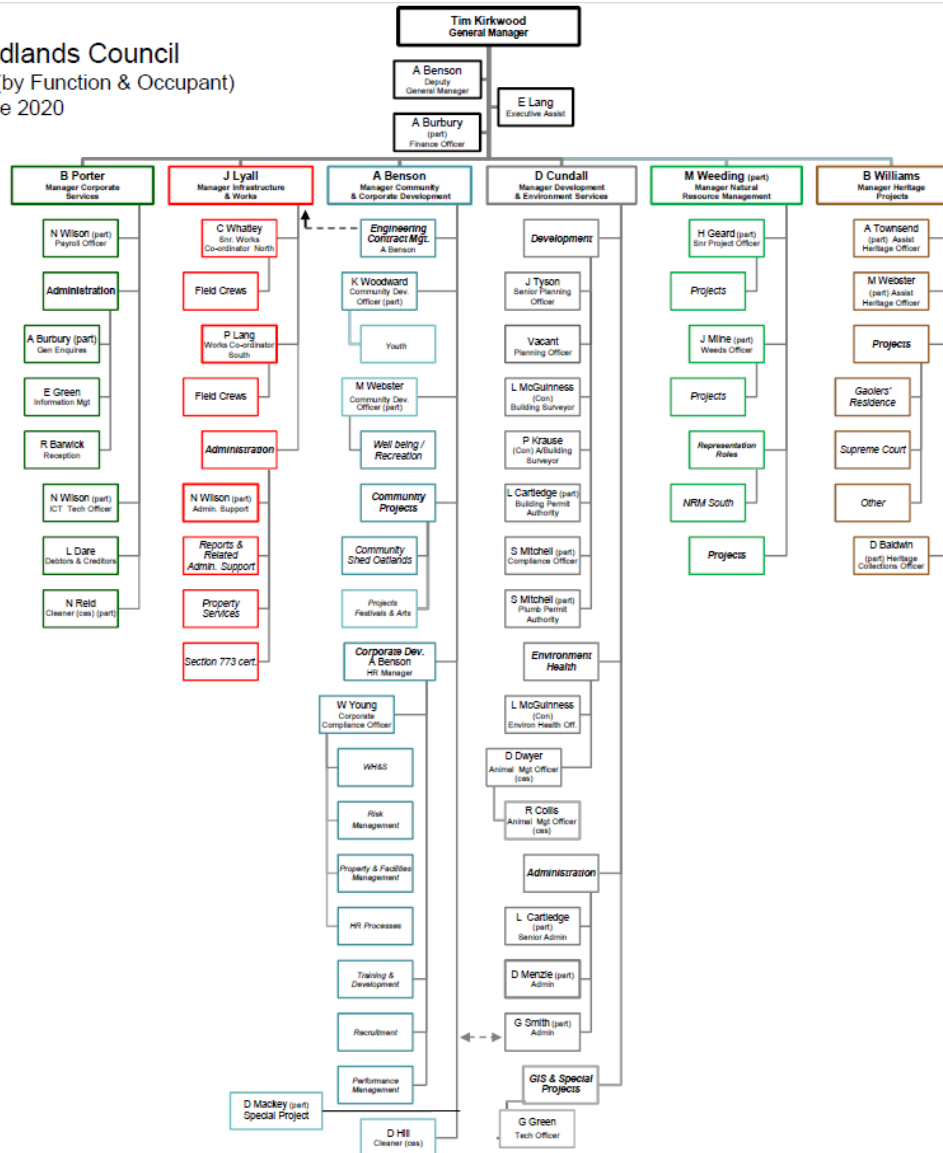
COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p><b>Councillor</b> <b>ANTHONY BANTICK</b></p>	<ul style="list-style-type: none"> <li>◆ Southern Midlands Emergency Management Planning Committee (Chair)</li> <li>◆ Southern Midlands Facilities &amp; Recreation Committee</li> <li>◆ Chauncy Vale Management Committee</li> <li>◆ Mangalore Recreation Ground Management Committee (Chair)</li> </ul>
<p><b>Councillor</b> <b>TONY BISDEE OAM</b></p>	<ul style="list-style-type: none"> <li>◆ MMPHC Community Advisory Committee</li> <li>◆ TasWater Corporation – Owners Representatives &amp; Board Committee</li> <li>◆ Southern Midlands Audit Panel (Proxy)</li> <li>◆ Mangalore Recreation Ground Management Committee (Proxy)</li> <li>◆ Southern Midlands Memorial Trees Committee (Proxy)</li> <li>◆ Kempton Streetscape Committee (Proxy)</li> <li>◆ Melton Mowbray Park Advisory Group (Proxy)</li> </ul>
<p><b>Councillor</b> <b>KAREN DUDGEON</b></p>	<ul style="list-style-type: none"> <li>◆ Woodsdale Hall Mangement Committee</li> <li>◆ Mt Pleasant Recreation Ground Management Committee</li> <li>◆ Southern Midlands Facilities &amp; Recreation Committee (Proxy)</li> <li>◆ Lake Dulverton &amp; Callington Park Management Committee (Proxy)</li> <li>◆ Oatlands Community Shed Committee (Proxy)</li> <li>◆ MMPHC Community Advisory Committee (Proxy)</li> <li>◆ Oatlands Structure Plan Committee</li> </ul>
<p><b>Councillor</b> <b>DONALD FISH</b></p>	<ul style="list-style-type: none"> <li>◆ Southern Midlands Facilities &amp; Recreation Management Committee (Chair)</li> <li>◆ Lake Dulverton / Callington Park Management Committee (Chair)</li> <li>◆ Parattah Progress Association (Chair)</li> <li>◆ Oatlands Community Shed Committee(Chair)</li> <li>◆ Southern Midlands Emergency Management Planning Committee (Proxy)</li> <li>◆ Colebrook Hall Management Committee (Proxy)</li> <li>◆ Oatlands Community Hall Management Committee</li> <li>◆ Parattah Railway Restoration Management Committee (Proxy)</li> <li>◆ Mt Pleasant Recreation Ground Management Committee (Proxy)</li> <li>◆ Heritage &amp; Bullock Festival Committee (Proxy)</li> <li>◆ Oatlands Parking Advisory Group (Proxy)</li> </ul>



COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p><b>Councillor ROWENA McDOUGALL</b></p>	<ul style="list-style-type: none"> <li>◆ Southern Midlands Audit Panel</li> <li>◆ Parattah Railway Restoration Management Committee</li> <li>◆ Tunnack Recreation Ground Management Committee</li> <li>◆ Oatlands Parking Advisory Group</li> <li>◆ Chauncy Vale Management Committee (Proxy)</li> <li>◆ Oatlands Community Hall Management Committee (Proxy)</li> <li>◆ Arts Advisory Committee (Proxy)</li> <li>◆ Heritage Hub Management Committee (Proxy)</li> <li>◆ Regional Community Learning &amp; Development Centre Levensdale (Proxy)</li> <li>◆ Oatlands Structure Plan Committee</li> </ul>

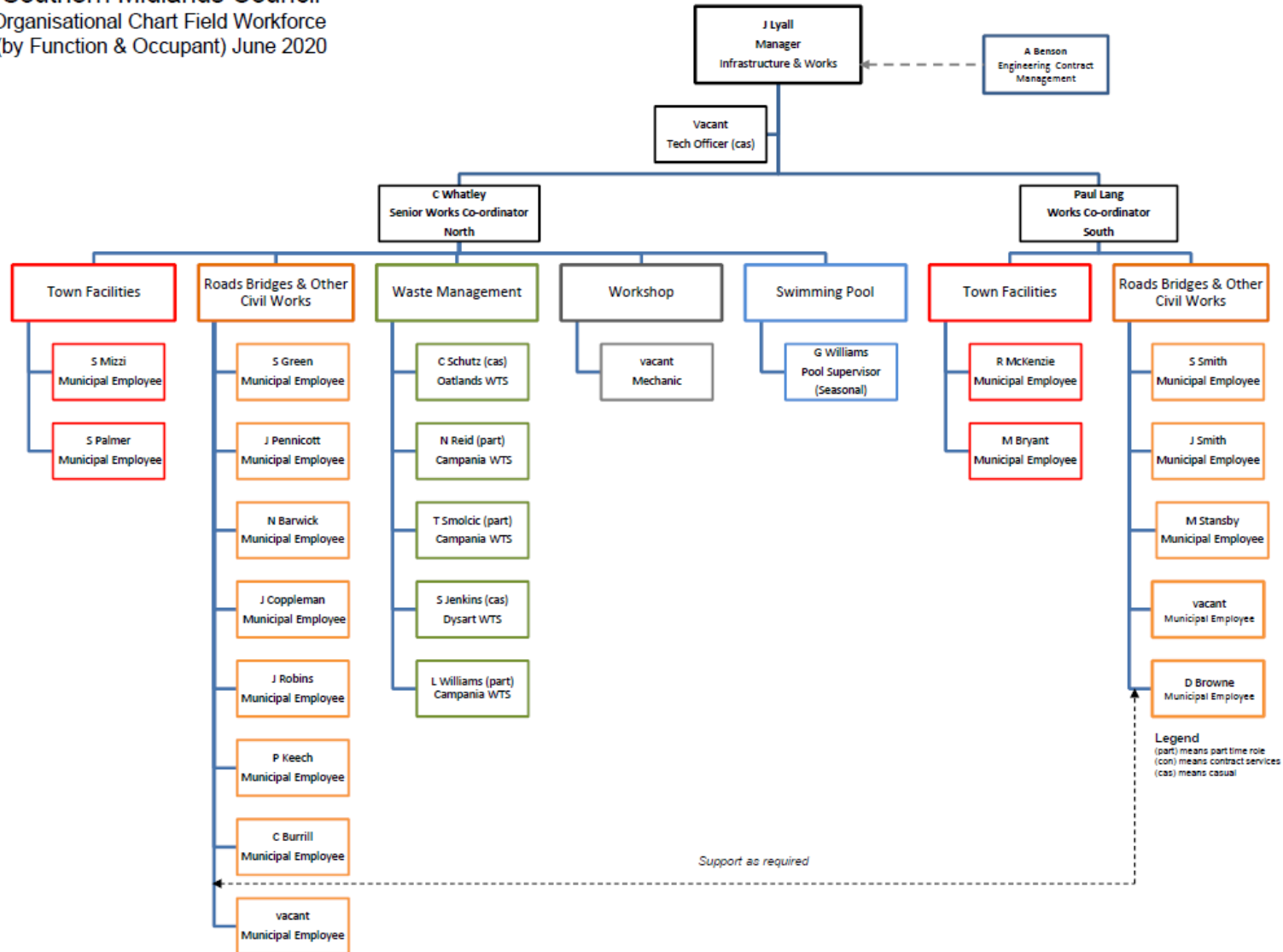
# Organisational Charts

Southern Midlands Council  
Organisational Chart (by Function & Occupant)  
June 2020

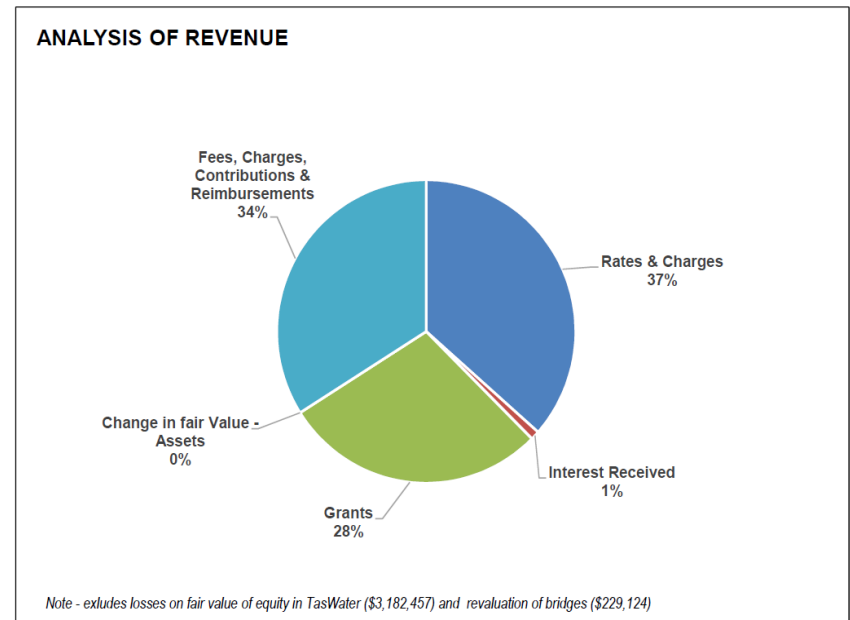
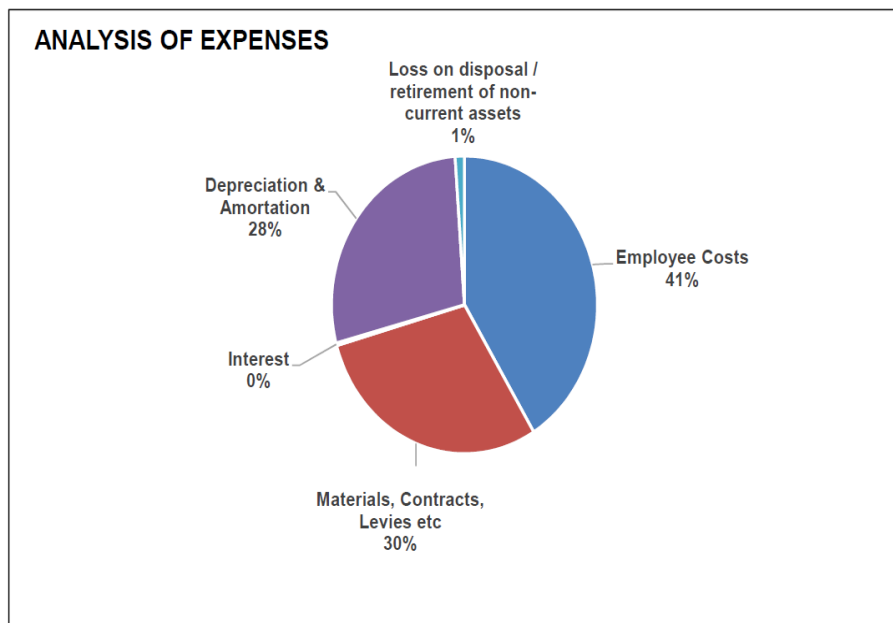
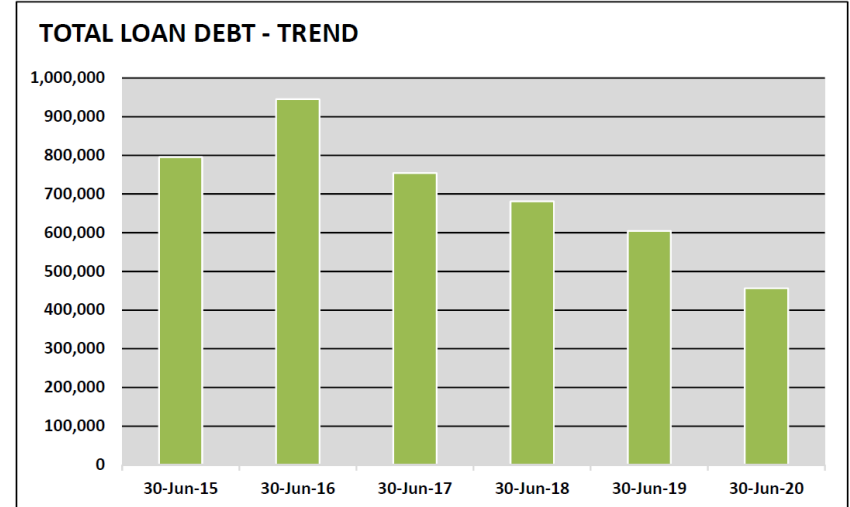
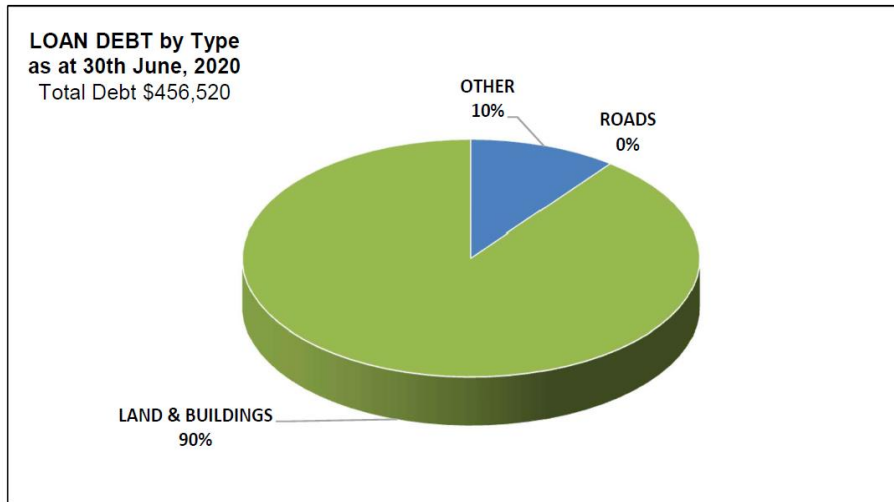


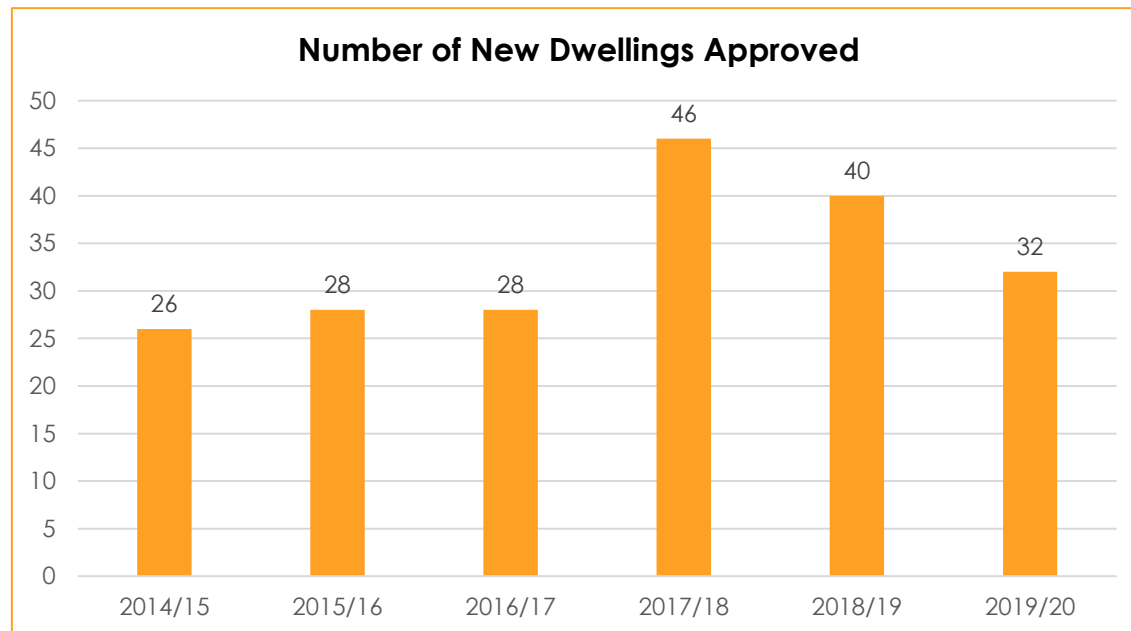
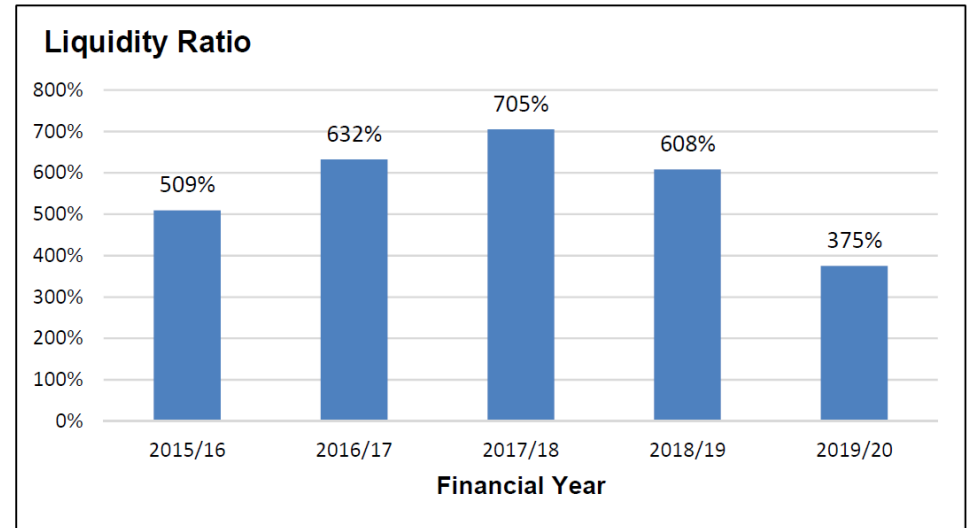
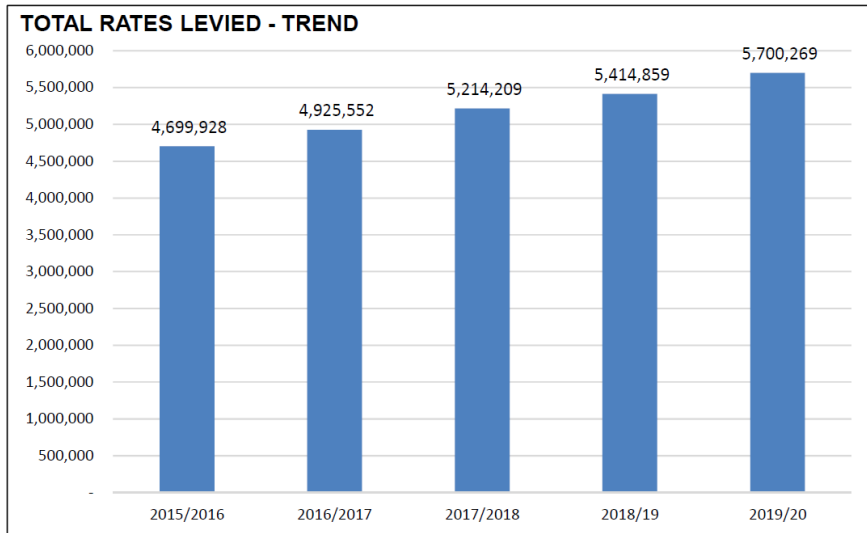
Legend  
(part) means part time role  
(con) means contract services  
(cas) means casual

Southern Midlands Council  
 Organisational Chart Field Workforce  
 (by Function & Occupant) June 2020



# Statistics 20 | 9/20

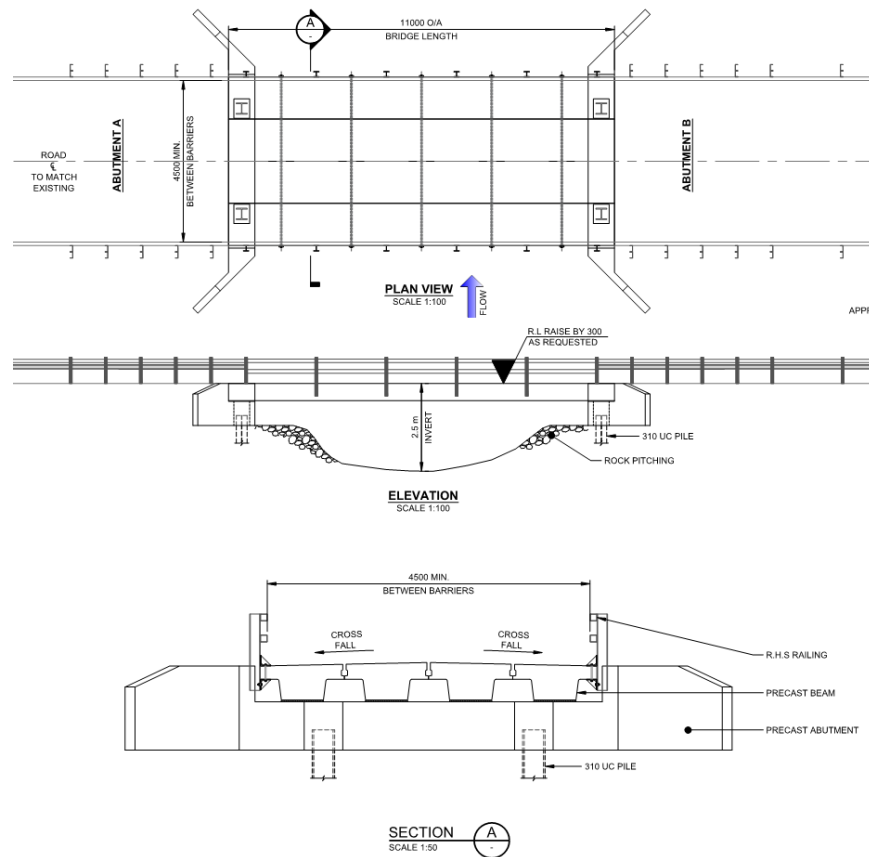






# INFRASTRUCTURE

The need to maintain, improve and maximise the community benefit from infrastructure provided by Council



WOODSDALE ROAD  
NUTTING GARDEN RIVULET  
BRIDGE No.3968

# Roads

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MAINTENANCE AND IMPROVEMENT OF THE STANDARD AND SAFETY OF ROADS IN THE MUNICIPAL AREA

## 2019-20 Achievements

The total road length for the municipal area is 812 kilometres, which are classified as the following:

- 32 kilometres – Urban Sealed
- 167 kilometres – Rural Sealed
- 613 kilometres – Rural Unsealed

Road projects, totaling \$1.135 million were capitalised at the end of the 2019/20 financial year. These included:

- \$194k on re-sheeting unsealed roads;
- \$207k on reconstruction and resealing roads – Clifton Vale Road, Swan Street, Hall Lane, Cartledge Lane, Alexander Circle, Green Valley Road, Shene Road and Woodsdale Road;
- \$572k on new seal - Huntingdon Tier Road, Roberts Road, Eldon Road, Banticks Road and Blackbrush Road;
- \$162k on other road safety improvements, including corner widening, kerb and gutter, carparks and installation of safety railing.

