



ANNUAL REPORT 2021/22

Photo Courtesy of Denise Smith

SOUTHERN
MIDLANDS
COUNCIL





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: Parattah (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



The Year in Review

It is with pleasure that I write this review as part of the 2021-22 Annual Report on behalf of the Southern Midlands Council.

At the time of writing, the local government election process is underway and I have decided that I will not contest the election and will not nominate for the position of Mayor and/or Councillor. It follows that the newly elected Mayor will present this report on behalf of Council.

Prior to commenting on the past year, I take this opportunity to thank everyone that I have been associated with in local government over the past seventeen years, and it has been my pleasure to fulfill the role of Mayor for the last four years.

With the conclusion of my position with Council, there are a number of strategic projects that have either been completed or will come to fruition in the short to medium-term, least of which is the construction of the Oatlands Aquatic Centre. Whilst there have been delays due to a number of unforeseen circumstances (including COVID-19), the actual opening of the facility will be the culmination of many years planning; the pursuit of funding from both the Australian and Tasmanian Governments; the design process; and finally construction.

In addition, the Callington Mill Distillery is now fully operational which has seen a significant increase in visitor numbers to Oatlands. The preferred proponent for the development of a 'large-scale' accommodation facility has been appointed with the successful proponent (THN Hospitality Pty Ltd Ltd) progressing with the preparation of concept plans and addressing other associated planning matters.

The past year has also seen Council working with the Bagdad Community Club to prepare a Master Plan for the Community Club property. This Plan will provide guidance in terms of how this valuable community asset can be developed in future years. This long-term Plan will provide a sound base for the Community Club, in conjunction with Council, to make application to potential funding bodies to proceed with implementation over future years.

Significant development has taken place across the municipal area, with a substantial increase in the number of subdivisions and housing development applications during the reporting period. This growth will assist to ensure the sustainability of the Council going forward.

Council continued to support a number of local clubs and organisations through Council's Community Small Grants Program. It is interesting to note that since the inception of the Small Grants Program in 2007, Council have paid out an amount of \$367,697 which has supported \$1,202,286 worth of Community Projects.

In closing, again I thank everyone that I have had the pleasure of working with during my time in local government and for the opportunity to represent the Southern Midlands Council as your Mayor and Councillor. In particular, I would like to thank and acknowledge my fellow elected members who continue to commit many hours to the task of representing the community. Finally I wish to recognise and commend all the staff for their dedicated work and support.

I wish the new Council all the very best for the future.

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

Clr Alex Green
MAYOR

OVERVIEW

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 & 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 2020/21 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 2021-22 period and highlights the achievements in meeting the objectives and activities identified in the Strategic Plan.

Financial Performance

The audited financial statements were prepared in accordance with the requirements of the Australian Accounting Standards and are appended to this report.

Council has reported an underlying deficit of \$90K for the year ended 30 June 2022 (\$35K deficit for the year ended 30 June 2021). This is consistent with Council's Long-term Financial Plan. The Underlying Deficit is lower than the 'Result from continuing operations' surplus of \$6.449 million. 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 deficit, Grants for Capital related works are excluded. These totalled \$5.495 million.

An unqualified Audit Opinion was received from the Tasmanian Audit Office on the 27th October 2022.

The forthcoming year will present new challenges with local government reform being a 'hot topic'. At this stage, the 'Future of Local Government' is unknown but it is envisaged that the Local Government Board, which has been established to make recommendations on the future role, function and design of local government, will provide its recommendations in March 2023.

I acknowledge all of the hard work of the Mayor and elected members and thank them for their guidance and support. In addition, the achievements and outcomes documented in this report would not have been possible without an amazing team of employees who deliver very high customer service standards and work for the betterment of our municipal area.

A handwritten signature in black ink, appearing to read 'Tim Kirkwood', written in a cursive style.