This level of capital expenditure has been possible due to the ongoing funding received through the 'Roads to Recovery' Program by the Australian Government. The objective of Roads to Recovery is to contribute to the Infrastructure Investment Program through supporting maintenance of the nation's local road infrastructure asset, which facilitates greater access for Australians and improved safety, economic and social outcomes. The Roads to Recovery program does not contain a sunset clause under the new *National Land Transport Act 2014* meaning no new legislation will be required for the continuation of the program.

From 2019-20 to 2023-24, the Southern Midlands Council will receive a total of \$3,327,655, of which \$665,531 was received in 2019-20.

# Roads

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## **Road Traffic Counter**

The Road Traffic Counter was placed on a number of roads during the reporting period. Use of the counter is aimed at gaining a better understanding of the road network; the level of use (i.e. traffic numbers), and the type of vehicles travelling individual roads. This information is valuable in the budgeting process, where there is always a need to prioritise capital expenditure projects.

Finalisation of the road condition assessment and associated revaluation of road assets was deferred in 2019/20 due to a number of circumstances.

## **Road Reconstruction (including reseal works) Tenders**

Awarded to Andrew Walter Constructions for an amount of \$233,769.60 (GST excl.)

Major roads to be reconstructed and resealed included Blackbrush Road; Eldon Road and Green Valley Road.

## **Road Reseal Tenders**

Awarded to Roadways Pty Ltd for an amount of \$234,411 (GST excl.)

Major roads for reseal included:- Cartledge Lane, Hall Lane, Roberts Road, Huntington Tier Road and Swan Street, Bagdad; Cliftonvale Road, Dysart; Banticks Road, Mangalore; Alexander Circle, Campania.

# Bridges

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MAINTENANCE AND IMPROVEMENT OF THE STANDARD AND SAFETY OF BRIDGES IN THE MUNICIPAL AREA

## 2019-20 Achievements

There are 157 bridges and major culverts within the municipal area, with a total deck area of 7,822 m<sup>2</sup>. \$37,579 (excluding depreciation) was expended on the maintenance of bridges within the municipal area. Maintenance expenses continue to decline due to Council's pro-active renewal and replacement program.

Bridge renewal / replacements projects, totalling \$300k were capitalised at the end of the 2019/20 financial year. This included:

- \$87,883 – Hardings Road Bridge; and
- \$212,384 – Woodsdale Road Bridge (Nutting Garden Creek).

The written down value of Council's bridges as at 30 June 2020 was \$18.489 million (total replacement value of \$28,256,016).

Council continues to engage AusSpan (Total Bridge Management) to undertake a full condition assessment of all Bridges on a quarterly basis. This is a valuable contracted service that ensures Council is up to date with maintenance on all of their bridge assets. AusSpan also provides an independent asset valuation of all bridges for inclusion in the financial statements.

# Walkways, Cycleways & Trails

MAINTENANCE AND IMPROVEMENT OF THE STANDARD AND SAFETY OF WALKWAYS, CYCLEWAYS AND PEDESTRIAN AREAS TO PROVIDE CONSISTENT ACCESSIBILITY

## 2019-20 Achievements

Ongoing maintenance of all walkways, cycle ways and pedestrian areas occurred during the reporting period.

\$214,000 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area.

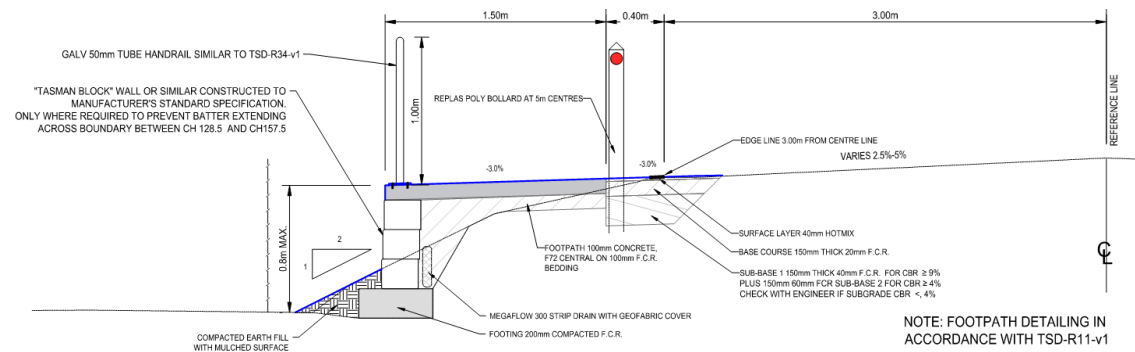
Walkway renewal / replacements projects, totalling \$138k were capitalised at the end of the 2019/20 financial year.

A section of footpath on High Street, Oatlands, was upgraded and a Bus Shelter installed, and a section of the footpath on Church Street was upgraded in the vicinity of the Midlands Multi-Purpose Health Centre.

A further section of the footpath in Main Street, Kempton was reconstructed as part of an ongoing program of upgrading footpaths in the village.

The Main Street, Tunbridge, Kerb and Gutter were upgraded in the vicinity of the Hall.

Work commenced on the East Bagdad Road footpath and on the Broadmarsh Streetscape Project.



TYPICAL SECTION CH129 - CH148

CONSTRUCTION ISSUE

T&S  
THIS DRAWING IS PROTECTED BY COPYRIGHT AND SHALL NOT BE USED FOR ANY



# Lighting

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ENSURE ADEQUATE LIGHTING BASED ON DEMONSTRATED NEED AND CONTESTABILITY OF ENERGY SUPPLY

## 2019-20 Achievements

Additional street lighting has been approved / provided in accordance with Council's Street-lighting Policy.

An amount of \$89,002 was paid to Aurora Energy in 2019/20 for street lighting. Council continues to receive the benefits associated with entering into a combined contract between Councils and Aurora Energy, facilitated and coordinated by the Local Government Association of Tasmania.

Council received a \$250k Federal Government Grant to continue with the next stage of the Oatlands underground power project, between High Street and Barrack Street on the Northern end of Esplanade. This is in support of the gentrification of the street character in the Historic Precinct of Oatlands. \$40k of that project was carried out in 2019/20.



# Buildings

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MAINTENANCE AND IMPROVEMENT OF THE STANDARD AND SAFETY OF PUBLIC BUILDINGS IN THE MUNICIPAL AREA

## 2019-20 Achievements

Council has ownership and is responsible for maintaining a large stock of public buildings. There are a variety of uses such as: Council offices; community hall and recreation facilities; heritage buildings; buildings within parks and reserves; housing; and public toilets.

The total replacement value of these buildings is assessed at \$24.5 million, with a current written down value of \$13.9 million.

Whilst a total of \$1.08 million was expended in Capital Projects in 2019/20, some of these projects were recorded as Works in Progress as at 30<sup>th</sup> June 2020. They included:

- Kempton Community Health Centre;
- Oatlands Destination Playground;
- Runnymede Recreation Ground Resurfacing and Watering System;
- Mount Pleasant Recreation Ground Toilet Upgrade; and
- Oatlands Aquatic Centre.

Council purchased the Kempton Works Depot site (8 Station Street) for \$153k from the Tasmanian Government and are now able to upgrade the facilities. External painting of the building was carried out in 2019/20.

With the development of the proposed Oatlands Aquatic Centre on the Oatlands Depot site at Church Street, this required relocation of the Oatlands Council Depot to the Glenelg Street site. That move was completed in 2019/20.

# Sewers / Water

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INCREASE THE CAPACITY TO ACCESS TO RETICULATED SEWERAGE SERVICES

INCREASE THE CAPACITY AND ABILITY TO ACCESS WATER TO SATISFY DEVELOPMENT AND COMMUNITY TO HAVE ACCESS TO RETICULATED WATER OF PUBLIC BUILDINGS IN THE MUNICIPAL AREA

## 2019-20 Achievements

At 30 June 2020, Council held a 0.72% ownership interest in TasWater, based on schedule 2 of the Corporation's constitution, which reflects Council's voting rights. The total value of Council's investment decreased by \$3.182 million to \$10.390 million following a write-down in the value of TasWater's water and sewerage infrastructure assets by \$442,375,466 as at 30 June 2020.

\$76,000 was received from TasWater via dividends and tax equivalent payments.

In September 2018, Council endorsed a number of resolutions which were submitted to a Special General Meeting of TasWater. The intent of these of these resolutions were to implement changes, and formally introduce prior negotiated agreements associated with the State Government's injection of \$200 million in equity over 10 years. The State Government will receive a total 10% equity over the ten-year period, but will not receive dividends during that period. The resolutions related to the adoption of a new Constitution; pricing; adoption of a new 'Shareholders' Letter of Expectations'; and Share subscriptions agreement.

Whilst Council's distribution entitlement of \$152K per annum was secured though to the end of the 2025/26 financial year under this new arrangement, due to the financial effects of Covid-19 on TasWater, there was only one dividend distribution in 2019/20 resulting in Council receiving half of our distribution entitlement.

# Drainage

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## MAINTENANCE AND IMPROVEMENT OF THE TOWN STORM-WATER DRAINAGE SYSTEMS

### 2019-20 Achievements

This program relates to the provision of piped stormwater drainage assets within the various towns and villages. It does not include roadside drainage systems on rural roads.

#### **Best Practice Design**

Council continues to appraise, implement and monitor 'Water Sensitive Urban Design' (WSUD) through the Development Application and Engineering process. This provides more opportunity for rain water to soak into the local water table. WSUD is typically implemented through subdivision design which complements the village character of the Southern Midlands townships.

#### **Oatlands Structure Plan**

Components of the Oatlands Structure Plan project which was commenced in the reporting period has included analysis of the Oatlands stormwater systems and will include recommended upgrades to improve capacity and encourage further development.

#### **Capital Works**

Capital projects totalling \$115k were capitalised at the end of the 2019/20 financial year. These included:

- Reeve Street, Campania – Hall Street to Recreation Ground
- Erskine Street, Kempton
- Queen Anne Street, Oatlands
- Barrack Street / Esplanade, Oatlands

# Waste

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MAINTENANCE AND IMPROVEMENT OF THE PROVISION OF WASTE MANAGEMENT SERVICES TO THE COMMUNITY

## 2019-20 Achievements

### **Maintenance and Improvement of the provision of Waste Management Services to the community**

Key recommendations of the *Southern Midlands Waste Management Strategy* (August 2016) were implemented in the 2019-2020 year. The strategy proves to be a useful guidance tool for delivering a reduction in waste to landfill and general operational improvements:

- Continued collection of recyclable materials such as glass, plastics, metal and cardboard to be transported to material recovery facilities.
- Continued engagement with the Southern Waste Strategy, Local Government Association Tasmania and with neighbouring Council's to look at opportunities for further re-use/recycling and other cost saving measure or other cooperative endeavors.
- Through the roadside collection service and the Waste Transfer station residents have excelled in increasing the amount of comingled recyclables to materials recovery centres. Comingled recycling has increased 42% (or 107 tonnes per annum) since 2016. This includes a 55% increase in the roadside collection service for comingled recycling.

### **Strategic Planning**

Council continued to actively participate in the regional planning groups such as the Waste Strategy South, the LGAT Southern Tasmanian Waste Management Group and the Tasmanian Government Waste Action Plan.

Council provided a detailed submission on the *Waste Action Plan 2019* at the September 2019 meeting. Council brought attention to the vulnerabilities to market changes experienced by small rural communities and the interest in seeing waste generated from farming to be re-used or recycled.

Council Officers commenced a review of Council's *Waste Management Strategy 2016* during the 2019-2020 year.

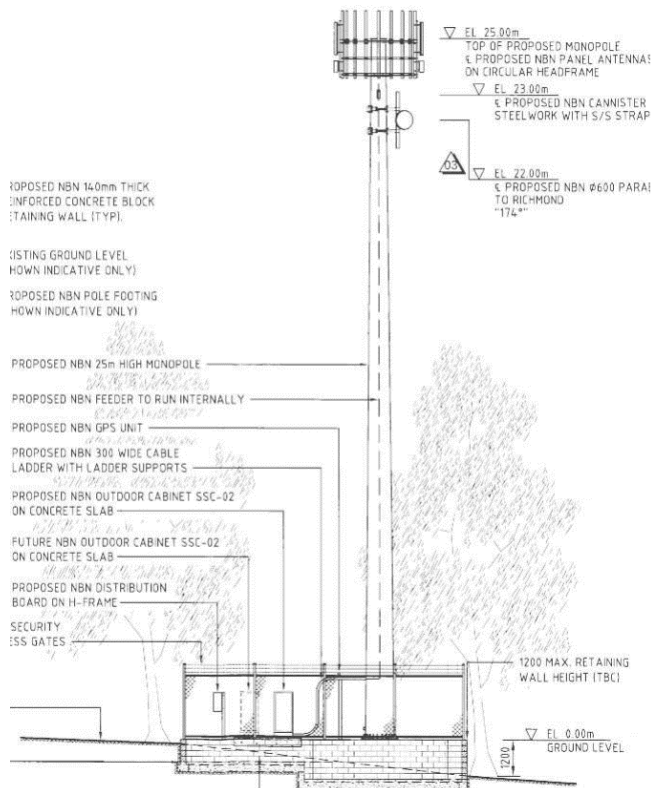


# Information, Communication Technology

IMPROVE ACCESS TO MODERN COMMUNICATIONS INFRASTRUCTURE

## 2019-20 Achievements

Council continues to engage with the respective ICT providers with the aim of enhancing services within the municipality, this includes providing advice in relation to mobile “blackspots” for investigation and possible remedial action.



Senator Claire Chandler at the Broadmarsh Hall during a joint Council presentation to the local Community on Mobile Blackspot Funding.

# GROWTH

The need to increase the population in the municipality to a long term sustainable level and to grow the level of agricultural, commercial and industrial activity, balanced with environmental, heritage and cultural values along with the provision of appropriate services



*From Concept to Reality*

# Residential

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INCREASE THE RESIDENT, RATE PAYING POPULATION IN THE MUNICIPALITY

## 2019-20 Achievements

Council continues to ensure a sufficient supply of residential land in the Southern Midlands for the next 10-15 years and beyond. This is achieved through monitoring the progress of past strategic plans and reviewing the current residential zoning through the Planning Scheme reform (and preparation of the LPS).

The southern areas of the municipality continue to have the highest levels of residential growth. 32 new dwellings were approved in the 2019/2020 year.

Stages of the "Coal River Estate" in Campania continue to be released with high demand for residential land in this area.

Council Officers work closely with subdivision developers and build strong working relationships. This ensures quality planning and urban design outcomes will be achieved. This is an attitude fostered by Council and Management.

Planning and Building approvals are always issued within the statutory timeframes and Council Officers provide advice and guidance to applicants where needed. The average time for assessment of a Discretionary Development Application is 36 days (from 42 days) and the average time for a Permitted Development Application is 13 days (from 28 days).

# Tourism

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INCREASE THE NUMBER OF TOURISTS VISITING AND SPENDING MONEY IN THE MUNICIPALITY

## 2019-20 Achievements

According to the Tourism Tasmania Statistics (Tasmanian Visitor Survey) for the year ending March 2020.

- 1.31 million Visitors to Tasmania:
- 1.31 million Visitors to Tasmania spent a total of \$2.52 billion on accommodation, attractions, tours, transport and other goods.
- 32,548 visitors stopped & looked around Oatlands but did not stay overnight.
- 8,379 visitors stayed overnight in Oatlands.
- 29,199 visitors travelled through Oatlands on their trip.

The top visitor activities for Tasmania- total visitors for July 2019 – June 2020.

- 165,125 people - Visited Historic Houses
- 527,553 people - Visited Historic sites/attractions
- 402,224 people - Visited museums
- 337,756 people - Visited galleries
- 253,316 people - Visited craft shops
- 340,735 people - Bought Tasmanian made art/craft



### Heritage Highway Tourism Region

Council continues to support the Heritage Highway Tourism Region Association and provided a contribution of \$12,000 in 2019/20. The Association has two main purposes:

- To facilitate sustainable and profitable business opportunities through the provision of a series of distinct visitor experiences, by engaging all communities in the development of their individual and complementary identities; and
- To maximise business for the region's tourism industry, to build demand for core services, to development, to develop new marketing segments and to raise demand for tourism and other businesses in the region.



# Tourism

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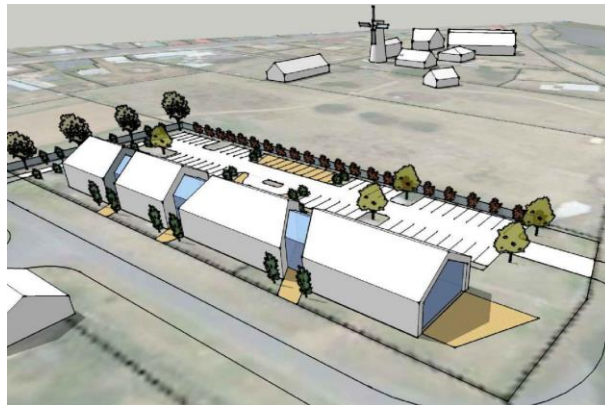
## Destination Southern Tasmania

Council continues to be a financial member of Destination Southern Tasmania (DST). Council Officers and Elected members have worked on the Heritage Highway Destination Action Plans (DAP) for the Region, with Council to consider specific initiatives going forward.

## Proposed large scale tourism accommodation facility in Oatlands

The proposed large scale tourism accommodation facility in Oatlands, which was identified in the Midlands Economic Development and Land use Strategy project as being a key missing element in the area's tourism infrastructure, is an ongoing project for Council with the aim of attracting private investment in such a facility. It is felt that the anticipated whiskey distillery will be a significant 'lever' for the advertising of the expression of interest.

At the present time Council continues to negotiate with Tasmania Police with the aim of securing an arrangement over its property located in Barrack Street (as this borders the preferred development site). Confirmation of this arrangement will enable the Expression of Interest process to be progressed.



*Proof of concept sketch plans for the development of the Barrack Street site.*



# Business

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INCREASE THE NUMBER AND DIVERSITY OF BUSINESS IN THE SOUTHERN MIDLANDS; INCREASE EMPLOYMENT WITHIN THE MUNICIPALITY;  
INCREASE COUNCIL REVENUE TO FACILITATE BUSINESS AND DEVELOPMENT ACTIVITIES (SOCIAL ENTERPRISE)

## 2019-20 Achievements

### **Oatlands Structure Plan**

At the March 2019 meeting Council endorsed a business case for the preparation of a Structure Plan for Oatlands. Funding was provided in the 2019/2020 budget.

The project was identified by Council Officers in considering the many developments that were either underway, in planning or identified in existing strategy. This was considered together with interest from the community for Council to address parking, open space and traffic management issues in the township. Project Planning commenced in the 2018/2019 year with a consultant likely to be secured by December 2019.

A Structure Plan is a document consisting of text and maps which identifies how land is intended to be developed or is being developed and provides a broad framework to guide Council when it considers development proposals, capital works and furthering community engagement programs.

A structure plan provides a framework for the coordinated provision and arrangement of future land use, subdivision and development in new urban areas. They are intended to coordinate the provision of transport networks, public open space, utility and service networks, water management and development standards across an area comprised of multiple properties and ownership.

Key benefits of structure plans include:

- Infrastructure coordination — identification of infrastructure priorities that are determined based on strategic directions;
- Resolution of potential land use conflicts;
- Land supply monitoring — identification of likely future demand for land and prospective yields;
- Efficiency — by resolving broader planning issues ahead of detailed planning for subdivision and development, structure plans allow for a more efficient subdivision and development approvals;
- Guidance — structure plans assist landowners and planning authorities to identify the specific issues and actions required to progress future developments;
- Implementation of regional and sub-regional planning policy at a local level.

# Business

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The objectives of the Oatlands Structure Plan are to:

- Encourage greater visitor numbers to stop and stay for longer in Oatlands
- Encourage greater retention of population and encourage new residents and new businesses and community services.
- Support local business and service providers through improved town amenity, greater visitor numbers, and through residential and business growth
- To involve the community in future use/development and accessibility to Callington Park
- To maximise the use of space and linkages between key development areas
- To ensure any plan is aligned with current State, Regional and Local Strategy
- To attract further investment and funding for infrastructure
- To leverage off planned development and the current values of the town.
- Implement healthy urban design and modern open spaces; and
- Continue to grow a healthy active community.
- To guide the Council (and other infrastructure providers) in delivering services and ensuring development is sustainable for the long term.