Tim Kirkwood
GENERAL MANAGER

COUNCIL

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

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

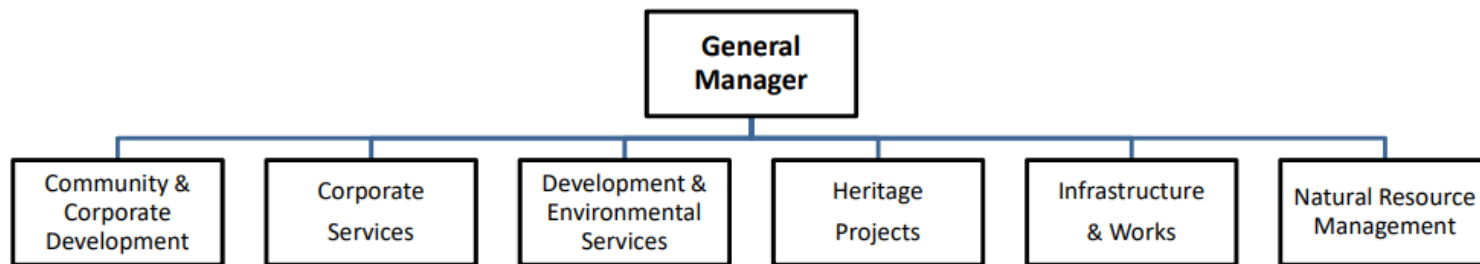
COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p>Councillor ROWENA McDOUGALL</p>	<ul style="list-style-type: none"> ◆ Parattah Railway Restoration Management Committee ◆ Tunnack Recreation Ground Management Committee ◆ Chauncy Vale Management Committee (Proxy) ◆ Oatlands Community Hall Management Committee (Proxy) ◆ Arts Advisory Committee (Proxy) ◆ Regional Community Learning & Development Centre Levendale (Proxy) ◆ Oatlands Structure Plan Committee ◆ Lake Dulverton & Callington Park Management Committee (Proxy)

ORGANISATION STRUCTURE

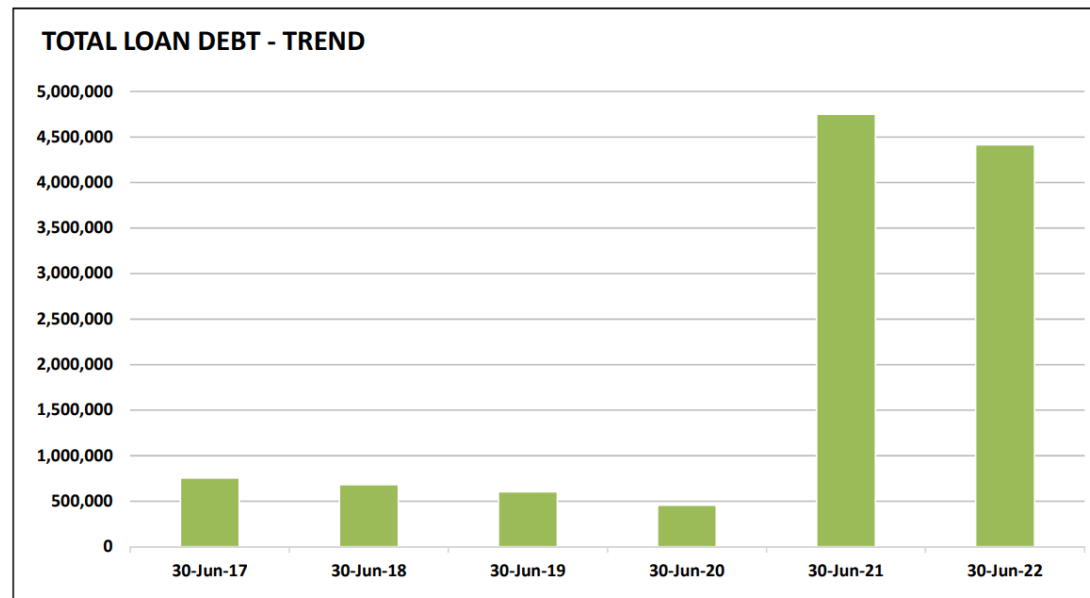
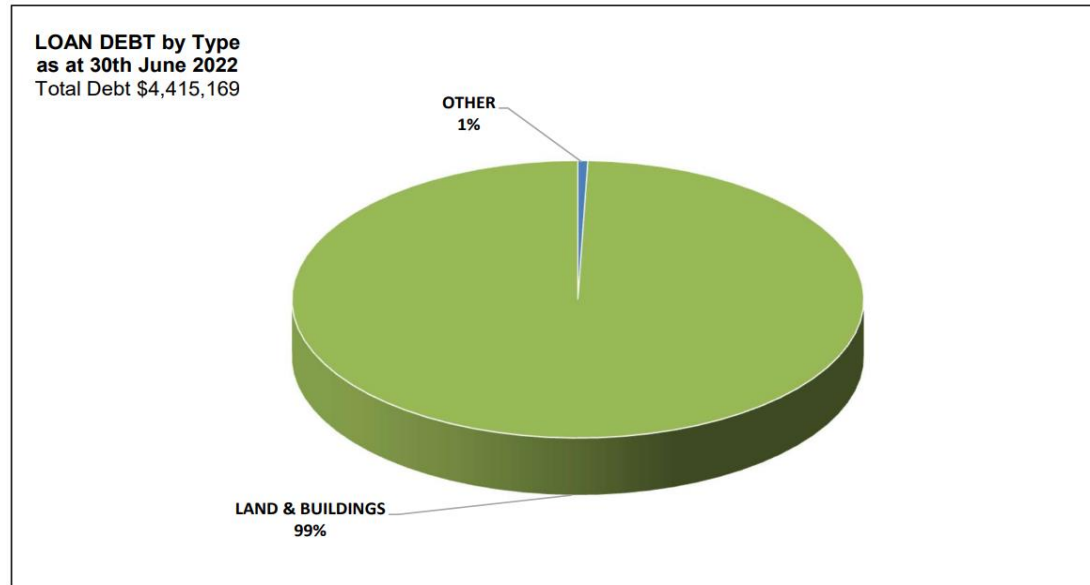
Organisation Structure by Function