It is expected that the Structure Plan will:

- Provide a current snapshot of Oatlands. This would include population data, business data, trends and strategic direction (from the Strategic Plan, Planning Scheme, Southern Tasmanian Regional Land Use Strategy, Midlands Economic Development and Land Use Strategy etc)
- Create a vision for Oatlands and objectives of the Plan
- Identify and capture community values and needs through working with the community through consultation
- Capture the drivers for change
- Provide solutions for problems; such as
- Traffic Management and flows; and
- Address parking demands with parking plans
- Address linkage issues between the High Street and the back streets; and
- Address linkage issues between the High Street and the Lake Dulverton foreshore and the Callington Park
- Ensure there is sufficient land for inner residential, different types of business and industry, and community facilities and organisations (not just based on previous assumptions).

# Business

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## **High Street Traders Group**

Council has participated in the facilitation the development of a High Street Traders Group based at the Heritage Hub in Oatlands. The group meets on a monthly basis. They have been active participants in consulting with Council on local issues such as Parking & Lake Dulverton. This group has since started the monthly Oatlands Mini Farmers Market. Council support them to actively work co-operatively together & assisted with facilitating two free Small Business workshops through the Department of State Growth.

## **Centre for Heritage**

On-going operation of the Southern Midlands Council owned entities associated with the Centre for Heritage at Oatlands:

- a) Heritage Building Solutions Pty Ltd - a proprietary company which operates the 'Services Arm'; and
- b) Heritage Education and Skills Centre Ltd - a company limited by guaranteed to operate the 'Education Arm'.

Achievements of those entities for the year include:

- Commercial conservation, restoration and advisory roles on several significant Tasmanian heritage sites, including World Heritage places.
- Continuation of an apprenticeship scheme.
- A focus on utilising local labour and materials where possible.
- Facilitation of partnerships with complimentary organisations.



# Industry

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RETAIN AND ENHANCE THE DEVELOPMENT OF THE RURAL SECTOR AS A KEY ECONOMIC DRIVER IN THE SOUTHERN MIDLANDS; INCREASE ACCESS TO IRRIGATION WATER WITHIN THE MUNICIPALITY

## 2019-20 Achievements

As part of Council's commitment to supporting sustainable land management practices in the agricultural industry, the Weeds Officer from the NRM Unit has been encouraging landholders to manage / plan to eradicate high priority weeds from landholdings. There has been an emphasis on agriculture, given the proportion of the Municipality that relies on rural land production as an industry. Cotton, saffron and nodding thistles, Chilean Needle Grass and one area of Serrated Tussock and Boneseed are the targeted priorities in the agricultural and urban landscape.

Discussions were held with Tasmanian Irrigation with the aim of highlighting the need and urgency of progressing both the South East Irrigation Scheme options and the broader Southern Midlands Scheme.

Council continues to support the Midlands Water Scheme operations within the Municipality. The Council's NRM officer sits on the Midlands Water Scheme Irrigator Representative Committee as a representative for our rural landholders in a number of regions.

Council continues to assist in promotion of field days related to agriculture and /or irrigation, particularly events that focus on the latest technology and sustainable land management practices.

# LANDSCAPES

*The need to maintain, improve and maximise the benefits of the existing heritage, natural and cultural landscapes of the Southern Midlands*



*Chauncy Vale, Bagdad*

# Natural

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IDENTIFY AND PROTECT AREAS THAT ARE OF HIGH CONSERVATION VALUE; ENCOURAGE THE ADOPTION OF "BEST PRACTICE" LAND CARE TECHNIQUES

## 2019-20 Achievements

The NRM Unit continues to provide best practice landcare information and assistance with weeds matters. Advice on native tree species suitable for varying locations continues to be sought by ratepayers. The Midlands Tree Committee purchased 700 trees, which were made available to landholders that had expressed an interest in undertaking some native tree establishment works.

### **Weeds**

Council's Weeds Officer continues to be proactive in promoting and assisting with the management of weeds on council road verges, quarries and public reserves and some waterways. The Weeds Officer works in conjunction with the Works & Services Department. Priorities for treatment continue to be gorse, broome, blackberry, Paterson's Curse and Chilean Needle Grass. There are also very small amounts of Spanish heath, pampas grass, serrated tussock and boneseed that are targeted. The Council data base and associated mapping of weed locations and treatments is continually updated to support a co-ordinated approach to weed management. The Weeds Officer has been available to assist many landholders with weed identification and provide information on weed control techniques. This included a workshop and meetings with interested farmers in the Broadmarsh and Woodbury area.

Cumbungi in Lake Dulverton continues to be monitored and any plant sighted is dealt with. The 17/18 year proved to be challenging in dealing with this weed in the Lake. In the 18/19 year there was only one population of around 40 plants detected and in the 19/20 year only 20 plants were found.

State Government weeds funding was secured for cotton and saffron thistle works at Woodbury. This was for a pilot project to address infestations in hard to access areas, using a helicopter for the control works. State Government funding was also secured for the Chilean Needle grass in the Coal Valley.

A State Government funded 'Action Fund Drought and Weed Management' program was sought. The project funds will support landowners in the Southern Midlands who are experiencing difficulties managing weeds which are likely to increase and spread as result of drought. Funding is for works commencing July 2020.

# Natural

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## **Lake Dulverton**

The *Lake Dulverton Management Strategy 2002*, and the *Lake Dulverton Action Plan 2017* continue to provide guidance for work around the lake. Works planned for the area known as the 'pine tree' area near Mahers Point were on hold due to requirement of some further permits. As at June 2020 the final permit was still to be issued. Works to tidy the site will now be undertaken early in the 20/21 financial year.

The water levels in the Recreation Zone of the Lake continue to be monitored, as per the *Operational Plan - Water Allocation Lake Dulverton Oatlands*. The Midlands Water Scheme winter water take to November 2019 saw Council place 215.0 ML of water into the lake. Analysis of the water level from July 2016 to November 2019 indicated that the water level in Lake Dulverton is trending lower each year on a year by year comparison. An extensive report went to Council in November 2019. Council expressed a commitment to look at options to ensure that water remains in the Lake.

Funding from the Australian Government of \$235,000 has been made available for pathway works on the Lake foreshore. Extensive and detailed permits and planning permissions were secured/authorised and the Grant Deed finalized. On site works are will be done in the 20/21 FY.

## **Campania Bush Reserve**

Funding from the Australian Government of \$100,000 has been made available for upgrading the pathway at the Campania Bush Reserve. Planning and the Grant Deed were finalised. On site works are will be done in the 20/21 FY.

# Natural

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## Chauncy Vale Wildlife Sanctuary

The financial year 2019/20 was a period of continued infrastructure upgrades, and environmental management at Chauncy Vale. This work included:



CHAUNCY VALE

### *Environmental*

- Rivulet rehabilitation work, primarily at Day Dawn Creek. This grant funded project was commenced in June 2020 and involves extensive revegetation and erosion control work.
- Thistle control work was continued, the aim of which is to reduce the size of current infestations and minimize the likelihood of further spread.
- Environmental patch burning was undertaken at Jack's Flat in June 2020. This pilot environmental burn was undertaken primarily to reduce fuel loads and to stimulate bush regeneration.
- Wildlife monitoring was commenced with the installation of a trail camera.
- Chauncy Vale joined the Wildlife Land Trust network.

### *Infrastructure Upgrades*

- Picnic shelter upgrade – the picnic shelter was clad with green hardwood vertical boards to both improve the appearance of the building and to provide more shelter from the wind.
- The pedestrian bridges project was implemented with a contribution of grant funds from the Australian Government. Up until June 2020 the following components of the project were complete: bridge design and fabrication, pouring of the footings, and site works necessary for bridge installation.
- Disabled access to the meeting room was completed.
- The 'Burnt Gate' was replaced.
- Walking track re-route completed between the proposed top bridge site and Jack's Flat.
- New signs made and installed at some of the features in the reserve, e.g. Eve's Bath and Guvy's Lagoon.

# Heritage

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MAINTENANCE AND RESTORATION OF SIGNIFICANT PUBLIC HERITAGE ASSETS; ACT AS AN ADVOCATE FOR HERITAGE AND PROVIDE SUPPORT TO HERITAGE PROPERTY OWNERS; INVESTIGATE DOCUMENT, UNDERSTAND AND PROMOTE THE HERITAGE VALUES OF THE SOUTHERN MIDLANDS

## 2019-20 Achievements

- Continued implementation of the Southern Midlands Historic Heritage Strategy 2019-23.
- Current direct heritage staff 2.6 fte (noting that some of that time is charged-out to other organisations on a fee for service basis).
- Continued public use of the Oatlands Supreme Court House and Gaol and Green Ponds Watch House, including exhibitions, Artist in Residence program and regular use for community events.
- Continued operation of the Oatlands Heritage Hub and installation of the Centre for Heritage at Oatlands at the completed 79 High Street and Oatlands Commissariat respectively.
- Establishment of a 'History and Heritage' School Holiday Program.
- Successful second season of the Convict Archaeology in the Southern Midlands field school in conjunction with the University of Tasmania at the Picton Road Station site.
- Promotion of collection material, heritage projects and events through social media including Facebook and Instagram as well as regular tours and industry engagement.
- Monitoring the Oatlands Key system and seeking to promote and improve where possible.
- Management of Council's heritage collections, including ongoing audit, curatorial inputs and improvement of storage and displays.
- Ongoing promotion of Southern Midlands heritage through talks, presentations, media events and the Heritage and Bullock Festival.
- Supervision of an active volunteer program which engages community groups where possible.
- Liaison with Government departments such as the Department of State Growth to ensure appropriate recognition and protection of historic heritage assets in major projects processes.



# Heritage

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- Heritage Projects Program staff continue to have a role in a range of Council committees (e.g. Arts Advisory Group, Heritage and Bullock Festival, Memorial Avenues etc.) to promote the heritage of the region in a range of initiatives.
- Input into the statutory planning process to promote best-practice heritage outcomes consistent with Planning Authority responsibilities under the Land Use Planning and Approvals Act 1993.
- Resource sharing of SMC Heritage staff has occurred with neighbouring Councils on a fee-for-service basis.
- Active promotion of Southern Midlands heritage through a series of public talks.

## **Convict Archaeology in the Southern Midlands**

January 2020 saw the second successful Convict Archaeology in the Southern Midlands fieldschool held at the Picton Road Station site near Kempton, in collaboration with the University of Tasmania. Eighteen students participated in the two-week field season, with five further areas of the station site investigated. Southern Midlands Council has taken a lead role in collaborative archaeological training in Tasmania which highlights the rich convict heritage of the region within a global context. Geophysical investigations have also been undertaken on other possible convict road station sites in planning for future excavations.

## **Collection Management**

The creation of the Heritage Collections, Exhibition and Data Officer role has seen the previous efforts of the Heritage Officer further pursued in managing Council's heritage collections. With literally thousands of archaeological artifacts and hundreds of heritage items owned by Council, a key focus going forward is on the appropriate storage, display and a move to digital access to collection data. An active volunteer program assists with these initiatives, particularly the Tasmanian Decorated Interiors database which is researching and highlighting the rich architectural decorative heritage of the region. Funding has been secured for 2020/21 to scope a new purpose-built heritage collection store for the perpetual storage and management of important collection items and a very active exhibitions program is planned to enhance the appreciation of these items.

# Cultural

ENSURE THAT THE CULTURAL DIVERSITY OF THE SOUTHERN MIDLANDS IS MAXIMISED

## 2019-20 Achievements

### Southern Midlands Arts Advisory Committee

The Committee continued to support the Lower Midlands Art Group “**Artlands Exhibition**” held at Dysart House, which again drew an amazing crowd over the viewing time. The Exhibition celebrated the Tasmanian Southern Midlands and featured work by ceramic artist, Lynn Hasenkam.

During the Covid lockdown period, Council also worked with the Lower Midlands Art Group to digitise the **Lower Midlands Collection**. Developed initially by members of the Greater Green Ponds Branch of Tasmanian Regional Arts, the Lower Midlands Collection is a project that supports artists of all disciplines who have lived or worked in the Southern Midlands, or artists who have created artworks that celebrate or describe it.

Although 'TRA' is no longer, the **Lower Midlands Arts Group** continues this project today, acquiring beautiful pieces for the Collection including the purchase of one artwork annually from the **ARTLANDS** Exhibition. Each work of art is registered and has a sign on it indicating that it is part of the Lower Midlands Collection. The Collection is then made available on an annual leasing arrangement for local residents and business to “hire” a piece of artwork to display in their homes or work places.

The group has traditionally launched the annual event in the past by hosting a celebration luncheon and Lease Exhibition in Kempton during July. Given the Covid-29 gathering restrictions of 2020 at the time however, an alternative means of provide public access to this exhibition was sought. Council assisted the group to digitise the Lower Midlands Collection and to develop a social media strategy to enable them to deliver the 2020 leasing program.







## Heritage & Bullock Festival

The very successful Heritage & Bullock festival was again held in Oatlands over the weekend of the 11<sup>th</sup> and 12<sup>th</sup> of August, 2019. The festival celebrated the unique history of the region, interactive displays of artisan skills and rural activities. Despite the cold and wet conditions, Brian Fish provided daily Bullock Team demonstrations as part of a parade in Main Street and there were an array of stalls selling artisan wares, local food and beverages for patrons to enjoy. The theme of the Festival is to showcase and share traditional skills, knowledge and techniques and providing a unique insight to patrons of the history of Oatlands.



# Regulatory

A REGULATORY ENVIRONMENT THAT IS SUPPORTIVE OF AND ENABLES APPROPRIATE DEVELOPMENT

## 2019-20 Achievements

### Planning Reform

Council staff continue to work with the Tasmanian Planning Commission (TPC) and other Council's in the Southern Region towards finalising the Draft Local Provisions Schedule as suitable for Public Exhibition and a step towards a new planning scheme for Southern Midlands. This will form a part of the Tasmanian Planning Scheme.

The Tasmanian Planning Scheme will consist of the State Planning Provisions (SPPs) and the Local Provisions Schedules (LPSs). The SPPs were prepared by the State Government and the LPS will need to be prepared by each Council.

The content of the LPS consists of two parts:

- A. Preparation and refinement of zone maps and overlay maps; and
- B. Preparation of the written ordinance

The overlay maps and zone maps spatially define the application of the zones, specific area plans and the applications of certain planning scheme codes.

It is the responsibility of each Council to prepare these maps and written ordinance.

The preparation of the LPS, and a single statewide planning scheme (TPS) is an objective of the State Government's Planning Reform. This was enacted through amendments to the *Land Use Planning and Approvals Act 1993* in December 2015. The amendments lead to the preparation of the SPPs by the Planning Reform Taskforce and Planning Policy Unit. These were publicly exhibited in March 2016.

Southern Midlands have worked to ensure the draft LPS aligns with Council's Strategic Plan, the Southern Regional Land Use Planning Strategy, Local Planning Objectives and Strategy and overall is consistent with the Resource Management and Planning System in Tasmania (and the statutory requirements of the *Land Use Planning and Approvals Act 1993*). The LPS contains local content that recognise the unique settlements, natural values, farming values and heritage values.

# Regulatory

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The draft LPS effectively implements many aspects of Council's Strategic Plan including but not limited to:

- Providing a range of housing and land types for residents
- Ensuring a long term supply of residential land
- Identifying future urban growth through the application of zoning
- Protect key infrastructure and community assets
- Implement the STLRUS settlement strategy (which in turn facilitates healthy communities, better services, better transport and orderly development)
- Protect agricultural land from adverse land use, subdivision and development
- Ensure land is dedicated to general business and light industrial activities in strategically identified areas
- Allows Council to forward plan capital works and community programs
- Recognise, protect and enhance heritage listed places, precincts and landscapes

## **Strategic Planning and Key Development in the Southern Midlands**

The following list of key development and strategic planning was considered by Council in 2019/2020 year – those developments and strategic planning changes directly and/or indirectly further the objectives and desired outcomes contained in Council's Strategic Plan:

### **Oatlands Structure Plan**

Council continued progress of the Oatlands Structure Plan Project.

The project was initiated by Council through a decision at the March 2019 meeting and a budget amount allocated for the 2019/2020 year.

The first phase of the project beyond the project planning was the preparation of a constraints and opportunities analysis for the township of Oatlands.

The Oatlands Structure Plan is a project to actively engage with the community to prepare a clear, concise and specific plan for future development and land use in Oatlands. There are number of exciting developments either underway or planned for Oatlands which will result in greater visitor numbers, more business and economic activity in the township. It is therefore important that Council and the community work together to look towards the future and prepare for growth.

# Regulatory

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Some of these developments include the grant funding for the aquatic centre, the development of a large distillery next to the Callington Mill, the upgrading of walking tracks around the lake, and the “destination playground” in the Callington Park.

A Structure Plan will seek to address current and potential future issues such as parking and traffic management in the town (including a parking plan), way finding, linkages between key areas, improved amenities and facilities and making the most of the town’s assets.

The objectives of the project are to prepare and deliver a Structure Plan for the township of Oatlands that will:

- Encourage greater visitor numbers to stop and stay for longer in Oatlands
- Encourage greater retention of population and encourage new residents and new businesses and community services.
- Support local business and service providers through improved town amenity, greater visitor numbers, and through residential and business growth
- To involve the community in future use/development and accessibility to Callington Park
- To maximise the use of space and linkages between key development areas
- To ensure any plan is aligned with current State, Regional and Local Strategy
- To attract further investment and funding for infrastructure
- To leverage off planned development and the current values of the town.
- Implement healthy urban design and modern open spaces; and
- Continue to grow a healthy active community.
- To guide the Council (and other infrastructure providers) in delivering services and ensuring development is sustainable for the long term.

The project is subject to extensive public consultation for the 2020/2021 year with a final version scheduled for early 2021 .

## **Implementation of Bushfire Prone Area Mapping**

The Tasmanian Fire Service (TFS) has prepared bushfire prone area mapping for all Councils in Tasmania (statewide map). It is then the responsibility of each Council to initiate a planning scheme amendment to implement and legislate the maps. The maps are then used for the application of the Bushfire Prone Areas Code and for building designers, developers, building surveyors etc to confirm whether or not land is within a bushfire prone area.

# Regulatory

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Prior to the mapping, industry was reliant on the written word and interpretation of a definition of a “bushfire prone area”. This has led to uncertainty and speculation and is an encumbrance.

The mapping was approved by the Tasmanian Planning Commission in June 2020.

## **Implementation of the Mobile Food Vendor Policy**

Council endorsed a food van policy at the June 2020 meeting. The policy provides a policy position, guidance and a permit pathway for operators of mobile food vans (vendors) to operate from key sites in the Southern Midlands.

The food van policy recognises the growing demand for these services and acknowledges the ongoing requests received from both the public and operators to trade in the Southern Midlands.

The policy provides conditions around locations, operations of mobile food vendors on public land.

## **Approved Rezoning of the Tasmanian Buddhist Cultural Park Particular Purpose Zone**

In July 2018 Council considered a request by the Holy Tantra Esoteric Buddhism Incorporated to rezone land at 1384 Tea Tree Road, Campania. Council then initiated the rezoning and Planning Scheme Amendment and exhibited the amendment for public notification.

The proposed amendment would allow for the Tasmanian Buddhist Cultural Park which is proposed to be a temple, university, library, museum, Buddhist ceremonial buildings and structures, community meeting and associated visitor accommodation, facilities and infrastructure. The first stage of the development is estimated to cost \$127 million dollars with potential to generate up to 295 full time jobs (103 during construction), and an initial economic boost of some \$82 million dollars.

The request to rezone the land is the culmination of some 10 plus years of public, State Government and Council engagement by the Buddhist organisation. The rezoning request was supported by agricultural reporting, natural values assessment, aboriginal heritage assessment, visual assessment, economic impact assessment, traffic impact assessment and planning assessment. This represents a comprehensive suite of documents and reports that were considered by Council's Planning Department and Council. Council considered the amendment/proposal to be consistent with the objectives of Tasmania's Resource Management and Planning System, including the objectives of the *Interim Planning Scheme 2015*, Local Strategy,



# Regulatory

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Council's Strategic Plan and the Regional Land Use Strategy. Council formed the view that the amendment which would allow a pathway for the Cultural Park and would not conflict with nearby land use nor cause a burden on existing infrastructure. The land could be sustainably used and developed.

The rezoning was approved by the Tasmanian Planning Commission on the 14<sup>th</sup> February 2020.

## **Initiation of the Jerusalem Estate Specific Area Plan**

At the May 2020 meeting, Council resolved to initiate a planning scheme amendment at the request of the Benedictine Monks to develop a monastery, priory and associated visitor services areas at a 1000ha plus area farm south of Colebrook.

The rezoning allows for the community gathering and communal living areas whilst supporting the ongoing agricultural use of the land.

In regard to social and economic outcomes, the proposed Jerusalem Estate is expected to create a unique community for Tasmania, which is expected to attract interest and visitors to the Colebrook region. The potential visitor experiences will be subservient to the primary purpose of the monastery, while providing economic support for the Priory. The Visitor Precinct is located very close to the established Colebrook township and is expected to support the economic and cultural growth of the town.

## **Building, Plumbing and Development Applications**

The following table provides an overview of the number and type of Building, Plumbing and Development Applications (including Subdivision Applications and any certificates or amendments to sealed plans under the *Local Government Building and Miscellaneous Provisions Act 1993*).

The table provides data from the 2019/2020 year measured against the previous four (4) financial years to provide a succinct five (5) year comparison.

# Regulatory

Application Type	2019/ 2020	2018/ 2019	2017/ 2018	2016/ 2017	2015/ 2016
<b>Building Applications</b>  <i>This is inclusive of all applications for permits, Certificates or notifiable works under the Building Act 2016</i>	109	87	99	72	104
<b>Plumbing Applications</b>  <i>This is inclusive of all applications for permits or notifiable works under the Building Act 2016. The figures are inclusive of the former "Special Plumbing permits" under the former Building Act 2000 (now just Permit works).</i>	66	60	52	46	91
<b>Development Applications</b>  <i>This is inclusive of all Development Applications under the Land Use Planning and Approvals Act 1993 and a small number of certificates or amendments to sealed plans under the Local Government Building and Miscellaneous Provisions Act 1993</i>	141*	141*	126*	130*	126
	<small>*includes 18 Development Applications for Subdivision &amp; certificates</small>	<small>*includes 15 Development Applications for Subdivision &amp; certificates</small>	<small>*includes 12 Development Applications for Subdivision &amp; certificates</small>	<small>*includes 16 Development Applications for Subdivision &amp; certificates</small>	<small>*includes 16 Development Applications for Subdivision &amp; certificates</small>

Table: Five (5) year comparison of Building, Plumbing and Development Applications Received

A total of \$22.51 million worth of development was approved in the Southern Midlands during the 2019/2020 reporting period. This figure is based on the estimated cost of development as submitted at the time of the Development Application. The figure does not include the cost of subdivision works (as accurate data is not provided by the applicant).

32 new dwellings were approved in the reporting period. 44 new dwellings were approved in the previous year. Council continues to remain at the forefront of modern day best practice in the processing of building, plumbing and planning applications through the electronic submission and assessment of applications for permits. Council Officers have a strong focus on customer service and value the relationship with Applicants.

# Climate Change

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IMPLEMENT STRATEGIES TO ADDRESS THE ISSUES OF CLIMATE CHANGE IN RELATION TO ITS IMPACT ON COUNCIL'S CORPORATE FUNCTIONS AND ON THE COMMUNITY.

## 2019-20 Achievements

Council's Climate Change Adaptation Plan was reviewed and updated in response to an update in the Climate Futures for Tasmania modelling. This modelling update was the ideal foundation for reassessing risk likelihood and consequences for council infrastructure and the community from: heat, bushfire, heavy rainfall and flooding. The Climate Change Adaptation Plan 2020 was endorsed by Council in March 2020.

Council's Climate Change Action Plan was also updated. The Action Plan guides Council's ongoing approach to climate change mitigation, the primary goal of which is to:

- continue efforts to reduce greenhouse gas emissions over which council has control;
- assist the community to reduce emissions where possible; and
- collaborate on broader scale initiatives with regional stakeholders through involvement with the Regional Climate Change Initiative.

The updated Southern Midlands Council Climate Change Action Plan 2020 has three areas of focus:

1. energy efficiency projects inclusive of solar and electric/hybrid vehicle upgrades;
2. land care projects inclusive of tree planting and landscape protection options; and
3. waste management projects that are related to emission reduction.

For each of the proposed actions in the Action Plan the following have been identified: resourcing; emission reduction benefit; cost benefit; community leadership benefit; and timeframe for implementation.

A Home Energy Assessment Toolkit (HEAT toolkit) is still available from Council's Kempton office as a take-home kit enabling residents to undertake their own home energy use appraisals.





# Community Health & Wellbeing

SUPPORT AND IMPROVE THE INDEPENDENCE, HEALTH AND WELLBEING OF THE COMMUNITY

## 2019-20 Achievements

### Oatlands Aquatic Centre

With the Planning Application being lodged for the proposed Centre, this will be the largest ever investment by Council in our Community's *Health & Wellbeing*.

A facility that will provide a wide range of opportunities, all year round, from earlier morning to late evening, maximizing participation. A far cry from the existing pool that has served the Community since the early 1950s

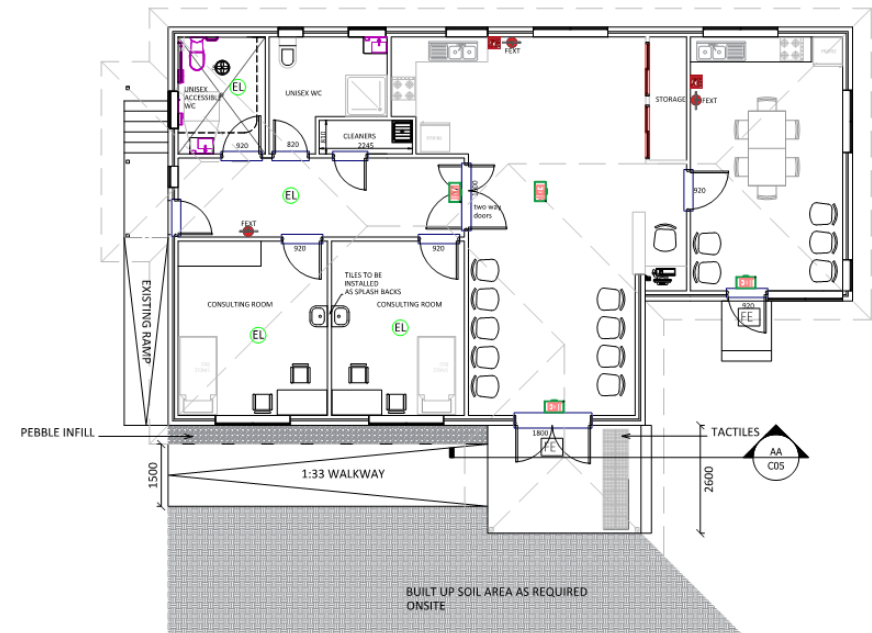
#### Funding

- Aust. Govt. \$2M
- Tas. Govt. \$2M
- Station Childcare \$80K
- SMC \$ balance

### Proposed Kempton Medical and Community Centre

Funding of \$70K was secured from the State Government to assist Council in the part funding of the redesign and refurbishment of the former Principal's residence at the Kempton Primary School plus the new carpark. All approval have been achieved and the construction works are scheduled to commence in July 2020.

This will provide a 'home' for health professionals and allied health workers to provide a comprehensive suite of health and related services to the Community in the Southern part of our local government area.



# Community Health & Wellbeing

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## Dr RA Simpson AM - Retirement Acknowledged by Council



Council presented a premium product, produced in the Southern Midlands at Shene Distillery (award winning Mackay Whisky) on the occasion of Dr Simpson's retirement from his medical Practice in Oatlands.

Dr RA Simpson AM has provided many years of dedicated service in the district and is a well-respected and highly decorated retired army Colonel, who has given generously of his time to his Community, to his patients and also to the international organisation, 'Doctors Without Boards' in theatre's of need across the world. He will be sadly missed from the Midlands Multi-Purpose Health Centre in Oatlands.





# Youth

INCREASE THE RETENTION OF YOUNG PEOPLE IN THE MUNICIPALITY

## 2019-20 Achievements

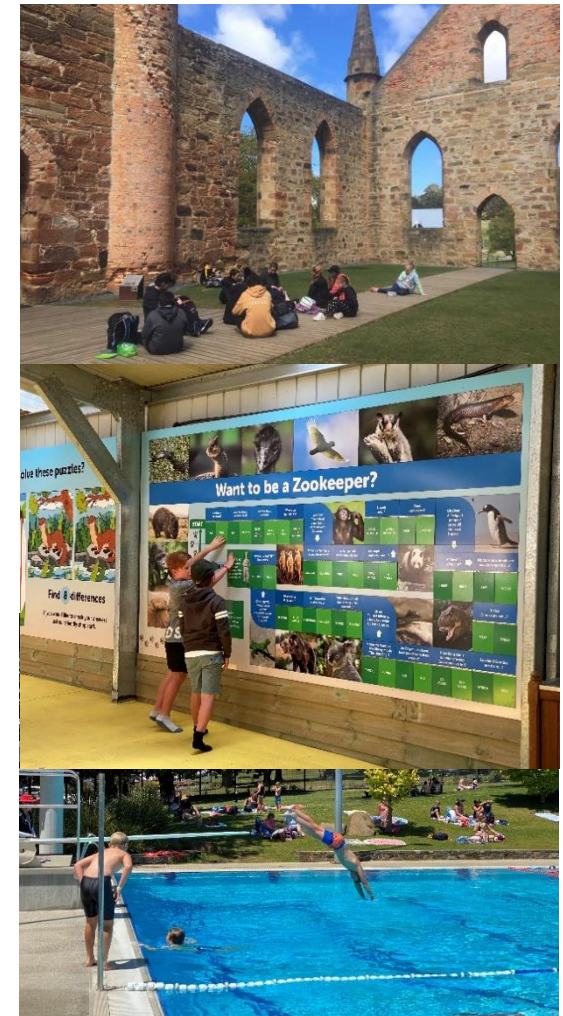
The very successful Southern Midlands Youth School Holiday Program continued, albeit with some postponements and program modifications later in the reporting period due to the Covid-19 pandemic.

A total of 7 separate activity days across three term breaks were held between July 2019 and January 2020, with April excursion-based activities postponed due to the Covid-19 restrictions. The program provided opportunities for children aged between 9 and 16 years to increase physical activity, improve social connectedness and engage in new and challenging experiences. 247 children participated across the 7 activities, representing 13 local Southern Midlands' townships.

Activities included Zone 3, SUPA-World, Inflatable World, Glenorchy City Pool, Port Arthur Historic Site, the Launceston Aquatic Centre, Barilla Putt & Play, Littlewood Berry Farm, Richmond Historic Village, Village Cinemas and Zoodoo Wildlife in Park Tea Tree. Council was again most fortunate to benefit from Communities for Children/Hobart City Mission partial funding of these activities. This holiday activity funding is allocated to assist families within our region for the benefit of children aged 9 -12 years. Council provides for any budgetary short-falls and for the program costs associated with activities for the 12 -16 year age group.

The Reclink Youth Football Program continued again with a strong commitment from the Bothwell, Campania, Oatlands, Triabunna and Tasman Peninsula schools making up the football league over the winter months culminating on a Gala Day celebration in August at Hutchins School.

Council continued to be a supporting member of the Youth Network of Tasmania which is instrumental in advising Governments on policy relating to all youth related matters.



# Youth

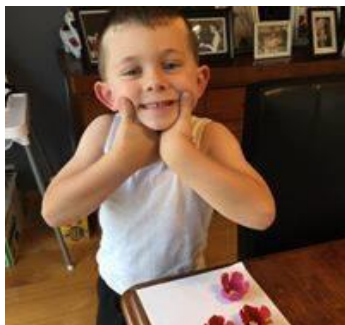
## YAY Team



In April 2020 it became necessary to postpone planned holiday activities due to the Tasmanian Covid lockdown regulations. In response, Council's Youth Activity Officer developed a targeted on-line presence where a suite of activities for all local children and young people was made available. A specific Facebook page was created ("YAY Team") where children and families were provided with interesting home-based activity ideas and links to appropriate external educational and creative programs. Children and families also participated in on-line photographic-based activities, sharing experiences such as their home-based Anzac Day commemorations. Council worked closely with organisations such as Family Food Patch to source supportive resources for families to be sent home via the four local schools.

### YAY Team 24<sup>th</sup> April Facebook Post

How we commemorated ANZAC Day in the Southern Midlands! Thanks everyone for your photos 😊



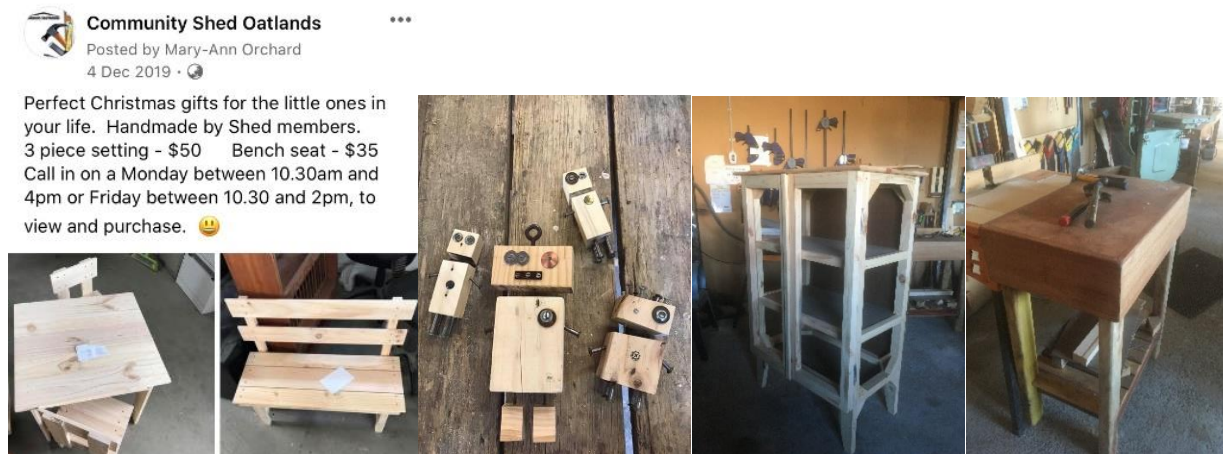
# Seniors

INCREASE THE ABILITY OF SENIORS TO STAY IN THEIR COMMUNITY

## 2019-20 Achievements

### Community Shed

The Community Shed at Oatlands continues to be a facility used by Seniors. It is been a place to come & learn new skills, engage Seniors in the Community who may become isolated & a wonderful outlet for their mental health in being a part of a group, keeping active & socialising. Membership at the Shed has steadily increased & operates three days a week. They raise funds for equipment by regularly creating objects for sale at the local Oatlands Community market & hold regular 'Come & Try' days to encourage the community to learn how to use power tools safely.



### Council of the Aged

Council supported the education workshops with COTA (Council of the Aged) in the Southern Midlands. Regular workshops are held to keep Seniors informed of changes to the 'My Aged Care' system and link Seniors into nearby programs such as the free legal advice for Older Tasmanians, the Meet & Greet – Live well at home sessions, Seniors week events and this year it was also about keeping our older residents connected with each other even when they were unable to go outside.



# Seniors

## Community Walks

Council supported Seniors by engaging them in monthly 'Community Walks' that we do in partnership with Tasmanian Health Service staff & combining with Seniors from the Central Highlands. The rapport built from community members from each region has seen lifelong friendships born. This has been even more important this year when the walks were suspended for 6 months due to Covid-19 restrictions. We began a series of 'virtual' walks on the days we would normally have been out together.



The collage features three social media posts from 'Southern Midlands Events' and four video thumbnails. The first post (26 Apr) describes a 30-minute virtual walk on the Mount Kembla Ring Track in NSW. The second post (24 Apr) describes a virtual walk to Bondi Beach, Sydney. The third post (22 Apr) describes a virtual walk to Snug Falls. The video thumbnails include: 'Virtual Treadmill 30 Minute Walk - Mount Kembla Ring Track, NSW Australia'; 'Virtual Treadmill Walk - Bondi Beach, Sydney Australia'; 'Virtual Treadmill Walk - Palm Cove - Tropical North Queensland Australia'; and 'Hobart Tasmania'.

# Children & Families

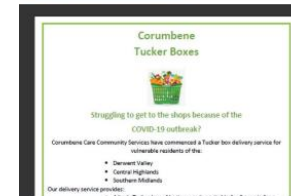
ENSURE THAT APPROPRIATE CHILDCARE SERVICES, AS WELL AS OTHER FAMILY RELATED SERVICES, ARE FACILITATED WITHIN THE COMMUNITY

## 2019-20 Achievements

The Council contributes to the Brighton Family Day-Care for managing the family day care service that caters for the Southern Midlands local government area.

The old Oatlands pool (circa 1954) continues to be a focal point of activities for children and families during the summer months when it is open.

There was a greater emphasis on making sure services for children & family came to the region rather than being based towards the City and to promote local services available to help families when necessary. Home delivery of food boxes, transport services for medical reasons, a weekly fresh vegetables stall, Pop up family playgroup & picnic sessions & emergency relief services were all provided within the Southern Midlands.





# Children & Families

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The Community Development Department also continued to administer the Southern Midlands Events community Facebook page and modified the usual content shared in order to keep the community informed during the Covid-19 pandemic crisis. Information-sharing relationships were developed with multiple service providers and the State Government to ensure our community received the most updated information. The State Government's "Stay Healthy Stay Connected" social media campaign was adopted to keep our community well informed by:



- *Providing tips and ideas to have fun at home, entertaining children etc.*
- *Providing resources for mental health support*
- *Providing ongoing up-to-date information regarding Covid-related isolation and lockdown requirements*

Information was provided regarding Community access to grocery deliveries via RAW and delivery services for local food outlet businesses were shared. Council also worked to have a weekly fresh seafood delivery expanded to include Bagdad.

Council continued to co-facilitate the Combined Service Provider Network Group in collaboration with Central Highlands. Meetings were held alternatively in Ouse and Kempton every 2<sup>nd</sup> month where health and wellbeing services were invited to provide updates regarding their activities for residents across the two municipalities.

During the Covid-19 lockdown period, Council developed a comprehensive resource to provide residents with detailed information regarding modifications to the service delivery capacity of the network and, to provide links to other external support and information services relevant to our the community. A summarized document was published on Council's website and a direct link to it was shared via Council's Facebook page, the Southern Midlands Events Facebook page and multiple community-based social media noticeboards.

# Volunteers

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ENCOURAGE COMMUNITY MEMBERS TO VOLUNTEER

## 2019-20 Achievements

The value of Volunteers in our community cannot be under estimated. The type of events; activities and programs are varied, but all add considerably to the health and well-being of the southern midlands. An example of organisations and committees are:

- Arts Groups;
- Brighton and Mangalore Pony Club;
- Community Clubs (e.g. Tunbridge, Tunnack and Bagdad);
- Council and Community Hall Management Committees;
- Cricket, Football and Golf Clubs;
- Emergency services (e.g. Fire and SES);
- Green Ponds Progress Association (incl. Kempton Festival Committee) and other Community Associations;
- Melton Mowbray Community Rodeo Association;
- Oatlands Bullock and Heritage Festival;
- Oatlands District Historical Society;
- RSL Clubs; and
- School Associations.

This is by no means an exhaustive list, but is in indication of the range of organisations that are managed by volunteers for the benefit and betterment of our respective communities.

### **Community Small Grants Program**

Once again, Council conducted its annual Community Small Grants program in September 2019. This program commenced in 2008 and each year applications for funding have been much sought after and very competitive. These grants are predominantly aimed at volunteer for not for profit] organisations who are looking to improve facilities, services or increase participation in their relevant field – all within the Southern Midlands area.

# Volunteers

Successful applicants in 2019/20 grant rounds were are as follows:-

Group/Club	Project	Project Cost	Grant Sought	Grant Funding Approved by Council
Levendale Hall Committee	Construct Wheel Chair Access to Hall	\$ 3,300.00	\$ 3,000.00	\$ 3,000.00
Central Hawks Junior Football Club	Heat Pump for Kempton Club Rooms	\$ 4,000.00	\$ 3,000.00	\$ 3,000.00
Bagdad Community Club	Repair / Replace Weatherboard Wall lining	\$ 10,000.00	\$ 3,000.00	\$ 3,000.00
Mt Pleasant FC	Supply & Fit Wood Heater to Club Rooms	\$ 4,100.00	\$ 3,000.00	\$ 3,000.00
Tunbridge Community Club	Upgrade to Refrigeration at the Club	\$ 15,000.00	\$ 3,000.00	\$ 3,000.00
Runnymede Cricket Club	Supply & Install Bore, Pump, Electricals	\$ 13,414.00	\$ 3,000.00	\$ 3,000.00
Colebrook Progress Assn	Chairs for Memorial Hall Colebrook	\$ 749.00	\$ 749.00	\$ 749.00
Oatlands RSL& Community Club	Building Upgrade	\$ 4,264.00	\$ 3,000.00	\$ 3,000.00
Brighton & Green Ponds RSL_1	Kitchen Upgrade Kempton Memorial Hall	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00
Campania School	Establishment of a Community Kitchen	\$ 4,587.00	\$ 3,000.00	\$ 3,000.00
Oatlands District Historical Society	Supply & Install Shelving	\$ 1,198.00	\$ 1,198.00	\$ 1,198.00
Surf Life Saving Tas	Water Safety / Aquatic Survival Program	\$ 16,165.00	\$ 3,000.00	\$ 2,000.00
Oatlands Progress Assn	Fund First Aid Courses for the Community	\$ 3,260.00	\$ 2,360.00	\$ 1,180.00
		<b>\$ 82,787.00</b>	<b>\$ 34,057.00</b>	<b>\$ 31,877.00</b>

# Access

CONTINUE TO EXPLORE TRANSPORT OPTIONS FOR THE SOUTHERN MIDLANDS COMMUNITY; CONTINUE TO MEET THE REQUIREMENTS OF THE DISABILITY DISCRIMINATION ACT (DDA).

## 2019-20 Achievements

### Community Bus

Council adopted a 'Community Based Transport Solutions Policy' in September 2018. This Policy relates to the provision of Council grant funding to assist with the purchase of a bus (or similar) vehicle aimed at providing a community based transport solution. This policy was developed as a result of the Green Ponds Progress Association identifying the need to purchase a community bus, and then taking an active role in securing external grant funding and undertaking other fundraising activities.

The Policy states that Council will allocate an amount of \$5,000 to assist with the initial purchase of the transport vehicle, subject to meeting set criteria and other conditions of approval.



### Bus Services – Area Connect

Area Connect is a new concept in flexible transportation to serve smaller and more remote communities in Tasmania where mainstream public transport is not readily available. The service has been created and developed by Community Transport Services Tasmania Inc (CTST) in consultation with the Department of State Growth and other government instrumentalities and several community service providers.

### Facilities & Recreation Committee

The Facilities & Recreation Committee has responsibility for the Disability Discrimination Act (DDA) requirements across Council. The policy position was reviewed and a revised policy titled the "Disability Access and Inclusion Policy" was adopted by Council along with a draft Disability Access and Inclusion Plan and a DAIP Checklist. Council officers worked through a series of conversations with the Community as well as Council Hall Committees. After in-depth discussions the following Council budget consideration was adopted.

# Public Health

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MONITOR AND MAINTAIN A SAFE AND HEALTHY PUBLIC ENVIRONMENT

## 2019-20 Achievements

Council performed its functions under the *Public Health Act 1997* and associated regulations, the *Food Act 2003* and *Food Regulations 2012* and the *Environmental Management and Pollution Control Act 1994* and associated Regulations.

Council employs a part-time Environmental Health Officer (EHO).

Council continues to work with the community to investigate the feasibility / sustainability of providing medical and associated services from a facility located within the Kempton area. Immunisation Programs conducted for school students at Oatlands and Campania District High Schools in association with Council's Medical Officer of Health.

Oatlands Swimming Pool water quality tested in accordance with the Public Health Act – Water Quality Guidelines during the summer season. Food premises were monitored and licensed in accordance with statutory requirements.

Relevant legislative requirements are specified in:

- *Food Act 2003*
- *Food Safety Standards*
- *Public Health Act 1997* and associated Guidelines.

Statutory licences issued for:

- Food Premises – 53
- Water Carriers – 5
- Special Event Licences (“temporary” Places of Assembly) – 1
- Private Water Licences – 17

# Public Health

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## Food Businesses - COVID-19



COVID19 significantly affected all food business within the Southern Midlands with many closing and some operating on a limited capacity only (eg: take away only).

No inspections were undertaken of any food businesses during the lockdown.

As part of the state government legislative changes the registration of all food businesses was extended for 6 months (until December 31<sup>st</sup>) without charge.

# Recreation

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PROVIDE A RANGE OF RECREATIONAL ACTIVITIES AND SERVICES THAT MEET THE REASONABLE NEEDS OF THE COMMUNITY

## 2019-20 Achievements

### **Oatlands Aquatic Centre**

From a recreational perspective, construction of the Oatlands Aquatic Centre has continually been the highest priority for Council.

The Oatlands Aquatic Centre Users Group were briefed by the Architect, following the Appeal determination on the design elements of the structure. From a Client perspective there have been a range of matters that have required the attention of senior members of Council's team in this project. Firstly, the decontamination of the site has proved to be a costly exercise due to past occupancies of the former Works Depot site. This decontamination process has involved stripping the surface materials and transporting to the Waste Management Centre at Copping as contaminated material (even though there were low levels of contaminated materials found).

Secondly, a small parcel of land that was historically used as an access to the former Council Depot from Church Street proved to be a matter that stretched out the timeline when trying to determine the original ownership. It was believed to be in the ownership of Council, alas that was not the case. As at the beginning of the 2019/20 financial year the Architect advised that the project documentation was a little less than 50% completed with a range of minor matters to resolve with the target tender date in February 2020, with the construction period for approximately eighteen months.

By April 2020 little real progress had been made by the Architect and Council had no alternative but to terminate his contract. A new Project Team were engaged in May and they moved very quickly carrying out extensive consultation with the Community and Council Officers, with a design being prepared and a Planning Application being lodged in June 2020 with an estimated construction period of twelve months.