Southern Midlands Community

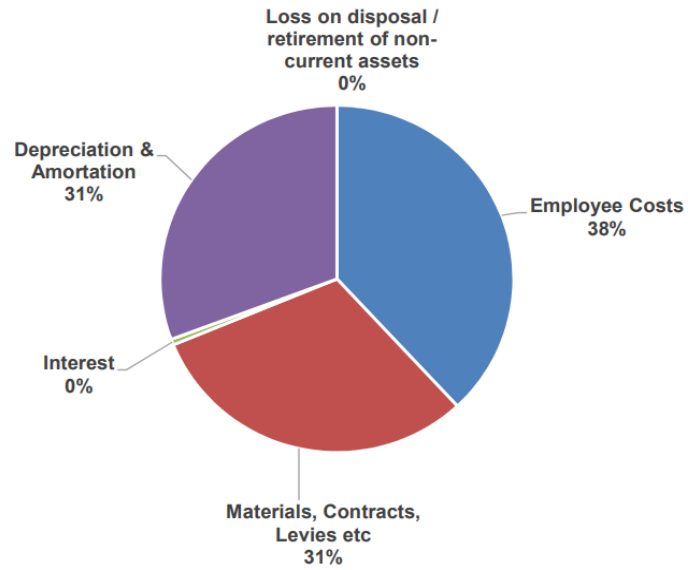
Southern Midlands Council



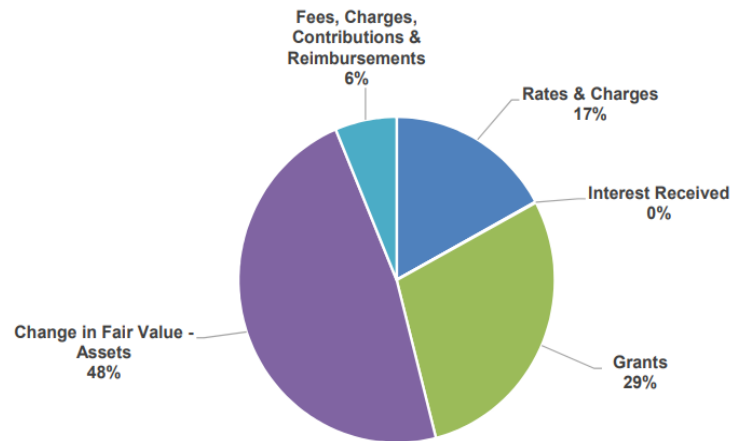
STATISTICS 2021/22



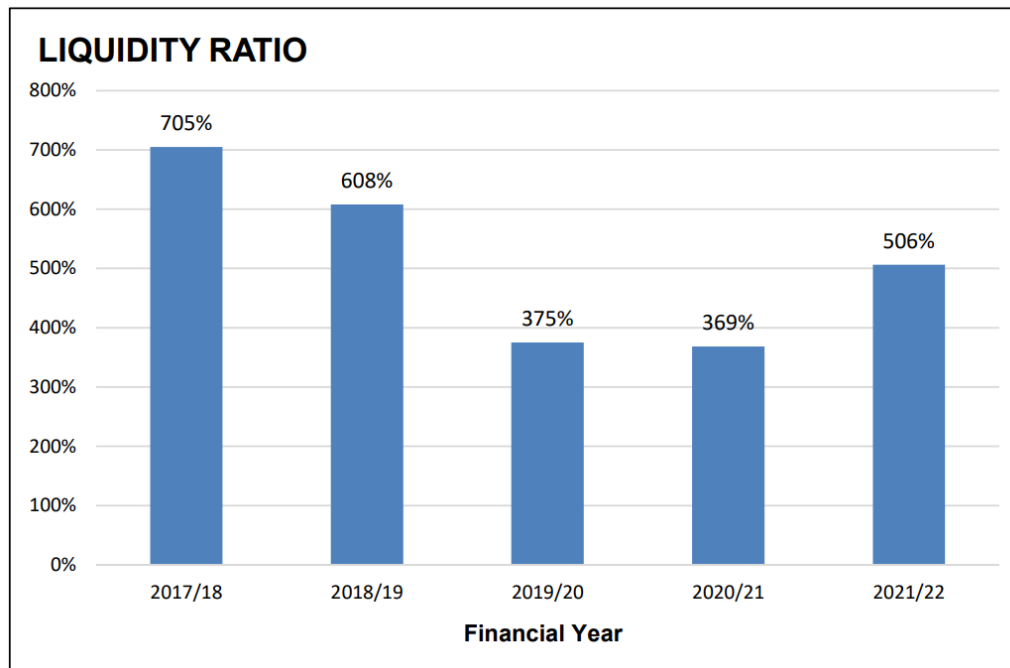
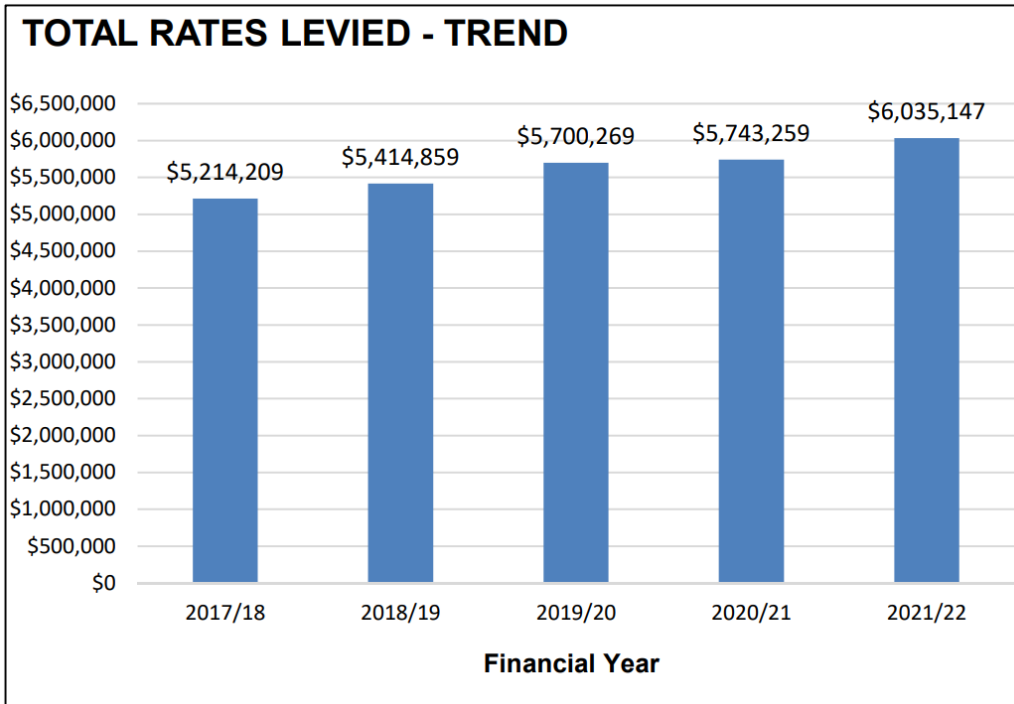
ANALYSIS OF EXPENSES