# Recreation

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## **Mangalore Recreation Ground**

At the Mangalore Recreation Ground the Brighton & Southern Midlands Pony Club as well as the Brighton Equestrian Club were keen to seek the support of Council to construct a twin arena facility on the site. Council with the support of VEC Civil Engineering Pty Ltd, who were the Company undertaking the major safety improvements on the Midland Highway at Mangalore, applied for funding through the Department of Communities, Sport & Recreation (State Government). That funding was forthcoming and the twin arenas was commenced, however some aboriginal heritage was discovered. The investigation and rectification works slowed the project down until all of those processes were undertaken and finalised. Given the COVID issue and the inability to meet, the official opening of the new facility is scheduled for February 2021.

## **Runnymede Recreation Ground**

Council has now, in partnership with the Runnymede Cricket Club started the process of redevelopment of this ground for this historic cricket club. The plan that we collectively created comprises the following, which in total, is the scope of a grant application under the Sport & Recreation Major Grants Program 2019 through the Department of Communities, Tasmania, in short we applied to bring the ground up to a high quality condition and drought proofing it for future generations.

1. The Bore: To install a bore pump and the electricals to go with the bore pump. T;
2. The Water storage: To install a 100,000 litre storage tank to hold the water for the irrigation for the sports ground plus pumps. The tank will also be fitted with a Tasmanian Fire Service take-off valve for ease of access for the fire service;
3. The Irrigation System: Sports ground irrigation will be installed using Hunter I25 150mm in-ground pop-up sprinklers and controlled with a Hunter Pro HC controller and a T Linc wi-fi modem.;
4. The Surface: The renovation of the surface to maintain a safe usable surface;
5. Top-dress the surface: Top dress the ground with about 10mm of a top quality sports field loam this would leave a very good surface;

The playing surface should be ready for use in the first quarter of 2021.

## **Oatlands Swimming Pool (Circa 1954)**

The Oatlands Swimming Pool Operations Manual was reviewed during the period to ensure that it complies and is consistent with the 'Guidelines for Safe Pool Operations'. This process included the preparation of an Emergency Action Plan for the facility.

# Animals

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CREATE AN ENVIRONMENT WHERE ANIMALS ARE TREATED WITH RESPECT AND DO NOT CREATE A NUISANCE FOR THE COMMUNITY

## 2019-20 Achievements

Council continues an effective dog and animal control service to the community and maintains a pro-active and hands on approach to managing animals in a respectful and professional manner. Council provides animal management services to the Central Highlands Council and at times Brighton Council through resource sharing initiatives.

In the 2019-20 financial year, 1,669 dogs were registered and 10 kennels licenced. 49 Kennel licences in total.

### **Kempton Dog “Off-lead” area**

At the April 2020 meeting Council initiated a project to investigate an off-lead area in the Kempton Township. Council developed a concept plan and project plan for public consultation to commence in the 2020/2021 year.

The off-lead area would provide a recreational area for people to allow their dogs “off-lead”. Dogs must still however be under effective control.

Off-lead parks are a great place for people to socialize their dogs and to exercise and socialize with one another.

# Education

INCREASE THE EDUCATIONAL AND EMPLOYMENT OPPORTUNITIES AVAILABLE WITHIN THE SOUTHERN MIDLANDS

## 2019-20 Achievements

### Funding boost for region's workforce



FOUR southern Tasmanian councils led by Southern Midlands have teamed up to deliver better workforce employment and training opportunities in their regions after receiving \$395,000 in funding from the Tasmanian Community Fund (TCF).

The grant will contribute to the employment of a workforce development coordinator for three years to identify workforce development activities that will address the region's workforce capability and capacity gaps, and connect employers and job seekers to ensure they get the necessary training and education.

The Southern Central Sub-region group is made up of the Derwent Valley, Brighton, Central Highlands and Southern Midlands Councils.

The aim of the project is to increase the participation of local people and improve the skills and qualifications across the region's workforce based on the Southern Central Sub-region Regional Workforce Planning Report of 2017.



# COMMUNITY

*The need to retain and build on the strong sense of community that exists within the Southern Midlands*



*Oatlands Christmas Pageant*

# Capacity

BUILD THE CAPACITY OF THE COMMUNITY TO HELP ITSELF AND EMBRACE THE FRAMEWORK AND STRATEGIES ARTICULATED THROUGH SOCIAL INCLUSION TO ACHIEVE SUSTAINABILITY

## 2019-20 Achievements

Council works very effectively with Community groups and organisations to assist in building their capacity in delivering a wide range of service / support throughout the Southern Midlands.

### Australia Day Awards

Congratulations to our very worthy Australia Day Award recipients who make such a positive contribution to the Southern Midlands. The Awards were presented by Mayor Alex Green at the Oatlands RSL Club on the 23<sup>rd</sup> January 2020.

- Citizen of the Year: Mr Paul Worlton (Tunbridge)
- Young Citizen of the Year: Mr Samuel Banks
- Community Event of the Year: 'Pink Up Oatlands'

### Citizenship Ceremonies

Council conducted five (5) Citizenship Ceremonies in 2019/20.





# Safety

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INCREASE THE LEVEL OF SAFETY OF THE COMMUNITY AND THOSE VISITING OR PASSING THROUGH THE MUNICIPALITY

## 2019-20 Achievements

The Southern Midlands Road Rescue Unit had 48 call-outs (34 in 2018/19) involving 534 operational hours (265 in 2018/19) during the 2019/20 period. The 48 call-outs were road crash rescue incidents. In addition to this, a total of 120 hours were spent on training and events (*training hours for 2019/20 significantly reduced due to Covid-19*).

The Unit, which has three rescue vehicles, continues to operate from both Oatlands and Kempton.

Council has continued to work in conjunction with local Tasmania Police and Department of State Growth officers on various road safety matters. The Variable Message Board roadside trailer is used regularly to promote road safety messages on the Midland Highway and surrounding major roads. The trailer is also used as part of a cohesive program of highway signage during major events that attract large traffic numbers e.g. Symons Plains V8 car racing, Launceston Cup or festive season Food Festivals. Together with DIER's "Real Mates" program, this program is part of Council's Community Road Safety Partnership.

Council continues to support its employees who are members of the various Tasmanian Fire Service Brigades situated within the municipal area. Employees are able to respond to 'fire-calls' during working hours without loss of wages.

# Consultation & Communication

IMPROVE THE EFFECTIVENESS OF CONSULTATION AND COMMUNICATION WITH THE COMMUNITY

## 2019-20 Achievements

Three (3) Ordinary Meetings of Council were held in the following areas within the municipality during 2019/20.

*Colebrook; Tunbridge and Tunnack*

Due to the Coronavirus (Covid-19), Council Meetings for the period April to June 2020 were conducted 'online'. The meeting held in June was live streamed for members of the public.

The Southern Midlands Council's website [www.southernmidlands.tas.gov.au](http://www.southernmidlands.tas.gov.au) and the Southern Midlands Council Facebook page are regularly updated with current news items, events, Council meetings and the like.

The Community & Corporate Development business unit, as well as other business units, have worked with Mid FM Community Radio and Southern Midlands Regional News in providing content and interviews on topical matters of interest to the community.

Council continues to issue Newsletters on a quarterly basis and other forms of consultation are undertaken as the need arises. An example includes seeking public input into the commencement of Council meeting times which was undertaken by the newly elected Council prior to determining its forward meeting schedule.

The Corporate Communications Strategy was formally adopted in 2019/20.



*March 2020 Council meeting at Tunnack Hall*



# ORGANISATION

*The need to monitor and continuously improve the efficiency and effectiveness of the way the council provides services to the community*



# Improvement

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IMPROVE THE LEVEL OF RESPONSIVENESS TO COMMUNITY NEEDS; IMPROVE COMMUNICATION WITHIN COUNCIL; IMPROVE THE ACCURACY, COMPREHENSIVENESS AND USER FRIENDLINESS OF THE COUNCIL ASSET MANAGEMENT SYSTEM; INCREASE THE EFFECTIVENESS, EFFICIENCY AND USE-ABILITY OF COUNCIL ICT SYSTEMS; DEVELOP AN OVERALL CONTINUOUS IMPROVEMENT STRATEGY AND FRAMEWORK

## 2019-20 Achievements

A range of policies were either reviewed or developed during the reporting period.

- Corporate Communications Strategy
- Corporate Credit Card Policy
- Financial Hardship Assistance Policy
- Goods and Services Purchasing Policy
- Mobile Food Vendors Policy

A review of the Risk Register was undertaken and submitted to a meeting of the Southern Midlands Council's Audit Panel.

The Southern Midlands Council's Audit Panel held five meetings during the 2019/20 financial year.

# Sustainability

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RETAIN CORPORATE AND OPERATIONAL KNOWLEDGE WITHIN COUNCIL; PROVIDE A SAFE AND HEALTHY WORKING ENVIRONMENT; ENSURE THAT STAFF AND ELECTED MEMBERS HAVE THE TRAINING AND SKILLS THEY NEED TO UNDERTAKE THEIR ROLES; INCREASE THE COST EFFECTIVENESS OF COUNCIL OPERATIONS THROUGH RESOURCE SHARING WITH OTHER ORGANISATIONS; CONTINUE TO MAINTAIN AND IMPROVE THE LEVEL OF STATUTORY COMPLIANCE OF COUNCIL OPERATIONS; ENSURE THAT SUITABLY QUALIFIED AND SUFFICIENT STAFF ARE AVAILABLE TO MEET THE COMMUNITIES NEED; WORK CO-OPERATIVELY WITH STATE AND REGIONAL ORGANISATIONS; MINIMISE COUNCILS EXPOSURE TO RISK

## 2019-20 Achievements

Jardine Lloyd Thompson Pty Ltd (Council's Insurance Brokers) conducted a Risk Maturity Appraisal to determine how mature Council's risk management practices are in facilitating effective identification, assessment and management of risk.

Council achieved an overall score / rating of 80.1%. JMAPP also released a 'Risk Appraisal Benchmarking Report' which ranked Southern Midlands No 1 in Southern Tasmania and 2<sup>nd</sup> in Tasmania.

Four meetings of the Work, Health & Safety / Risk Management Committee were held during the reporting period.

# Finances

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COMMUNITY'S FINANCES WILL BE MANAGED RESPONSIBLY TO ENHANCE THE WELLBEING OF RESIDENTS; COUNCIL WILL MAINTAIN COMMUNITY WEALTH TO ENSURE THAT THE WEALTH ENJOYED BY TODAY'S GENERATION MAY ALSO BE ENJOYED BY TOMORROW'S GENERATION; COUNCIL'S FINANCIAL POSITION WILL BE ROBUST ENOUGH TO RECOVER FROM UNANTICIPATED EVENTS, AND ABSORB THE VOLATILITY INHERENT IN REVENUES AND EXPENSES

## 2019-20 Achievements

The 2019-20 Financial Statements form part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity decreased by \$3.51 million. This is largely due to a decrease of \$3.18 million in the value of Council's investment in TasWater. The adoption of new accounting policies and standards have resulted in rates paid-in-advance and unexpended grant income showing as a liability (Contract Liability \$1.9m), further reducing equity.

In 2019/20 we have recognised the financial value of volunteer contributions with \$93k shown as income against User charges and as an expense against Materials and Contracts, to reflect the service provided by volunteers, particularly with our recreational, economic development and environmental functions.

As at 30 June 2020, Council reported a total of \$14.01 million in 'cash and cash equivalents', an increase of \$1.28m compared to the previous year.

Interest-bearing loans and borrowings reduced by \$148k to a total of \$457k, due to scheduled principal repayments and one residual balance payout of \$78k.

### Long Term Financial Management Plan

Council conducted a number of workshops to review its Long-Term Financial Management Plan (LTFMP) in order to incorporate a preliminary draft Operating Budget for the Oatlands Aquatic Centre (based on design and information received to date); and other changes resulting from Council decisions made since the last review of the LTFMP in April 2018. The LTFMP, and associated Financial Management Strategy, will be formally reviewed and updated in 2020-21 as part of the Budget process.

# REPORTING ON LEGISLATIVE REQUIREMENTS

Following are the reports that Council is required to provide under various legislation for the 2019/2020 financial year:

### **Allowances and Expenses Statement**

(Under the *Local Government Act 1993*)

In 2019/20 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances       \$ 114,658.12

Expenses         \$ 16,048.26

### **Code of Conduct Complaints Statement**

(Under the *Local Government Act 1993*)

Section 72 (ba) requires a council to report in its annual report the number of code of conduct complaints that were upheld either wholly or in part during the preceding financial year.

It is reported that no code of conduct complaints were upheld in the 2019/20 period.

Section 72 (bb) requires council to report the total costs met by the council during the preceding financial year in respect of all code of conduct complaints. It is reported that no costs were incurred as there were no code of conduct complaints made in the 2019/20 reporting period.

### **Public Interest Disclosure**

(Under the *Public Interest Disclosure Act 2002*)

There were no public interest disclosures made during the year.

Guidelines and Standards published by the Ombudsman under s 38(1)(c) of the Act are available on the Ombudsman's website at [www.ombudsman.tas.gov.au](http://www.ombudsman.tas.gov.au)

## Attendance at Council and Council Committee Meetings Statement

(Under the Local Government Act 1993)

- Twelve (12) ordinary Council meetings were held during the year.
- One (1) Annual General Meeting was held on the 11<sup>th</sup> December 2019.
- One (1) Southern Midlands Facilities & Recreation Committee meeting was held on the 12<sup>th</sup> September 2019.

COUNCILLOR ATTENDANCE	Ordinary Council Meetings	Annual General Meeting	Southern Midlands Recreation Committee
	x 12 meetings	x 1 meeting	x 1 meeting
Mayor A Green	11/12	1/1	N/A
Deputy Mayor E Batt	12/12	1/1	1/1
Clr A Bantick	11/12	1/1	1/1
Clr A Bisdee OAM	12/12	0/1	N/A
Clr K Dudgeon	11/12	1/1	N/A
Clr D Fish	11/12	0/1	1/1
Clr R McDougall	12/12	1/1	N/A



## Donation of Land Statement

(Under the *Local Government Act 1993*)

Section 72 (1) (da) requires Council to report on details of any land donated by Council during the year. Council made no such donations of land.

## Remuneration Statement

(Under the *Local Government Act 1993*)

The following table provides the remuneration for those positions designated by Council as senior positions, as required under the *Local Government Act 1993*. The positions of General Manager, Deputy General Manager, Manager, Development and Environmental Services, Manager, Infrastructure & Works and Manager, Corporate Services have been defined as senior positions by the Southern Midlands Council.

Remuneration Band	No. of Positions
\$80,001 -- \$100,000	1
\$100,001 - \$120,000	2
\$120,000 - \$160,000	1
\$160,001 - \$180,000	0
\$180,000 - \$200,000	1

## Advertising of Annual Report

(Under the *Local Government Act 1993*)

Section 72 (2) requires the General Manager to advertise in a daily newspaper circulating in the municipal area the availability of the report, together with an invitation to electors to lodge submissions on the report with the council for discussion at its annual general meeting. The Annual General Meeting was advertised in 'The Mercury' newspaper on the 20th November 2020; this included an invitation for electors to lodge submissions in relation to the Annual Report.

## Public Health Statement

(Under the *Local Government Act 1993*)

Section 72 (ab) requires the council to include a statement of its goals and objectives in relation to public health for the preceding year in its annual report. The statement is to detail the extent to which Council has carried out its functions under the *Public Health Act 1997* and *Food Act 2003*, the resources allocated to public health, the extent to which its goals and objectives, policies and programs for public health met the needs of people within its municipal area, and the completion of any strategies.

Key actions identified under Council's Public Health Program are: Continue to provide school immunisation programs; Continue to register and monitor food premises; Continue to ensure wastewater is effectively disposed of; Encourage health professionals, including doctors and nurses, to move to southern midlands; Provide continuing support to the Midlands Multi-Purpose Health Centre (MMPHC); Continually raise the awareness of Notifiable Diseases in the community; Maintain an Emergency Management Plan for the Southern Midlands local government area that will provide safeguards for the health and safety of the community; and ensure that the cemetery services continue to be provided.

Achievements for the 2019/20 period are detailed under the 'Public Health' section.

## Contracts

(*Local Government (General) Regulations 2015*)

In accordance with Section 23(5) of the *Local Government (General) Regulations 2015*, Council is required to report on contracts for the supply or provision of goods and services in excess of \$250,000 (excl. GST) entered into during the year to 30<sup>th</sup> June 2020.

Contactor Name & Address	Description	Value of Contract <i>(excl. GST)</i>	Period of Contract <i>(plus extension options if applicable)</i>
William Adams	Supply of Caterpillar 12M Motor Grader	\$395,000	N/A
Andrew Walter Construction	Road reconstruction / road stabilization	\$233,770	N/A
Roadways Pty Ltd	Road sealing Program	\$234,411	N/A

## **Enterprise Power Statement**

(Under the *Local Government Act 1993*)

Section 72 (1) (ca) requires Council to provide a statement of activities and performance of the Council in relation to any activity undertaken pursuant to section 21 of the *Local Government Act 1993* 'Enterprise Powers'.

In 2010/11, the Southern Midlands Council established two separate entities associated with the creation of the Centre for Colonial Heritage Conservation and Restoration:

- a) a proprietary company which will operate under the 'Services Arm' – Heritage Building Solutions Pty Ltd – commenced operation 19/7/10; and
- b) a company limited by guarantee to operate under the 'Education Arm' – Heritage Education and Skills Centre Ltd – commenced operation 28/7/2010.

The purpose of the respective Companies is as follows:

### *Heritage Building Solutions Pty Ltd*

To commercially provide building services, primarily to the heritage property sector and to conserve and renovate heritage property for re-use.

This includes:

- Conservation & Restoration Building Works;
- Professional Services Brokering;
- Heritage Building Redevelopment;
- Building services to Southern Midlands Council;
- Commercial building services;
- Production of architectural fittings; and
- Joinery workshop production items.

### *Heritage Education and Skills Centre Ltd*

To promote and facilitate the conservation and restoration of heritage properties and the development and the application of associated knowledge and skills.

This includes:

- Education and training - Apprentice and post trade training; Field work and structured experience; Property owner training; Professional training; and Visitor education.
- Research into - Conservation & Restoration Techniques; Building re-use technologies and best practice; Heritage/Archaeology; and Interpretation.
- Funding Heritage conservation and restoration activities – sourcing external funds and gifts”

The financial performance of these entities is reported in the set of Financial Statements.

## Grants & Donations

Name	Description	Amount \$
Brighton Family Day Care	Annual Child Care Grant	\$ 4000.00
Tasmania's Heritage Highway	Annual Grant	\$ 12,000.00
Green Ponds Progress Association	Donation for Kempton Festival	\$ 1500.00
Melton Mowbray Community Association	Donation for Melton Mowbray Rodeo	\$ 1500.00
Bagdad Primary School	Donation End of Year Awards	\$ 60.00
Kempton Primary School	Donation End of Year Awards	\$ 60.00
Campania District School	Donation End of Year Awards (Primary & High)	\$ 160.00
Oatlands District High School	Donation End of Year Awards (Primary & High)	\$ 160.00
Runnymede Cricket Club	Annual Contribution Ground Maintenance	\$ 1000.00
Levendale Cricket Club	Annual Contribution Ground Maintenance	\$ 1000.00
Oatlands Bowls Club	Donation for Oatlands Christmas Pageant	\$ 60.00
Oatlands District Football Association	Sponsorship Best and Fairest Award	\$ 145.00
Parattah Jubilee Hall	Contribution Public Liability Insurance	\$ 306.08
Levendale Hall	Community Small Grant	\$ 3000.00
Central Hawks Junior Football Club	Community Small Grant	\$ 3000.00
Mt Pleasant Football Club	Community Small Grant	\$ 3000.00
Oatlands Ex-Services & Community Club	Community Small Grant	\$ 3000.00
Oatlands Community Association	Community Small Grant	\$ 1180.00
Surf Lifesaving Tasmania	Community Small Grant	\$ 2000.00

## Grants & Donations

Name	Description	Amount \$
Brighton Green Ponds RSL Sub-Branch	Community Small Grant	\$ 2750.00
Campania District High School	Community Small Grant	\$ 3000.00
James Pearce	Sporting Representation (Interstate)	\$ 100.00
Bronte McShane	Sporting Representation (Interstate)	\$ 100.00
Hannah Pearce	Sporting Representation (Interstate)	\$ 100.00
Emily Irvine	Sporting Representation (Interstate)	\$ 100.00
Kendylle Byers	Sporting Representation (Interstate)	\$ 100.00
Max Lodge	Sporting Representation (Interstate)	\$ 100.00
Samuel Banks	Sporting Representation (Interstate)	\$ 100.00
Shakira Miller	Sporting Representation (Interstate)	\$ 100.00
Mackenzie Banks	Sporting Representation (Interstate)	\$ 100.00
Bagdad Community Club	Operational Grant MOU	\$10,000.00
<b>GRANTS &amp; DONATIONS TOTAL</b>		<b>\$ 53, 781.08</b>



# 2019/2020 FINANCIAL STATEMENTS

# SOUTHERN MIDLANDS COUNCIL



## **COMPLETE SET OF FINANCIAL STATEMENTS**

**2019 | 20 FINANCIAL YEAR**

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Prepared in pursuance of the provisions of the Local Government Act 1993 (as amended), the Statements of Accounting Concepts and applicable Accounting Standards, including the accrual basis of accounting.

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## General Manager's Declaration

The financial report presents fairly the financial position of the Southern Midlands Council as at 30 June 2020 and the results of its operations and cash flows for the year then ended, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



T F Kirkwood  
**General Manager**

Dated: 13 August 2020

**Consolidated Statement of Comprehensive Income**

for the year ended 30 June 2020

(Amounts shown in \$000)	Note	Budget 2020	Actual 2020	Actual 2019
<b>Income from continuing operations</b>				
<b>Recurrent Income</b>				
Rates and charges	2.2a	5,725	5,700	5,415
User fees	2.2b	694	878	983
Grants - Recurrent	2.2c	3,471	3,678	3,598
Interest	2.2d	180	151	221
Contract income	2.2e	765	943	948
Other income	2.2f	29	121	20
Investment revenue from water corporation	2.2g	152	76	152
		<b>11,016</b>	<b>11,547</b>	<b>11,337</b>
<b>Net Capital Income</b>				
Grants - capital	2.2h	4,526	765	378
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	2.2i	(108)	(127)	(136)
		<b>4,418</b>	<b>638</b>	<b>242</b>
<b>Total income from continuing operations</b>		<b>15,434</b>	<b>12,185</b>	<b>11,579</b>
<b>Expenses from continuing operations</b>				
Employee benefits	2.3a	(4,256)	(4,095)	(4,065)
Materials and contracts	2.3b	(3,236)	(3,285)	(3,213)
Depreciation and amortisation	2.3c	(3,061)	(3,138)	(3,079)
Contributions	2.3d	(234)	(234)	(221)
Finance costs	2.3e	(27)	(27)	(30)
Other expenses	2.3f	(376)	(422)	(795)
<b>Total expenses from continuing operations</b>		<b>(11,190)</b>	<b>(11,201)</b>	<b>(11,403)</b>
<b>Net result from continuing operations for the year</b>		<b>4,244</b>	<b>984</b>	<b>176</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to net result</b>				
Fair value adjustments on equity investment asset	3.4	-	(3,183)	1,370
Net asset revaluation increment/(decrement)	3.5	-	(229)	634
<b>Total other comprehensive income</b>		<b>-</b>	<b>(3,412)</b>	<b>2,004</b>
<b>Total Comprehensive Result</b>		<b>4,244</b>	<b>(2,428)</b>	<b>2,180</b>

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

## Consolidated Statement of Financial Position

as at 30 June 2020

(Amounts shown in \$000)	Note	Actual 2020	Actual 2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3.1	14,013	12,729
Trade and other receivables	3.2	1,081	960
Other assets	3.3	384	305
<b>Total current assets</b>		<b>15,478</b>	<b>13,994</b>
<b>Non-current assets</b>			
Investment in water corporation	3.4	10,390	13,573
Property, plant, equipment, infrastructure and intangibles	3.5	90,908	90,973
<b>Total non-current assets</b>		<b>101,298</b>	<b>104,546</b>
<b>Total assets</b>		<b>116,776</b>	<b>118,540</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3.7	433	558
Trust funds and deposits	3.8	167	177
Contract liabilities	3.9	1,901	-
Employee provisions	4.1	1,552	1,418
Interest-bearing loans and borrowings	5.1	73	148
<b>Total current liabilities</b>		<b>4,126</b>	<b>2,301</b>
<b>Non-current liabilities</b>			
Employee provisions	4.1	55	64
Interest-bearing loans and borrowings	5.1	384	457
<b>Total non-current liabilities</b>		<b>439</b>	<b>521</b>
<b>Total liabilities</b>		<b>4,565</b>	<b>2,822</b>
<b>Net Assets</b>		<b>112,211</b>	<b>115,718</b>
<b>Equity</b>			
Accumulated surplus		51,099	51,194
Reserves	6.1	61,112	64,524
<b>Total Equity</b>		<b>112,211</b>	<b>115,718</b>

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



**Consolidated Statement of Changes in Equity**

for the year ended 30 June 2020

(Amounts shown in \$000)	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves
<b>Balance as at 30 June 2018</b>		113,538	51,018	60,404	(1,535)	3,651
Net result from continuing operations for the year		176	176	-	-	-
Fair value adjustment on equity investment asset	3.4	1,370	-	-	1,370	-
Net revaluation reserve increment/(decrement)	3.5	634	-	634	-	-
Transfers between reserves	6.1	-	-	-	-	-
<b>Balance as at 30 June 2019</b>		<b>115,718</b>	<b>51,194</b>	<b>61,038</b>	<b>(165)</b>	<b>3,651</b>
Effect of changes in accounting policy for:						
Adoption of AASB 1058	6.4	(875)	(875)	-	-	-
Adoption of AASB 15	6.4	(204)	(204)	-	-	-
Adoption of AASB 16	6.4	-	-	-	-	-
<b>Restated balance as at 1 July 2019</b>		<b>114,639</b>	<b>50,115</b>	<b>61,038</b>	<b>(165)</b>	<b>3,651</b>
Net result from continuing operations for the year		984	984	-	-	-
Fair value adjustment on equity investment asset	3.4	(3,183)	-	-	(3,183)	-
Net revaluation reserve increment/(decrement)	3.5	(229)	-	(229)	-	-
Transfers between reserves	6.1	-	-	-	-	-
<b>Balance as at 30 June 2020</b>		<b>112,211</b>	<b>51,099</b>	<b>60,809</b>	<b>(3,348)</b>	<b>3,651</b>

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

## Consolidated Statement of Cash Flows

for the year ended 30 June 2020

(Amounts shown in \$000)	Note	Actual 2020	Actual 2019
<b>Cash flows from operating activities</b>			
Rates and charges		5,600	5,377
User fees		978	1,036
Grants - Recurrent		3,688	3,598
Interest		151	221
Investment revenue from water corporation		76	152
Other receipts		1,077	1,031
Net GST refund/payment		470	487
Payments to suppliers		(4,793)	(4,355)
Payments to employees		(3,970)	(3,932)
Finance costs paid		(27)	(30)
<b>Net cash from (used in) operating activities</b>	2.4	<b>3,250</b>	<b>3,585</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant, equipment, infrastructure and intangibles		(3,761)	(3,936)
Proceeds from sale of property, plant, equipment, infrastructure and intangibles		332	84
Capital grants		1,621	1,178
<b>Net cash from (used in) investing activities</b>		<b>(1,808)</b>	<b>(2,674)</b>
<b>Cash flows from financing activities</b>			
Trust funds and deposits		(10)	16
Proceeds from interest bearing loans and borrowings		-	-
Repayment of interest bearing loans and borrowings		(148)	(76)
<b>Net cash from (used in) financing activities</b>	2.5	<b>(158)</b>	<b>(60)</b>
Net increase (decrease) in cash and cash equivalents		1,284	851
Cash and cash equivalents at the beginning of the financial year		12,729	11,878
<b>Cash and cash equivalents at the end of the financial year</b>	3.1	<b>14,013</b>	<b>12,729</b>

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

# Notes to the Financial Report

## for the year ended 30 June 2020

### 1 About the financial statements

This section outlines the basis on which the Council's financial statements have been prepared including key judgements and estimates and any events which occurred subsequent to balance date that required reporting.

#### 1.1 Reporting entity

(a) Southern Midlands Council is a body corporate with perpetual succession and a common seal. Council's main office is located at 71 High Street, Oatlands.

(b) The purpose of the Council is to:

- provide for health, safety and welfare of the community;
- to improve the overall quality of life of people in the local community;
- promote appropriate business and employment opportunities

#### 1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated.

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

Special Committees of Council have been included in this financial report. Transactions between these committees and Council have been eliminated in full.

The financial report has been prepared as a consolidated report to include all the external transactions for the subsidiary entities disclosed at note 3.11. Council has elected not to present separate financial statements (Parent) in accordance with AASB 127 Separate Financial Statements as the amounts involved are not considered material.

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 1.3 Use of judgements and estimates

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

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

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

##### ***Employee entitlements***

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 4.1.

##### ***Defined benefit superannuation fund obligations***

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 4.3.

##### ***Fair value of property, plant & equipment***

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 3.5.

##### ***Investment in water corporation***

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 3.4.

#### 1.4 Events occurring after balance date

No significant events occurred after balance date that require reporting.

## Notes to the Financial Report

for the year ended 30 June 2020

### 2 Financial performance

This section outlines the financial performance of Council including its functions/activities. Details of operating income, expenses, cash flow information, management indicators compared with benchmarks and significant business activities are disclosed in the notes.

#### 2.1 Functions/Activities of the Council

2.1a Revenue, expenses and assets attributable to each function as categorised in Note 2.1c below:

(Amounts shown in \$000)	Income from continuing operations		Expenses from continuing operations		Result from continuing operations		Assets	
	2020	2019	2020	2019	2020	2019	2020	2019
Roads and bridges	684	390	4,716	4,733	(4,032)	(4,343)	65,788	66,508
Stormwater	-	-	107	115	(107)	(115)	3,786	3,724
Waste management	841	805	1,101	1,038	(260)	(233)	404	421
Economic development	1,045	1,132	1,770	1,893	(725)	(761)	7,321	6,921
Environmental management	81	37	390	410	(309)	(373)	392	393
Development services	239	268	917	949	(678)	(681)	763	729
Community services	55	20	884	492	(829)	(472)	2,250	2,236
Recreational facilities	237	67	828	870	(591)	(803)	7,330	7,284
Governance and administration	144	176	254	525	(110)	(349)	3,270	3,214
Other - non attributable	8,859	8,684	234	378	8,625	8,306	25,472	27,110
	<b>12,185</b>	<b>11,579</b>	<b>11,201</b>	<b>11,403</b>	<b>984</b>	<b>176</b>	<b>116,776</b>	<b>118,540</b>

#### Grants included in Income from continuing operations:

	2020	2019
Roads and bridges	666	378
Stormwater	-	-
Waste management	-	-
Economic development	65	140
Environmental management	66	-
Development services	-	-
Community services	27	5
Recreational facilities	35	37
Governance and administration	-	-
Other - non attributable	3,584	3,416
	<b>4,443</b>	<b>3,976</b>

2.1b Reconciliation of Assets with the Statement of Financial Position at 30 June:

	2020	2019
Current assets	15,478	13,994
Non-current assets	101,298	104,546
	<b>116,776</b>	<b>118,540</b>

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 2.1 Functions/Activities of the Council (continued)

##### 2.1c Nature and objective of functions/activities

###### *Roads, streets and bridges*

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

###### *Stormwater*

Maintenance and provision of stormwater reticulation systems.

###### *Waste management*

Collection, handling, processing and disposal of waste materials, operation of refuse disposal sites, waste transfer stations and recycling facilities.

###### *Environmental management*

Protection and enhancement of the environment, maintenance of amenity through control of statutory nuisances, environmental health and control of animal nuisances.

###### *Economic development*

Facilitation and development of local employment and economic initiatives, including streetscape improvements. Development and promotion of tourism and economic services within the municipal area.

###### *Development services*

Planning and development control, building control and related regulatory and statutory matters.

###### *Community services*

Provision of facilities and services focussed on improving the lifestyle of those that live in the Southern Midlands; assistance provided to volunteers and community based organisations; operation of youth employment and development programs and emergency services.

###### *Recreation facilities*

Provision and maintenance of recreation and sport facilities, including public halls and swimming pool. Included in this activity are parks and reserves, town beautification and associated facilities.

###### *Governance and administration*

Support for the Council and operational branches, including secretarial, computer, financial, personnel and general administrative services.

###### *Other - not attributable*

All revenues, expense and assets that cannot be attributed directly to one of the other listed functions. Includes carrying amount of non-current assets sold, State Government levies and contributions and Councillors emoluments.



## Notes to the Financial Report

for the year ended 30 June 2020

### 2.2 Income from continuing operations

(Amounts shown in \$000)

	2020	2019
<b>Recurrent income</b>		
<b>2.2a Rates and charges</b>		
General	4,572	4,329
Fire levy	234	221
Waste & garbage management	820	776
Interest and penalties	74	89
<i>Total rates and charges</i>	<b>5,700</b>	<b>5,415</b>
<b>2.2b User fees</b>		
Community safety	11	10
Growth tourism	4	92
Growth business	284	310
Landscapes cultural	6	6
Landscapes heritage	-	-
Landscapes regulatory	186	184
Landscapes natural	4	4
Lifestyle recreation	60	62
Lifestyle animals	54	84
Organisation sustainability	141	171
Organisation finances	13	25
Volunteers program	93	-
Other fees and charges	22	35
<i>Total user fees</i>	<b>878</b>	<b>983</b>
<b>2.2c Grants - Recurrent</b>		
Australian Government Financial Assistance Grants	1,742	1,703
Australian Government Financial Assistance Grants (in advance)	1,840	1,752
Landscapes heritage	-	124
Landscapes natural	60	37
Other	36	(18)
<i>Total recurrent grants</i>	<b>3,678</b>	<b>3,598</b>
<b>2.2d Interest</b>		
Interest on financial assets	6	13
Interest on cash and cash equivalents	145	208
<i>Total interest</i>	<b>151</b>	<b>221</b>
<b>2.2e Contract income</b>		
Contracted works	943	948
<i>Total contract income</i>	<b>943</b>	<b>948</b>
<b>2.2f Other income</b>		
Government subsidies	12	12
Special Committee contributions	87	-
Sundry	22	8
<i>Total other income</i>	<b>121</b>	<b>20</b>

## Notes to the Financial Report

for the year ended 30 June 2020

### 2.2 Income from continuing operations (continued)

(Amounts shown in \$000)	2020	2019
<b>2.2g Investment revenue from water corporation</b>		
Dividends, tax equivalent and guarantee fees received	76	152
<i>Total investment revenue from water corporation</i>	<b>76</b>	<b>152</b>
<b>Total recurrent income</b>	<b>11,547</b>	<b>11,337</b>
<b>2.2h Net capital income</b>		
<b>Grants - capital</b>		
Australian Government - Roads	666	344
Landscapes heritage	31	-
Landscapes natural	41	-
Lifestyle public health	27	34
<i>Total grants - capital</i>	<b>765</b>	<b>378</b>
<b>2.2i Net gain/(loss) on disposal of property, plant, equipment and infrastructure</b>		
Proceeds of sale of non-current assets	332	84
Written down value of non-current assets disposed	(459)	(220)
<i>Total gain/(loss)</i>	<b>(127)</b>	<b>(136)</b>
<b>Total net capital income</b>	<b>638</b>	<b>242</b>
<b>Total income from continuing operations</b>	<b>12,185</b>	<b>11,579</b>

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 2.2 Income from continuing operations (continued)

(Amounts shown in \$000)	2020	2019
<b>2.2j Grants received by funding source and conditions attached</b>		
<i>Funding source</i>		
Australian Government	4,279	3,799
Other	164	177
<i>Total</i>	<b>4,443</b>	<b>3,976</b>

The Australian Government provides untied Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB 1004 Contributions, Council recognised these grants as revenue when it received the funds and obtained control. In both years the Australian Government made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Australian Government Financial Assistance Grants being above that originally budgeted in 2019-20 by \$1,840,000 (2018-19 by \$1,752,000). This has impacted the Statement of Comprehensive Income resulting in the result from continuing operations being higher by the same amount.

#### 2.2k Recognition and measurement

##### **Rates and charges**

*Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019*

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

Refer to note 6.4 for details on the adoption of new or amended accounting standards.

*Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative*

Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. A provision for impairment of rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

##### **User fees**

*Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019*

Council recognises revenue from user fees and charges when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Refer to note 6.4 for details on the adoption of new or amended accounting standards.

*Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative*

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 2.2 Income from continuing operations (continued)

##### *Grants - recurrent and capital*

*Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019*

Council recognises untied grant revenue and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and recognises income as obligations are fulfilled.

The performance obligations are varied based on the agreement, but include the approval to proceed and staged completion milestones during the construction phase of roads and other community infrastructure, such as the Oatlands Aquatic Centre.

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

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

Refer to note 6.4 for details on the adoption of new or amended accounting standards.

*Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative*

Grant income is recognised as revenue when Council obtains control over the assets comprising the receipt. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer. Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant is also disclosed. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year. A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants. Unreceived contributions over which Council has control are recognised as receivables.

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 2.2 Income from continuing operations (continued)

##### **Interest**

Interest is recognised progressively as it is earned.

##### **Contract income**

As soon as the outcome of construction contracts can be estimated reliably, contract revenue and expenses are recognised in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Any expected loss on a contract is recognised immediately.

##### **Other income**

###### *Rental income*

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

###### *Volunteer services*

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

###### *Operating leases as lessor*

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

##### **Investment revenue from water corporation**

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

##### **Contributions**

###### *Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019*

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

Refer to note 6.4 for details on the adoption of new or amended accounting standards.

###### *Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative*

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt. Revenue is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer. Where contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused contribution is also disclosed. The note also discloses the amount of unused contribution from prior years that was expended on Council's operations during the current year. Unreceived contributions over which Council has control are recognised as receivables. Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-monetary contributions below the thresholds are recorded as revenue.

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

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

## Notes to the Financial Report

for the year ended 30 June 2020

### 2.3 Expenses from continuing operations

(Amounts shown in \$000)	2020	2019
<b>2.3a Employee benefits</b>		
Wages and salaries	3,109	3,100
Other employee costs	1,238	1,162
	<b>4,347</b>	<b>4,262</b>
Less amounts capitalised	(252)	(197)
<i>Total employee benefits</i>	<b>4,095</b>	<b>4,065</b>
<b>2.3b Materials and contracts</b>		
Advertising	31	18
Bank charges and commissions	19	15
Callington Mill	6	30
Computer system operation	174	141
Consultancies	155	175
Contractor labour and services	403	332
Council plant & machinery	253	377
Donations and grants	45	64
Gravel purchases	96	15
Household garbage and recycling collection contract	220	226
Insurance premiums	94	87
Legal expenses	56	61
Office expenses	100	100
Plant and machinery hire (external)	168	202
Power costs (including street lighting)	175	174
Repairs and maintenance	178	158
Subscriptions and publications	57	71
Telecommunications	22	33
Waste transfer, transport and disposal contracts	349	308
Water purchases	46	52
Valuation fees (supplementary valuations)	23	10
Volunteer services	93	-
Other materials and contracts	522	564
<i>Total materials and contracts</i>	<b>3,285</b>	<b>3,213</b>
<b>2.3c Depreciation and amortisation</b>		
Property		
Buildings	414	366
Plant and equipment		
Plant and machinery	260	241
Furniture and fixtures	25	27
Minor plant	10	13
Infrastructure		
Roads	1,916	1,915
Bridges	359	361
Stormwater	54	52
Waste management	26	27
<i>Total depreciation</i>	<b>3,064</b>	<b>3,002</b>
Amortisation of intangibles	74	77
<i>Total depreciation and amortisation</i>	<b>3,138</b>	<b>3,079</b>



## Notes to the Financial Report

for the year ended 30 June 2020

### 2.3 Expenses from continuing operations (continued)

(Amounts shown in \$000)	2020	2019
<b>2.3d Contributions</b>		
Fire service levy	234	221
<i>Total contributions</i>	<b>234</b>	<b>221</b>
<b>2.3e Finance costs</b>		
Interest - Borrowings	27	30
<i>Total finance costs</i>	<b>27</b>	<b>30</b>
<b>2.3f Other expenses</b>		
Councillors allowances	131	130
Election costs	3	35
External auditors' remuneration	29	29
Impairment of assets - land remediation costs	-	324
Other	259	277
<i>Total other expenses</i>	<b>422</b>	<b>795</b>
<b>Total expenses from continuing operations</b>	<b>11,201</b>	<b>11,403</b>

### 2.3g Recognition and measurement

Expenses are recognised in the Consolidated Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably. Further details of the nature and method of recognition and measurement of each expense item are set out below.

#### **Employee benefits**

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits. See also note 4.1.

#### **Materials and contracts**

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

#### **Depreciation and amortisation**

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

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

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 2.3 Expenses from continuing operations (continued)

Land and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life. The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

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

	Period
Buildings	10 - 50 years
Plant and equipment	
Plant and machinery	2 to 15 years
Furniture and fixtures	5 to 100 years
Minor plant	0 to 2 years
Infrastructure assets	10 to 150 years
Intangibles	5 years

#### **Finance costs**

Finance costs represent interest on interest-bearing loans and borrowings. Interest is expensed as it accrues and no interest has been capitalised during the current or comparative reporting period.

#### **Contributions**

Contributions represents the remittance of amounts to the Tasmanian Fire Service for fire service levies collected through rates.

#### **Other expenses**

Other expenses represent items which individually are not material for separate disclosure on the Consolidated Statement of Comprehensive Income.

#### 2.4 Reconciliation of cash flows from operating activities to surplus (deficit)

(Amounts shown in \$000)	2020	2019
Net result from continuing operations for the year	984	176
Depreciation and amortisation	3,138	3,079
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	127	136
Impairment of assets - land remediation costs	-	324
Grants - capital	(1,621)	(1,178)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(121)	730
Decrease/(increase) in other assets	(79)	97
Increase/(decrease) in contract liabilities	822	-
Increase/(decrease) in trade and other payables	(125)	88
Increase/(decrease) in employee provisions	125	133
<i>Net cash provided by/(used in) operating activities</i>	<b>3,250</b>	<b>3,585</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents	14,013	12,729
<b>Total reconciliation of cash and cash equivalents</b>	<b>14,013</b>	<b>12,729</b>

## Notes to the Financial Report

for the year ended 30 June 2020

### 2.5 Reconciliation of liabilities arising from financing activities

(Amounts shown in \$000)	2020	2019
Trust funds and deposits		
Balance at the beginning of the financial year	177	161
Net movements	(10)	16
Balance at the end of the financial year	<b>167</b>	<b>177</b>
Interest-bearing loans and borrowings		
Balance at the beginning of the financial year	605	681
Cash repayments	(148)	(76)
Balance at the end of the financial year	<b>457</b>	<b>605</b>

### 2.6 Management indicators

(Amounts shown in \$000)	Benchmark	2020	2019	2018	2017
<b>2.6a Underlying surplus or deficit</b>					
Recurrent income* less		11,332	11,145	10,361	10,112
recurrent expenditure		11,175	11,403	10,870	10,090
Underlying surplus/deficit	> \$0	<b>157</b>	<b>(258)</b>	<b>(509)</b>	<b>22</b>

\* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature as set out below:

Income from continuing operations	12,185	11,579
Less non-operating income		
Financial Assistance Grant in advance - prior year	1,752	1,696
Financial Assistance Grant in advance - current year	(1,840)	(1,752)
Grants - Capital	(765)	(378)
Recurrent income	<b>11,332</b>	<b>11,145</b>
Expenses from continuing operations	11,201	11,403
Less non-operating expenditure		
Expenses related to COVID 19	(26)	-
Recurrent expenditure	<b>11,175</b>	<b>11,403</b>

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

The underlying surplus assesses overall financial operating effectiveness and Council has returned a surplus in the current year. The 2019 result includes an impairment expense for remediation costs for a parcel of land and without these costs the underlying deficit would have been a small surplus. The negative result in 2018 largely reflects the disposal of certain infrastructure and building assets during that year. The long term financial management plan aims to ensure a breakeven situation is maintained each financial year.

### 2.6b Underlying surplus or deficit ratio

Underlying surplus or deficit		157	(258)	(509)	22
Recurrent income*		11,332	11,145	10,361	10,112
Underlying surplus or deficit ratio %	> 0%	<b>1.4%</b>	<b>-2.3%</b>	<b>-4.9%</b>	<b>0.2%</b>

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

## Notes to the Financial Report

for the year ended 30 June 2020

### 2.6 Management indicators (continued)

(Amounts shown in \$000)	Benchmark	2020	2019	2018	2017
<b>2.6c Net financial liabilities</b>					
Liquid assets less		15,094	13,689	13,568	12,795
total liabilities		4,565	2,822	2,661	2,942
Net financial liabilities	> \$0	<b>10,529</b>	<b>10,867</b>	<b>10,907</b>	<b>9,853</b>

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

### 2.6d Net financial liabilities ratio

Net financial liabilities		10,529	10,867	10,907	9,853
Recurrent income*		11,332	11,145	10,361	10,112
Net financial liabilities ratio %	0% - (50%)	<b>92.9%</b>	<b>97.5%</b>	<b>105.3%</b>	<b>97.4%</b>

This ratio indicates the net financial obligations of Council compared to its recurrent income. This ratio is well in excess of benchmark and indicates a strong liquidity position.

### 2.6e Asset consumption ratio

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

#### **Transport Infrastructure**

Depreciated replacement cost		60,806	61,793	62,026	60,980
Current replacement cost		120,488	119,198	116,701	114,666
Asset consumption ratio %	> 60%	<b>50.5%</b>	<b>51.8%</b>	<b>53.1%</b>	<b>53.2%</b>

#### **Buildings**

Depreciated replacement cost		13,929	13,255	12,086	12,259
Current replacement cost		24,532	23,494	21,952	22,405
Asset consumption ratio %	> 60%	<b>56.8%</b>	<b>56.4%</b>	<b>55.1%</b>	<b>54.7%</b>

#### **Stormwater**

Depreciated replacement cost		3,778	3,717	3,762	3,814
Current replacement cost		5,295	5,180	5,173	5,173
Asset consumption ratio %	> 60%	<b>71.4%</b>	<b>71.8%</b>	<b>72.7%</b>	<b>73.7%</b>

An asset consumption ratio has been calculated in relation to each asset class required to be included in council's long term strategic asset management plan.

The ratios assess the level of service potential in council's existing assets. The higher the percentage, the greater future service potential is available to provide service to ratepayers. The percentage results indicate that council must increase its investment in the renewal and replacement of existing assets. This is recognised in council's long term financial management strategy and plan.