ANALYSIS OF REVENUE



Note - Change in Fair Value of Assets - includes increased equity in Taswater (\$238K), and increased value following



INFRASTRUCTURE

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



Roads

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

2021-22 Achievements

The total road length for the municipal area is 814 kilometers, which are classified as the following:

- 34 kilometres – Urban Sealed
- 179 kilometres – Rural Sealed
- 601 kilometres – Rural Unsealed

Road projects, totaling \$2.576 million were capitalised at the end of the 2021/22 financial year. These included:

- \$503k on re-sheeting unsealed roads;
- \$879k on reconstruction and resealing roads – Alison Street, Ballochmyle Road, Butler Street, Lowe Street, Scott Street and Victoria Street in Tunbridge, Marlborough Street and Nelson Street in Oatlands, School Road, Chauncy Vale Road, Green Valley Road and Huntingdon Tier Road in Bagdad, Blackbrush Road in Mangalore, Inglewood Road, Stonor Road and several sections on Woodsdale Road;
- \$496k on new seal – Ballyhooly Road, Eldon Road, Green Valley Road, Huntingdon Tier Road, Lower Marshes Road, and dust suppressants on Chauncy Vale Road, Rhyndaston Road and Scotts Road (Tunnack);
- \$784k 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 Roads to Recovery Funding, of which \$665,531 was received in 2021-22.

In 2020-21, the Federal Government announced the Local Roads and Community Infrastructure Program (LRCI) in response to COVID -19, as a source of economic stimulus. The Program to date has been implemented in three phases, with a Phase 4 announced for projects to be completed during 2023-24 and 2024-25. The Southern Midlands Council were allocated \$665,531 for Phase 1 (completed 30 June 2022), \$609,032 for Phase 2 (completed 30 June 2022) and \$1,331,062 for Phase 3 (to be completed by 30 June 2023). 96% of the projects nominated under Phases 1 to 3 have been for roads, footpaths and drainage projects.

Roads

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.

Valuation of Roads

Council engaged Moloney Asset Management Systems to complete a full road condition assessment and associated independent asset valuation of roads. Moloney's initial assessment was completed in 2021/22 (following a deferral in 2020/21 due to COVID -19) enabling Council to revalue our road assets.

Following the assessment and revaluation, the written down value of Council's roads as at 30 June 2022 was \$58.229 million (total replacement value of \$124.772 million). This compares to a written down value of \$42.566 million (total replacement value of \$94.403 million) at 30th June 2021.

Moloneys will continue their assessment service to Council, providing important data to be used to formulate and prioritise our road maintenance program ensuring that our road assets maintain their condition and value.