## Notes to the Financial Report

for the year ended 30 June 2020

### 2.6 Management indicators (continued)

(Amounts shown in \$000)

Benchmark 2020 2019 2018 2017

#### 2.6f Asset renewal funding ratio

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

##### **Transport Infrastructure**

Projected capital funding outlays**		19,474	18,638	19,419	23,784
Projected capital expenditure funding***		20,475	21,750	19,790	17,000
Asset renewal funding ratio %	90-100%	<b>95.1%</b>	<b>85.7%</b>	<b>98.1%</b>	<b>139.9%</b>

##### **Buildings**

Projected capital funding outlays**		3,600	3,301	3,598	3,148
Projected capital expenditure funding***		3,708	2,750	2,750	3,148
Asset renewal funding ratio %	90-100%	<b>97.1%</b>	<b>120.0%</b>	<b>130.8%</b>	<b>100.0%</b>

##### **Stormwater**

Projected capital funding outlays**		486	501	546	398
Projected capital expenditure funding***		486	520	520	398
Asset renewal funding ratio %	90-100%	<b>100.0%</b>	<b>96.3%</b>	<b>105.0%</b>	<b>100.0%</b>

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

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

The asset renewal funding ratio is issued to assess council's capacity to fund future asset replacement requirements. The ratio for Transport Infrastructure in particular, indicates that additional funds are required in order to achieve the nominated benchmark of 90%. This issue is also addressed in council's long term financial management strategy and associated financial plan.

#### 2.6g Asset sustainability ratio

Capex on replacement/renewal of existing assets		2,374	2,349	2,995	1,933
Annual depreciation and amortisation expense		3,138	3,079	3,075	2,952
Asset sustainability ratio %	100.0%	<b>75.7%</b>	<b>76.3%</b>	<b>97.4%</b>	<b>65.5%</b>

The asset sustainability ratio assesses the extent to which council is maintaining operating capacity through renewal of its existing asset base. Whilst results may be below the nominated benchmark, it needs to be recognised that the actual need to expend funds on the renewal or replacement of assets can fluctuate substantially from year to year, whilst annual depreciation is fairly constant.

## Notes to the Financial Report

for the year ended 30 June 2020

### 2.6 Management indicators (continued)

(Amounts shown in \$'000)

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
<b>2020</b>			
By asset class (including work in progress)			
Land	-	50	50
Buildings	239	840	1,079
Plant and machinery	772	-	772
Furniture and fixtures	40	-	40
Minor plant	7	-	7
Roads	975	387	1,362
Bridges	300	-	300
Stormwater	5	110	115
Waste management	9	-	9
Intangibles	27	-	27
<b>Total</b>	<b>2,374</b>	<b>1,387</b>	<b>3,761</b>
<b>2019</b>			
By asset class (including work in progress)			
Land	211	-	211
Buildings	294	1,254	1,548
Plant and machinery	375	-	375
Furniture and fixtures	68	7	75
Minor plant	8	3	11
Roads	1,172	318	1,490
Bridges	27	-	27
Stormwater	3	5	8
Waste management	180	-	180
Intangibles	11	-	11
<b>Total</b>	<b>2,349</b>	<b>1,587</b>	<b>3,936</b>

### 2.7 Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council has determined, based upon materiality that it does not have any significant business activities.

## Notes to the Financial Report

for the year ended 30 June 2020

### 3 Asset base

This section outlines the assets held by Council used to generate its financial performance and services for the community and operating liabilities incurred as a result, excluding employee provisions and interest bearing long term debts which are discussed in section 4 *People* and 5 *Debt and Risk Management* respectively.

#### 3.1 Cash and cash equivalents

(Amounts shown in \$000)

	2020	2019
Cash at bank and on hand	3,086	1,808
Term deposits (3 months or less)	10,927	10,921
<i>Total cash and cash equivalents</i>	<b>14,013</b>	<b>12,729</b>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These following amounts represent the balance of restricted funds:

- Trust funds and deposits (note 3.8)	167	177
- Special committees of Council	63	58
- Heritage Building Solutions Pty Ltd (note 3.11)	279	277
- Heritage Education and Skills Centre Ltd (note 3.11)	47	83
- Conditions on grants received and recognised but unspent (2019 only)	-	875
- Grants received in advance (note 3.9) (2020 only)	1,660	-
- Australian Government - Financial Assistance Grant (in advance) (note 2.2c)	1,840	1,752
Restricted funds	<b>4,056</b>	<b>3,222</b>
Total unrestricted cash and cash equivalents	<b>9,957</b>	<b>9,507</b>

Restricted funds represent:

- i) Trust funds and deposits, including refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- ii) Funds held by special committees and subsidiary companies.
- iii) Grants received in advance.

#### Recognition and measurement

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other liquid investments. See note 5 for significant terms and conditions.

#### 3.2 Trade and other receivables

(Amounts shown in \$000)

	2020	2019
Rates debtors	769	633
Other debtors	312	327
<i>Total trade and other receivables</i>	<b>1,081</b>	<b>960</b>



## Notes to the Financial Report

### for the year ended 30 June 2020

#### 3.2 Trade and other receivables (continued)

##### Recognition and measurement

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

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

#### 3.3 Other assets

(Amounts shown in \$000)	2020	2019
Stores and materials	303	213
Subsidiary work in progress	81	92
<i>Total other assets</i>	<b>384</b>	<b>305</b>

##### Recognition and measurement

Stores and materials are held for use by Council and are measured at cost. Subsidiary work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost. Cost includes all expenditure directly related to specific projects and an allocation of fixed and variable overhead incurred in the contract activities based on normal operating capacity.

#### 3.4 Investment in water corporation

(Amounts shown in \$000)	2020	2019
Opening Balance	13,573	12,203
Change in fair value of investment	(3,183)	1,370
<i>Total investment in water corporation</i>	<b>10,390</b>	<b>13,573</b>

##### Recognition and measurement

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 6.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured. Fair value was determined by using Council's ownership interest against TasWater's net asset value at balance date. At 30 June 2020, Council held a 0.72% ownership interest in TasWater (2019: 0.73%) which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

## Notes to the Financial Report

for the year ended 30 June 2020

## 3.5 Property, plant, equipment, infrastructure and intangibles

(Amounts shown in \$000)	Gross book value		Accumulated depreciation		Total	
	2020	2019	2020	2019	2020	2019
<b>Property</b>						
<b>At fair value</b>						
Land	4,612	4,607	-	-	4,612	4,607
Land under roads	3,051	3,051	-	-	3,051	3,051
Buildings	24,532	23,494	(10,603)	(10,239)	13,929	13,255
<b>Total property</b>	<b>32,195</b>	<b>31,152</b>	<b>(10,603)</b>	<b>(10,239)</b>	<b>21,592</b>	<b>20,913</b>
<b>Plant and equipment</b>						
<b>At cost</b>						
Plant and machinery	4,257	4,102	(1,764)	(1,898)	2,493	2,204
Furniture and fixtures	648	708	(405)	(474)	243	234
Minor plant	324	317	(263)	(253)	61	64
<b>Total plant and equipment</b>	<b>5,229</b>	<b>5,127</b>	<b>(2,432)</b>	<b>(2,625)</b>	<b>2,797</b>	<b>2,502</b>
<b>Infrastructure</b>						
<b>At fair value</b>						
Roads	92,232	91,016	(49,915)	(48,000)	42,317	43,016
Bridges	28,256	28,182	(9,767)	(9,405)	18,489	18,777
Stormwater	5,295	5,180	(1,517)	(1,463)	3,778	3,717
Waste management	308	430	(108)	(212)	200	218
<b>Total infrastructure</b>	<b>126,091</b>	<b>124,808</b>	<b>(61,307)</b>	<b>(59,080)</b>	<b>64,784</b>	<b>65,728</b>
<b>Work in progress</b>	<b>1,653</b>	<b>1,701</b>	<b>-</b>	<b>-</b>	<b>1,653</b>	<b>1,701</b>
<b>Intangibles</b>	<b>543</b>	<b>554</b>	<b>(461)</b>	<b>(425)</b>	<b>82</b>	<b>129</b>
<b>Total property, plant, equipment, infrastructure and intangibles</b>	<b>165,711</b>	<b>163,342</b>	<b>(74,803)</b>	<b>(72,369)</b>	<b>90,908</b>	<b>90,973</b>

## Notes to the Financial Report

for the year ended 30 June 2020

## 3.5 Property, plant, equipment, infrastructure and intangibles (continued)

(Amounts shown in \$000)	Balance at beginning of financial year	Acquisition of assets	Revaluation increase (decrease)	Depreciation and amortisation	Written down value of disposals	Assets initially recognised at fair value	Impairment of assets	Balance at end of financial year
<b>2020</b>								
<b>Property</b>								
Land	4,607	50	-	-	(45)	-	-	4,612
Land under roads	3,051	-	-	-	-	-	-	3,051
Buildings	13,255	1,272	-	(414)	(184)	-	-	13,929
<b>Total property</b>	<b>20,913</b>	<b>1,322</b>	<b>-</b>	<b>(414)</b>	<b>(229)</b>	<b>-</b>	<b>-</b>	<b>21,592</b>
<b>Plant and equipment</b>								
Plant and machinery	2,204	772	-	(260)	(223)	-	-	2,493
Furniture and fixtures	234	40	-	(25)	(6)	-	-	243
Minor plant	64	7	-	(10)	-	-	-	61
<b>Total plant and equipment</b>	<b>2,502</b>	<b>819</b>	<b>-</b>	<b>(295)</b>	<b>(229)</b>	<b>-</b>	<b>-</b>	<b>2,797</b>
<b>Infrastructure</b>								
Roads	43,016	1,217	-	(1,916)	-	-	-	42,317
Bridges	18,777	300	(229)	(359)	-	-	-	18,489
Stormwater	3,717	115	-	(54)	-	-	-	3,778
Waste management	218	9	-	(26)	(1)	-	-	200
<b>Total infrastructure</b>	<b>65,728</b>	<b>1,641</b>	<b>(229)</b>	<b>(2,355)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>64,784</b>
<b>Work in progress</b>	1,701	(48)	-	-	-	-	-	1,653
<b>Intangibles</b>	129	27	-	(74)	-	-	-	82
<b>Total property, plant, equipment, infrastructure and intangibles</b>	<b>90,973</b>	<b>3,761</b>	<b>(229)</b>	<b>(3,138)</b>	<b>(459)</b>	<b>-</b>	<b>-</b>	<b>90,908</b>

## Notes to the Financial Report

for the year ended 30 June 2020

## 3.5 Property, plant, equipment, infrastructure and intangibles (continued)

(Amounts shown in \$000)	Balance at beginning of financial year	Acquisition of assets	Revaluation increase (decrease)	Depreciation and amortisation	Written down value of disposals	Assets initially recognised at fair value	Impairment of assets	Balance at end of financial year
<b>2019</b>								
<b>Property</b>								
Land	4,607	324	-	-	-	-	(324)	4,607
Land under roads	3,051	-	-	-	-	-	-	3,051
Buildings	12,086	1,535	-	(366)	-	-	-	13,255
<i>Total property</i>	<b>19,744</b>	<b>1,859</b>	-	<b>(366)</b>	-	-	<b>(324)</b>	<b>20,913</b>
<b>Plant and equipment</b>								
Plant and machinery	2,211	375	-	(241)	(141)	-	-	2,204
Furniture and fixtures	186	75	-	(27)	-	-	-	234
Minor plant	66	11	-	(13)	-	-	-	64
<i>Total plant and equipment</i>	<b>2,463</b>	<b>461</b>	-	<b>(281)</b>	<b>(141)</b>	-	-	<b>2,502</b>
<b>Infrastructure</b>								
Roads	43,549	1,461	-	(1,915)	(79)	-	-	43,016
Bridges	18,477	27	634	(361)	-	-	-	18,777
Stormwater	3,762	7	-	(52)	-	-	-	3,717
Waste management	65	180	-	(27)	-	-	-	218
<i>Total infrastructure</i>	<b>65,853</b>	<b>1,675</b>	<b>634</b>	<b>(2,355)</b>	<b>(79)</b>	-	-	<b>65,728</b>
<b>Work in progress</b>	1,771	(70)	-	-	-	-	-	1,701
<b>Intangibles</b>	195	11	-	(77)	-	-	-	129
<i>Total property, plant, equipment, infrastructure and intangibles</i>	<b>90,026</b>	<b>3,936</b>	<b>634</b>	<b>(3,079)</b>	<b>(220)</b>	-	<b>(324)</b>	<b>90,973</b>

**Recognition and measurement**

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

## Notes to the Financial Report

for the year ended 30 June 2020

### 3.5 Property, plant, equipment, infrastructure and intangibles (continued)

The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year. Council has adopted the following valuation bases for each asset class.

	Threshold	Valuation Bases
	\$	
<b>Property</b>		
Land	1	Fair value
Land under roads	1	Fair value
Buildings	1	Fair value
<b>Plant and equipment</b>		
Plant and machinery	1,000	Cost
Furniture and fixtures	500	Cost
Minor plant	1,000	Cost
<b>Infrastructure</b>		
Roads	1	Fair value
Bridges	5,000	Fair value
Stormwater	3,000	Fair value
Waste management	3,000	Cost
<b>Intangibles</b>		
	500	Cost

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

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

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

Impairment losses are recognised in the Statement of Comprehensive Income under other expenses.

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 3.6 Right of use assets

Council had no non-concessionary leases during the year and has not recognised any associated right of use assets or lease liabilities at a balance date.

##### *Concessionary leases*

Council has 3 concessionary leases with the Crown in Right of Tasmania for land and buildings within the municipality. Council uses these leased assets for community facilities, public recreation and the provision of infrastructure. Council is dependent on these leases to further its objectives. The consideration paid for each of these leases is "peppercorn", with lease fees of \$1 per annum if demanded, over lease terms of between 10 and 40 years. The lease liability for these leases is immaterial and, in accordance with Council's accounting policy to measure right of use assets arising from concessionary leases at the initial measurement of the lease liability, the right of use assets are also immaterial and have not been recognised.

##### *Accounting policy under AASB 16 - applicable from 1 July 2019*

##### **Recognition and measurement**

##### *Council as lessee*

In contracts where Council is a lessee, Council recognises a right of use asset and a lease liability at the commencement date of the lease, unless the short term or low value exemption is applied.

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

Where right of use assets are recognised they are measured as described in the accounting policy for property, infrastructure, plant and equipment in note 3.6. Also, Council will apply AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the aforesaid note.

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

##### *Concessionary leases*

For leases that have significantly below market terms and conditions principally to enable the Council to further its objectives, commonly known as "peppercorn (concessionary) leases", Council has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition. Cost being the initial measurement of the lease liability.

Refer to note 6.4 for further details on adoption of AASB 16.

## Notes to the Financial Report

for the year ended 30 June 2020

### 3.7 Trade and other payables

(Amounts shown in \$000)	2020	2019
Payables and accruals	357	490
Payroll oncosts on employee entitlements	76	68
<b>Total trade and other payables</b>	<b>433</b>	<b>558</b>

#### Recognition and measurement

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. See note 5 for significant terms and conditions.

### 3.8 Trust funds and deposits

(Amounts shown in \$000)	2020	2019
Tender deposits and funds held on trust	167	177
<b>Total trust funds and deposits</b>	<b>167</b>	<b>177</b>

#### Recognition and measurement

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

### 3.9 Contract liabilities

(Amounts shown in \$000)	2020
Rates and charges in advance	241
Grants received in advance	1,660
<b>Total contract liabilities</b>	<b>1,901</b>

#### Recognition and measurement

*Accounting policy under AASB 15 - applicable from 1 July 2019*

Council recognised the following contract liabilities:

- i) Rates and charges in advance represents amounts received by Council prior to the commencement of the rating or charging period. Revenue is recognised by council at the beginning of the rating or charge period to which the advance payment relates.
- ii) Grants received in advance includes funds received under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue.

Refer to note 6.4 for details on the adoption of new or amended accounting standards.



## Notes to the Financial Report

### for the year ended 30 June 2020

#### 3.10 Fair value measurements

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

- Investment in water corporation as disclosed at note 3.4
- Property and infrastructure as disclosed at note 3.5

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

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise land as disclosed in note . A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Assets held for sale'.

#### (a) Fair Value Hierarchy

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

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

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

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

## Notes to the Financial Report

for the year ended 30 June 2020

### 3.10 Fair value measurements (continued)

(Amounts shown in \$000)	Level 1		Level 2		Level 3		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Fair value measurements</b>								
<b>Recurring</b>								
Property								
Land	-	-	4,612	4,607	-	-	4,612	4,607
Land under roads	-	-	3,051	3,051	-	-	3,051	3,051
Buildings	-	-	-	-	13,929	13,255	13,929	13,255
Infrastructure								
Roads	-	-	-	-	42,317	43,016	42,317	43,016
Bridges	-	-	-	-	18,489	18,777	18,489	18,777
Stormwater	-	-	-	-	3,778	3,717	3,778	3,717
Waste management	-	-	-	-	200	218	200	218
<b>Total recurring</b>	<b>-</b>	<b>-</b>	<b>7,663</b>	<b>7,658</b>	<b>78,713</b>	<b>78,983</b>	<b>86,376</b>	<b>86,641</b>

#### Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

#### (b) Highest and best use

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

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

##### Land

Land fair values were determined by a qualified independent valuer. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 3.10 Fair value measurements (continued)

##### **Land under roads**

Land under roads valuation is based on an average per square metre property rates supplied by the Tasmanian Valuer General.

##### **Buildings**

Council considers that all its buildings are of a specialist nature (eg heritage buildings) and there is no active market for the assets. Fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values have been determined by Council officers with reference to market data for recent projects and costing guides.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3).

##### **Infrastructure assets**

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

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks.

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 2.3.

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation.

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

##### **Roads**

Council categorises its road infrastructure into sealed and unsealed roads and then further sub-categorises these based on an assessment of vehicle movements and social and economic importance. Roads are managed in segments. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

## Notes to the Financial Report

for the year ended 30 June 2020

### 3.10 Fair value measurements (continued)

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. For internal construction estimates, material and services prices are based on contract rates, supplier price lists and Council's labour wage rates. When construction is outsourced, CRC is based on the average of similar completed projects over the last few years.

#### **Bridges**

Council engaged an external expert to undertake valuation of bridges. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

#### **Stormwater**

Council engaged the Brighton Council Municipal Engineer to undertake the valuation of stormwater. Similar to roads, stormwater assets are managed in segments; pits and pipes being the major components. Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

#### **Other Infrastructure**

Other infrastructure is not deemed to be significant in terms of the Consolidated Statement of Financial Position.

#### **(d) Changes in recurring level 3 fair value measurements**

The changes in level 3 property and infrastructure assets with recurring fair value measurements are detailed in note 3.5 (Property, plant, equipment and infrastructure). Investment in water corporation, which is classified as level 3 has been separately disclosed in note 3.4.

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

#### **(e) Valuation processes**

At the end of each year Council assess whether the carrying amount of its assets varies significantly from the fair value. This is done by consideration of changes in utilisation, obsolescence, assessment of unit rates, patterns of consumption, residual life, useful life, condition and remaining useful life.

Based on this assessment assets may need to be revalued and/or depreciation rates changed.

#### **(f) Assets and liabilities not measured at fair value but for which fair value is disclosed**

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 5.3 is provided by Tascorp (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (level 2).

## Notes to the Financial Report

for the year ended 30 June 2020

### 3.11 Investments in subsidiaries

Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd (HESC) are small proprietary companies controlled by Council and are not reporting entities.

The following transactions were recorded for the current and prior financial years. The balances disclosed have been consolidated into Council's balances. All inter-entity transactions and balances between Council and these subsidiary companies have been eliminated.

(Amounts shown in \$000)	2020	2019
<b>Heritage Building Solutions Pty Ltd</b>		
Statement of Comprehensive Income		
Revenue	1,155	1,187
Expenses	(1,108)	(1,187)
<b>Total Comprehensive Income for the year</b>	<b>47</b>	<b>-</b>
Statement of Financial Position		
Assets	522	521
Liabilities	(368)	(414)
<b>Total Equity</b>	<b>154</b>	<b>107</b>
<b>Heritage Education &amp; Skills Centre Pty Ltd</b>		
Statement of Comprehensive Income		
Revenue	36	(40)
Expenses	(44)	(12)
<b>Total Comprehensive Income for the year</b>	<b>(8)</b>	<b>(52)</b>
Statement of Financial Position		
Assets	47	90
Liabilities	(76)	(111)
<b>Total Equity</b>	<b>(29)</b>	<b>(21)</b>

## Notes to the Financial Report

for the year ended 30 June 2020

### 4 People

This section outlines the amounts provided for employee benefits during and post employment and related party transactions.

#### 4.1 Employee provisions

(Amounts shown in \$000)

	2020	2019
<b>Current</b>		
Annual leave	513	462
Long service leave	761	673
Personal	278	283
<b>Total current</b>	<b>1,552</b>	<b>1,418</b>
<b>Non-current</b>		
Long service leave	55	64
<b>Total non-current</b>	<b>55</b>	<b>64</b>
<b>Total employee provisions</b>	<b>1,607</b>	<b>1,482</b>
<b>Description of current and non-current components of employee provisions</b>		
<b>Current</b>		
All annual leave and the long service leave entitlements representing 10 or more years of continuous service:		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value.	791	745
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	761	673
	<b>1,552</b>	<b>1,418</b>
<b>Non-current</b>		
Long service leave representing less than 10 years of continuous service measured at present value.	55	64
	<b>55</b>	<b>64</b>
<b>Number of employees (full time equivalents)</b>	44	43

## Notes to the Financial Report

for the year ended 30 June 2020

### 4.1 Employee Provisions (continued)

#### *Movements in employee provisions during the financial year*

(Amounts shown in \$000)	Annual leave		Long service leave		Personal			Total
	2020	2019	2020	2019	2020	2019	2020	2019
Balance at beginning of the year	462	407	737	665	283	277	1,482	1,349
Additional provisions	341	357	247	219	106	95	694	671
Amounts used	(290)	(302)	(168)	(147)	(111)	(89)	(569)	(538)
Balance at end of the year	<b>513</b>	<b>462</b>	<b>816</b>	<b>737</b>	<b>278</b>	<b>283</b>	<b>1,607</b>	<b>1,482</b>

#### **Recognition and measurement**

##### *Short term obligations*

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

##### *Other long term employee benefit obligations*

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

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

##### *Personal leave*

Council's Enterprise Bargaining Agreement provides for employees who resign from their position with Council to be paid a percentage of their sick leave balance based on completed years of service, plus a gratuity amount.