Road Reconstruction (including reseal works) Tenders

Awarded to Stabilised Pavements of Australia (SPA) for an amount of \$450,006 (GST excl.)

Major roads to be reconstructed and resealed included Inglewood Road, Stonor Road and Woodsdale Road.



Re-construction of Elderslie Road / Bluff Road Junction



Roads

Road Reseal Tenders

Awarded to Roadways Pty Ltd for an amount of \$272,625.00 (GST excl.)

Major roads for reseal included: - Blackbrush Road, Chauncy Vale Road, Green Valley Road, Huntingdon Tier Road.

Specific Purpose Grants

Improvement work to the Elderslie Road / Bluff Road junction is nearly complete, funded by a grant through the Department of State Growth under the Black Spot Program for an amount of \$150,000.

Preparation work has commenced for the \$200,000 Vulnerable Road Users Program grant to undertake improvements at the junction of Reeve Street and Clime Street, Campania. This program is also managed by the Department of State Growth. Council will provide a contribution of \$50,000. A number of recommendations from the Campania Structure Plan (Circa 2016) can be implemented through this grant allocation, which is consistent with Community expectations in Campania.

Tasmanian Relief and Recovery Arrangements – Natural Disaster Relief to Local Government Policy

As a result of the rain event in October 2020 works were carried out in various areas including Blackbrush Road and Hall Lane.

A further rain event in October 2021 caused significant damage to our road and bridge infrastructure, including landslips. Due to the extent of damage in the Southern Midlands and other municipalities, the Premier activated the *Tasmanian Relief and Recovery Arrangements – Natural Disaster Relief to Local Government Policy (TRRA)* for the Central Tasmanian Floods.

Through this fund Council will be able to recuperate some of the 2021/22 expenditure on operating and capital projects specifically relating to the 29th October 2021 rain event.

Bridges

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

2021-22 Achievements

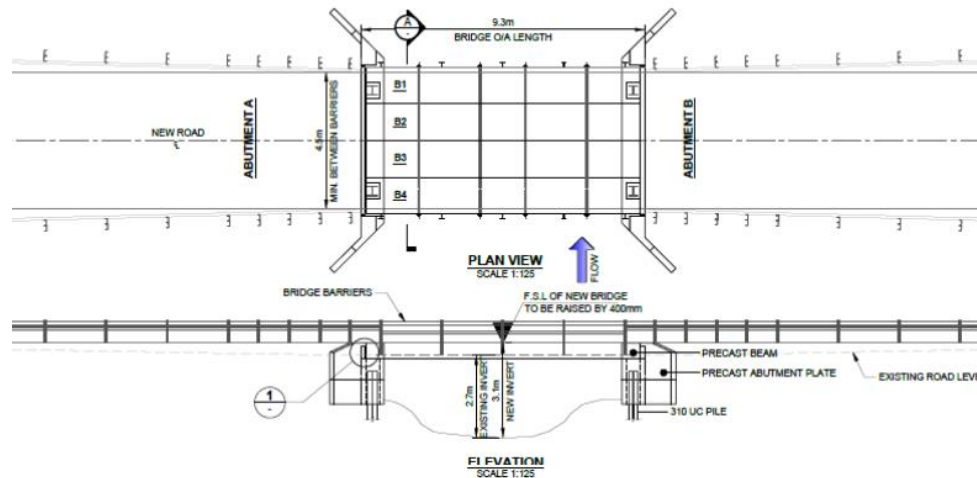
There are 170 bridges and major culverts within the municipal area, with a total deck area of 8,366m². \$30,768 (excluding depreciation) was expended on the maintenance of bridges within the municipal area. Maintenance expenses have declined in recent years due to Council's pro-active renewal and replacement program.

Capital Works in progress (and not completed as at 30 June 2022) included the York Plains Road (Kitty's Rivulet) Bridge and widening of the Interlaken Road (Dulverton Rivulet) Bridge.

The written down value of Council's bridges as at 30 June 2022 was \$20.101 million (total replacement value of \$31,440,025).