## Notes to the Financial Report

for the year ended 30 June 2020

### 4.2 Related party transactions

#### Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

<b>Councillors</b>	Mayor A O Green	1 July 2019	to	30 June 2020
	Deputy Mayor E C Batt	1 July 2019	to	30 June 2020
	Councillor A R Bantick	1 July 2019	to	30 June 2020
	Councillor A E Bisdee OAM	1 July 2019	to	30 June 2020
	Councillor K Dudgeon	1 July 2019	to	30 June 2020
	Councillor D F Fish	1 July 2019	to	30 June 2020
<b>General Manager</b>	Councillor R McDougall	1 July 2019	to	30 June 2020
	Mr T F Kirkwood	1 July 2019	to	30 June 2020

#### Councillor remuneration

(Amounts shown in \$)

	Allowances	Compensation AASB 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
<b>2020</b>						
A O Green	37,885	37,885	3,695	1,640	26	43,246
E C Batt	21,590	21,590	1,169	1,100	26	23,885
A R Bantick	10,825	10,825	923	780	26	12,554
A E Bisdee OAM	11,885	11,885	1,530	780	26	14,221
K Dudgeon	10,825	10,825	1,411	-	26	12,262
D F Fish	10,825	10,825	-	780	26	11,631
R McDougall	10,825	10,825	1,700	360	26	12,911
<b>Total</b>	<b>114,660</b>	<b>114,660</b>	<b>10,428</b>	<b>5,440</b>	<b>182</b>	<b>130,710</b>

(Amounts shown in \$)

	Allowances	Compensation AASB 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
<b>2019</b>						
A E Bisdee OAM	19,921	19,921	3,716	993	25	24,655
A O Green	31,629	31,629	3,463	1,427	25	36,544
E C Batt	16,752	16,752	1,763	1,068	25	19,608
A R Bantick	10,571	10,571	1,368	780	25	12,744
R A Campbell	3,528	3,528	282	260	25	4,095
K Dudgeon	7,103	7,103	1,210	-	17	8,330
D F Fish	10,571	10,571	-	780	8	11,359
D E Marshall	3,528	3,528	251	260	17	4,056
R McDougall	7,103	7,103	1,827	-	8	8,938
<b>Total</b>	<b>110,706</b>	<b>110,706</b>	<b>13,880</b>	<b>5,568</b>	<b>175</b>	<b>130,329</b>

**Allowances** - statutory allowances as paid in accordance with the Local Government Act 1993.

**Kilometre reimbursements** - reimbursement for kilometres travelled while on Council business at a rate per kilometre.

**Communications** - allowances paid to Councillors to reimburse telephone and internet usage costs.

**Other** - cost of electronic funds transfer.

## Notes to the Financial Report

for the year ended 30 June 2020

## 4.2 Related party transactions (continued)

## Key Management Personnel remuneration

(Amounts shown in \$)

		Short term benefits			Post employment benefits			
		Salary	Vehicles	Other benefits	Superannuation	Termination benefits	Other non-monetary benefits	Total
<b>2020</b>								
<b>Remuneration band</b>	<b>Employees</b>							
\$80 001 - \$100 000	1	85,179	-	300	10,647	-	2,111	98,237
\$100 001 - \$120 000	2	191,013	6,750	600	23,877	-	(5,950)	216,290
\$160 001 - \$180 000	1	130,553	1,548	300	16,319	-	12,521	161,241
\$200 001 - \$220 000	1	161,045	7,032	300	20,131	-	18,279	206,787
		<b>567,790</b>	<b>15,330</b>	<b>1,500</b>	<b>70,974</b>	<b>-</b>	<b>26,961</b>	<b>682,555</b>

(Amounts shown in \$)

		Short term benefits			Post employment benefits			
		Salary	Vehicles	Other benefits	Superannuation	Termination benefits	Other non-monetary benefits	Total
<b>2019</b>								
<b>Remuneration band</b>	<b>Employees</b>							
\$80 001 - \$100 000	2	172,348	3,176	600	21,543	-	(9,539)	188,128
\$100 001 - \$120 000	1	98,213	753	300	12,277	-	(3,172)	108,371
\$140 001 - \$160 000	1	127,639	5,087	300	15,955	-	8,140	157,121
\$180 001 - \$200 000	1	158,914	9,121	300	19,864	-	(1,326)	186,873
		<b>557,114</b>	<b>18,137</b>	<b>1,500</b>	<b>69,639</b>	<b>-</b>	<b>(5,897)</b>	<b>640,493</b>

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

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

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

**Superannuation** - means the contribution to the superannuation fund of the individual.

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

**Other non-monetary benefits** - include annual and long service leave movements.

## Notes to the Financial Report

for the year ended 30 June 2020

### 4.2 Related party transactions (continued)

#### *Directors of subsidiary companies remuneration*

Two directors of Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd were paid directors and management fees in total of \$38,694 (2019: \$50,064)

#### *Remuneration Principles*

##### *Councillors*

Councillor allowances are paid in accordance with those set by Regulation 42 (2) of the Local Government General Regulations 2015. Council has further determined by policy that in order to carry out their functions as a Councillor, reimbursements will be paid to Councillors for travelling while on Council related business on a kilometre travelled basis, that stationery and consumables will be provided and that a communications allowance will be paid to offset the cost of telephone and internet charges.

##### *Senior management*

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

The performance of each senior manager, including the General Manager, is reviewed annually which includes a review of their remuneration package, which takes account of their performance against key indicators and of salary packages for similar roles in the region. Whilst not automatic, contracts can be extended.

##### *Directors of subsidiary companies*

Directors of Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd are remunerated in accordance with the terms and conditions of their appointment and may be varied in accordance with the constitution of each company and the Corporations Act 2001.

#### *Transactions with related parties*

During the period Council did not enter into transactions with entities that are controlled by members of key management personnel.

In accordance with s84(2)(b) of the Local Government Act 1993, no interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

#### *Transactions with related parties that have not been disclosed*

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

- Payment of rates on a primary residence
- Dog registration

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 4.3 Post employment benefits

##### Recognition and measurement

###### *Defined contribution funds*

Council contributes to defined contribution plans on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies, if any, that may occur in those schemes. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

###### *Defined benefit fund*

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

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

For the year ended 30 June 2020 the Council contributed 3% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58,940,000, the value of vested benefits was \$51,170,000, the surplus over vested benefits was \$7,770,000, the value of total accrued benefits was \$50,606,000, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

- Net Investment Return 7.0% p.a.
- Salary Inflation 4.0% p.a.
- Price Inflation n/a

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 4.3 Post employment benefits (continued)

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2017.
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2017.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2017

Given the strong financial position of the Fund, the Actuary recommended that the Council consider a contribution holiday and contribute 0% of salaries from 1 July 2018 to 30 June 2021. The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2020 and is expected to be completed late in 2020.

As required in terms of paragraph 148 of AASB 119 Employee Benefits, Council discloses the following details:

- The 2017 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2014.

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

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 4.3 Post employment benefits (continued)

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2019, showed that the Fund had assets of \$56.64 million and members' Vested Benefits were \$47.32 million. These amounts represented 0.6% and 0.5% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2019 the fund had 107 members and the total employer contributions and member contributions for the year ending 30 June 2019 were \$1,000,322 and \$221,484 respectively.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$4,681 (2018-19, \$6,800), and the amount paid to accumulation schemes was \$323,399 (2018-19, \$346,688).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$nil, and the amount to be paid to accumulation schemes is \$339,800.

## Notes to the Financial Report

for the year ended 30 June 2020

### 5 Debt and risk management

This section sets out the interest bearing debts of Council and outlines Council's exposure to financial risks and how these risks are managed.

#### 5.1 Interest-bearing loans and borrowings

(Amounts shown in \$000)	2020	2019
<b>Current</b>		
Borrowings - secured	73	148
<b>Non-current</b>		
Borrowings - secured	384	457
<i>Total borrowings</i>	<u>457</u>	<u>605</u>

Borrowings are secured over the rate income of Council. There have been no defaults or breaches of the loan agreement during the year.

The maturity profile for Council's borrowings is:

Not later than one year	73	148
Later than one year and not later than five years	275	330
Later than five years	109	127
<i>Total</i>	<u>457</u>	<u>605</u>

#### Recognition and measurement

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

#### 5.2 Financing arrangements

(Amounts shown in \$000)	2020	2019
Bank overdraft limit	200	200
Direct debit facility	100	100
Business credit cards	50	50
Used facilities	-	-
<i>Unused facilities</i>	<u>350</u>	<u>350</u>



## Notes to the Financial Report

for the year ended 30 June 2020

### 5.3 Financial Instruments

#### *Accounting policy, terms and conditions*

Recognised financial instruments	Accounting policy	Terms and Conditions
<i>Financial assets</i>		
Cash and cash equivalents	See Note 3.1	On call deposits and cash returned a floating interest rate of 1.2% (1.8% in 2019). The interest rate at balance date was 1.0% (1.9% in 2019).
Trade and other receivables	See Note 3.2	<p>General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2018). Credit terms are based on 30 days.</p> <p>Rate debtors are paid either by four instalments or alternatively within 30 days (which provides a discount of 1.3%). The discount is shown as an expense of the Council. A penalty of 5% applies to any rate or charge that is not paid on or before the date it falls due and in addition to the penalty, interest under section 128 of the Local Government Act 1993 will be charged at the rate of 9.5% per annum.</p> <p>Should amounts remain unpaid outside the adopted payment options, Council will instigate collection proceedings in accordance with the provisions of the Local Government Act 1993 (as amended).</p>
Available for sale financial assets Investment in Water Corporation	See Note 3.4	
<i>Financial Liabilities</i>		
Trade and other payables	See Note 3.6	Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	See Note 5.1	<p>The loans of Council are secured by trust deed. In accordance with section 80 of the Local Government Act 1993, the borrowing capacity of Council is limited to:</p> <ul style="list-style-type: none"> <li>- Except with the approval of the Minister, a council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year.</li> <li>- Grants made to a council for a specific purpose are to be excluded in calculating 30% of the revenue of the council.</li> </ul> <p>The current annual payment of loans (principal and interest) by Council, based on the debenture loan schedules, equate to less than 2.5% of total revenue for the preceding year (2019: less than 2.5%).</p>

## Notes to the Financial Report

for the year ended 30 June 2020

### 5.3 Financial Instruments (continued)

#### Interest rate risk

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

(Amounts shown in \$000)	Floating interest rate	1 year or less	Fixed interest maturing in: Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total
<b>2020</b>						
<i>Financial assets</i>						
Cash and cash equivalents	3,086	10,927	-	-	-	14,013
Trade and other receivables	-	-	-	-	1,081	1,081
Investment in water corporation	-	-	-	-	10,390	10,390
<b>Total financial assets</b>	<b>3,086</b>	<b>10,927</b>	<b>-</b>	<b>-</b>	<b>11,471</b>	<b>25,484</b>
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	433	433
Trust funds and deposits	-	-	-	-	167	167
Interest-bearing loans and borrowings	-	73	275	109	-	457
<b>Total financial liabilities</b>	<b>-</b>	<b>73</b>	<b>275</b>	<b>109</b>	<b>600</b>	<b>1,057</b>
<b>Net financial assets (liabilities)</b>	<b>3,086</b>	<b>10,854</b>	<b>(275)</b>	<b>(109)</b>	<b>10,871</b>	<b>24,427</b>
<b>2019</b>						
<i>Financial assets</i>						
Cash and cash equivalents	1,808	10,921	-	-	-	12,729
Trade and other receivables	-	-	-	-	960	960
Investment in water corporation	-	-	-	-	13,573	13,573
<b>Total financial assets</b>	<b>1,808</b>	<b>10,921</b>	<b>-</b>	<b>-</b>	<b>14,533</b>	<b>27,262</b>
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	558	558
Trust funds and deposits	-	-	-	-	177	177
Interest-bearing loans and borrowings	-	148	330	127	-	605
<b>Total financial liabilities</b>	<b>-</b>	<b>148</b>	<b>330</b>	<b>127</b>	<b>735</b>	<b>1,340</b>
<b>Net financial assets (liabilities)</b>	<b>1,808</b>	<b>10,773</b>	<b>(330)</b>	<b>(127)</b>	<b>13,798</b>	<b>25,922</b>

## Notes to the Financial Report

for the year ended 30 June 2020

### 5.3 Financial Instruments (continued)

#### Fair value

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

(Amounts shown in \$000)	Total carrying amount		Net fair value	
	2020	2019	2020	2019
<i>Financial assets:</i>				
Cash and cash equivalents	14,013	12,729	14,013	12,729
Trade and other receivables	1,081	960	1,081	960
Investment in water corporation	10,390	13,573	10,390	13,573
<b>Total financial assets</b>	<b>25,484</b>	<b>27,262</b>	<b>25,484</b>	<b>27,262</b>
<i>Financial liabilities:</i>				
Trade and other payables	433	558	433	558
Trust funds and deposits	167	177	167	177
Interest-bearing loans and borrowings	457	605	457	605
<b>Total financial liabilities</b>	<b>1,057</b>	<b>1,340</b>	<b>1,057</b>	<b>1,340</b>

#### Credit risk

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

#### Risks and mitigation

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

#### Market risk

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

#### Interest rate risk

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

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

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

## Notes to the Financial Report

for the year ended 30 June 2020

### 5.3 Financial Instruments (continued)

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1993. We manage interest rate risk by adopting an investment policy that ensures:

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

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

#### *Credit risk*

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

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

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

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.

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

#### *Ageing of Trade and Other Receivables*

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

(Amounts shown in \$000)	2020	2019
Current (not yet due)	180	225
Past due by up to 30 days	15	7
Past due between 31 and 60 days	-	-
Past due between 61 and 90 days	-	2
Past due by more than 90 days	117	93
<i>Total Trade &amp; Other Receivables</i>	<b>312</b>	<b>327</b>
Rates receivable	<b>769</b>	<b>633</b>
Total receivables	<b>1,081</b>	<b>960</b>

## Notes to the Financial Report

for the year ended 30 June 2020

### 5.3 Financial Instruments (continued)

#### Liquidity risk

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

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

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

The table below lists the contractual maturities for Financial Liabilities.

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

<b>2020</b> <b>(Amounts shown in \$000)</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Contracted cash flow</b>	<b>Carrying amount</b>
Trade and other payables	433	-	-	433	433
Trust funds and deposits	167	-	-	167	167
Interest-bearing loans and borrowings	73	275	109	457	457
<b>Total financial liabilities</b>	<b>673</b>	<b>275</b>	<b>109</b>	<b>1,057</b>	<b>1,057</b>
<b>2019</b> <b>(Amounts shown in \$000)</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Contracted cash flow</b>	<b>Carrying amount</b>
Trade and other payables	558	-	-	558	558
Trust funds and deposits	177	-	-	177	177
Interest-bearing loans and borrowings	148	330	127	605	605
<b>Total financial liabilities</b>	<b>883</b>	<b>330</b>	<b>127</b>	<b>1,340</b>	<b>1,340</b>

## Notes to the Financial Report

for the year ended 30 June 2020

### 5.3 Financial Instruments (continued)

#### *Sensitivity disclosure analysis*

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of + 1% and -0.5% in market interest rates (AUD) from year-end rates.

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

2020		Interest rate risk			
		-0.5%		1%	
		-50 basis points		100 basis points	
(Amounts shown in \$000)		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	14,013	(70)	(70)	140	140
Trade and other receivables	1,081	(5)	(5)	11	11
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	457	2	2	(5)	(5)
2019		Interest rate risk			
		-0.5%		1%	
		-50 basis points		100 basis points	
(Amounts shown in \$000)		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	12,729	(64)	(64)	127	127
Trade and other receivables	960	(5)	(5)	10	10
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	605	3	3	(6)	(6)

## Notes to the Financial Report

for the year ended 30 June 2020

### 6 Other information

This section outlines additional financial information not included in other sections but required in accordance with accounting standards. Details of Council's reserves, commitments and contingencies are included in the notes together with other current accounting policies, changes to accounting standards adopted in the financial year and new or amended accounting standards not yet adopted.

#### 6.1 Reserves

(Amounts shown in \$000)	Balance as at 30 June 2018	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2019	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2020
<b>Asset revaluation reserve</b>	60,404	634	-	61,038	(229)	-	60,809
<b>Fair value reserve</b>							
<i>Equity investment asset</i>							
Investment in water corporation	(1,535)	-	1,370	(165)	-	(3,183)	(3,348)
<b>Total fair value reserve</b>	<b>(1,535)</b>	<b>-</b>	<b>1,370</b>	<b>(165)</b>	<b>-</b>	<b>(3,183)</b>	<b>(3,348)</b>
<b>Other reserves</b>							
Bridge maintenance reserve	1,666	-	-	1,666	-	-	1,666
Plant replacement reserve	686	-	-	686	-	-	686
Capital works reserve	1,239	-	-	1,239	-	-	1,239
Quarry reinstatement reserve	31	-	-	31	-	-	31
Public open space reserve	29	-	-	29	-	-	29
<b>Total other reserves</b>	<b>3,651</b>	<b>-</b>	<b>-</b>	<b>3,651</b>	<b>-</b>	<b>-</b>	<b>3,651</b>
<b>Total reserves</b>	<b>62,520</b>	<b>634</b>	<b>1,370</b>	<b>64,524</b>	<b>(229)</b>	<b>(3,183)</b>	<b>61,112</b>

#### Recognition and measurement

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

Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised. This equity investment asset within the fair value reserve was previously classified as an available for sale asset.

The available-for-sale financial asset reserve was established to capture the fair value movements in Council's Water Corporation investment.

Other reserves have been created at the discretion of Council to capture allocations for specific purposes.



## Notes to the Financial Report

for the year ended 30 June 2020

### 6.2 Commitments

(Amounts shown in \$000)	2020	2019
<b><i>Capital expenditure contractual commitments</i></b>		
Contractual commitments for capital expenditure at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:	242	153
<b><i>Other contractual commitments</i></b>		
Other contractual commitments at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:	208	148

### 6.3 Contingent liabilities and contingent assets

#### *Contingent liabilities*

There are currently no claims against the Council, its Councillors or any officers which are likely to result in any material liability against Council.

#### **Recognition and measurement**

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

### 6.4 Other significant accounting policies and new accounting standards

#### **(a) Taxation**

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

#### *Goods and services tax (GST)*

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

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

#### **(b) Allocation between current and non-current**

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

#### **(c) Budget**

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

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 6.4 Other significant accounting policies and new accounting standards (continued)

##### (d) Adoption of new and amended accounting standards

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

##### ■ AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

Council adopted AASB 15 and AASB 1058 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. In accordance with the provisions of this transition approach, Council recognised the cumulative effect of applying these new standards as an adjustment to opening Accumulated surpluses at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income.

As Council has applied the modified retrospective approach, it has applied the practical expedient described in AASB 15.C5(c) for all contract modifications that occurred before application date. In doing so Council did not retrospectively restate the contract for those modifications in accordance with AASB 15.20-21. Instead, Council reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation.

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The impact of the new standard has changed in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. Under the new income recognition model applicable to not-for-profit entities, Council determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), Council applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, Council considers whether AASB 1058 applies.

AASB 1058 supersedes all the income recognition requirements relating to council, previously in AASB 1004 Contributions. The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received.

AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Council has elected to measure a class (or classes) of right-of-use assets arising under 'peppercorn (Concessionary) leases' at initial recognition at cost, in accordance with AASB 16.23-25, which incorporates the amount of initial measurement of the lease liability.

## Notes to the Financial Report

for the year ended 30 June 2020

### 6.4 Other significant accounting policies and new accounting standards (continued)

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council previously recognised income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, has now been recognised as a financial liability until the commencement of that rating period. The impact to Council has been that revenue previously recognised when received from Rates and charges in advance as disclosed in note 2, is now recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

The tables below highlight the impact of adopting AASB 15 and AASB 1058 on the Consolidated Statement of Comprehensive income and Consolidated Statement of Financial Position. There was no material impact on Council's Consolidated Statement of Cash Flows.

(Amounts shown in \$000)

Note	Reference	Amounts under AASB 118 & 1004	Adjustment	Amounts under AASB 15 & 1058
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The table below provides details of the significant changes and quantitative impacts of these changes on initial date of application 1 July 2019:

#### Consolidated Statement of Financial Position (Extract)

##### Current liabilities

Contract liabilities	3.9	1,2	-	1,079	1,079
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##### Equity

Accumulated surplus			51,194	(1,079)	50,115
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The table below provides details of the significant changes and quantitative impacts of these changes on the year ended 30 June 2020:

#### Consolidated Statement of Comprehensive Income (Extract)

##### Recurrent income

Rates and charges	2.2a	1	5,737	(37)	5,700
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Grants - capital	2.2h	2	1,450	(685)	765
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User charges (Volunteers program)	2.2b	3	-	93	93
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##### Recurrent expense

Materials & contracts (Volunteer services)	2.3b	3	-	93	93
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#### Consolidated Statement of Financial Position (Extract)

##### Current liabilities

Contract liabilities	3.9	1,2	-	1,901	1,901
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##### Equity

Accumulated surplus			51,921	(822)	51,099
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Reference:

- 1 Prepaid rates received prior to the beginning of a rating period, are now held as a financial liability until the commencement of statutory rating period at which point Council recognises rate income.
- 2 For grant funding where specific performance obligations are yet to be completed to acquire, construct or upgrade a recognisable non-financial asset, Council recognises a liability until obligations are fulfilled.
- 3 AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured.

## Notes to the Financial Report

### for the year ended 30 June 2020

#### 6.4 Other significant accounting policies and new accounting standards (continued)

##### ■ AASB 16 Leases

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

Council has applied this standard from 1 July 2019 using a retrospective approach (partial) with cumulative catch-up. This does not require Council to restate comparative figures, but does require the presentation of both qualitative and quantitative disclosures for affected items, along with a corresponding adjustment to the opening balance of accumulated surpluses for transitional effects of re-measurement.

AASB 16 requires that most operating leases are brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets. Council did not have any material leases at 1 July 2019 or enter into any new leases during the financial year. As a result no lease assets or lease liabilities have been recognised upon implementation of AASB 16.

#### (e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

##### ■ AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Correction, applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledge inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. Council does not anticipate this standard having any material impact.



## **Independent Auditor's Report**

**To the Councillors of Southern Midlands Council**

**Report on the Audit of the Consolidated Financial Report**

### **Opinion**

I have audited the financial report of Southern Midlands Council (Council) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020 and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the Group's financial position as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

### **Basis for Opinion**

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

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

My audit responsibility does not extend to the budget figures included in the statement of comprehensive income and the asset renewal funding ratio disclosed in note 2.6f to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the

General Manager’s determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

### Key Audit Matters

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

<b>Why this matter is considered to be one of the most significant matters in the audit</b>	<b>Audit procedures to address the matter included</b>
<p><b>Valuation of property and infrastructure</b> <i>Refer to notes 3.5 and 3.10</i></p> <p>Property and infrastructure at 30 June 2020 includes land, land under roads, buildings, roads, bridges, stormwater and waste management assets measured at fair value totalling \$86.38m. The fair values of these assets are based on market values and depreciated current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>Bridges were subject to valuation in 2019-20. The valuations are highly dependent upon a range of assumptions and estimated unit rates.</p> <p>Capital payments in 2019–20 totalled \$3.76m on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<ul style="list-style-type: none"> <li>• Assessing the scope, expertise and independence of experts involved in the valuations.</li> <li>• Evaluating the appropriateness of the valuation methodology applied to determine fair values.</li> <li>• Assessing assumptions and other key inputs in the valuation model.</li> <li>• Testing, on a sample basis, the mathematical accuracy of the valuation model’s calculations.</li> <li>• Testing, on a sample basis, significant expenditure on maintenance and capital works to corroborate appropriate treatment.</li> <li>• Testing, on a sample basis, capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner.</li> <li>• Assessing the adequacy of relevant disclosures in the financial report.</li> </ul>

## **Responsibilities of the General Manager for the Financial Report**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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



Leigh Franklin  
**Assistant Auditor-General, Financial Audit Services**  
**Delegate of the Auditor-General**

**Tasmanian Audit Office**

27 September 2020  
Hobart





SOUTHERN  
MIDLANDS  
COUNCIL



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