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.

Works totaling \$230k were completed on the Woodsdale Road (Nutting Garden Rivulet) Bridge and capitalised in the 2021/22 financial year.



Walkways, Cycleways & Trails

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

2021-22 Achievements

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

\$218,938 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area.

Walkway renewal / replacements projects, totalling \$1.006m were capitalised at the end of the 2021/22 financial year.

Works completed in 2021/22 include footpaths and some associated kerb and guttering in High Street, Wellington Street and Stanley Street, Oatlands; Main Road Tunbridge; and Main Street Kempton. The Lake Dulverton Walkway and Broadmarsh Streetscape projects were also completed.

Capital Works in progress (and not completed as at 30 June 2022) included the ongoing program of upgrading footpaths in the village of Kempton; the East Bagdad Road footpath and Tunnack Streetscape Projects.

Many of the Walkway projects are fully or partially funded by various Federal Government programs, including the Oatlands footpaths, The Dulverton Walkway, upgrades to Main Street Kempton footpaths, the Campania Bush Reserve Walkway and the Broadmarsh Streetscape project.



Lighting

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

2021-22 Achievements

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

An amount of \$72,629 was paid to Aurora Energy in 2021/22 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.

The Oatlands Underground Power Project between High Street and Barrack Street on the Northern end of Esplanade was completed and capitalised. This Project, in support of the gentrification of the street character in the Historic Precinct of Oatlands, The total value of the project was \$322k, partially funded by a \$250k Federal Government grant. Senator Chandler and the Mayor officiated at the project completion.



Buildings

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

2021-22 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.

At 30th June 2022 the total replacement value of our buildings is assessed at \$47.8 million, with a current written down value of \$22.7 million.

Building projects completed in 2021/22 include:

- Kempton Community Health Centre;
- Kempton Memorial Hall (Access and Portico);
- Campania Recreation Ground (Toilet Improvements);
- Kempton Dog Pound;
- Kempton Recreation Ground (Roof Structure – Entry to Clubrooms);
- Oatlands Callington Park (Lighting and Equipment);
- Tunbridge Hall Restoration;
- Tunbridge Park (Fencing); and
- Mangalore Hall (Roof Replacement).

Whilst a total of \$5.6 million was expended in Capital Projects in 2021/22, some of these projects were recorded as Works in Progress as at 30th June 2022. They included:

- Kempton Skate Park; and
- Oatlands Aquatic Centre.



Sewers / Water

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

2021-22 Achievements

At 30 June 2022, Council held a 0.70% 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 increased by \$237,898 to \$11.586 million.

\$182,400 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 arrangement, due to the financial effects of Covid-19 on TasWater, in years 2019/20 and 2020/21 Council received only half of our distribution entitlement. TasWater have committed to paying previously unpaid entitlements of \$152k, over a 5 year period, resulting in receiving a distribution of \$30,400 in 2021/22, in addition to our \$152k per annum.

TasWater prepared an updated Corporate Plan for the period 2022/23 through to 2026/27. This was formally considered by Council in March 2022 and a copy of this document is available from the TasWater website.

Council installed a waste water processing plant to accommodate the water from the Oatlands Aquatic Centre, the site in William Street has six 90,000lts concrete tanks which will hold over half million litres of backwash water, which is treated to nearly potable water. This will be a fire fighting resource and add to the resilience of the Oatlands village, rather than Council and the Tas Fire Service using farm dams and water from the town supply. The water will also be used for road reconstruction purposes. This project was partially funded by the Australian Government (SMC \$100,000 & Australian Government \$297,000).

Drainage

MAINTENANCE AND IMPROVEMENT OF THE TOWN STORM-WATER DRAINAGE SYSTEMS

2021-22 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.

Capital Works

Capital projects totalling \$473,085 were capitalised at the end of the 2021/22 financial year. Projects completed were the Tunbridge Stormwater Upgrade and Blackbrush Road Drainage.

The total replacement value of our drainage assets is assessed at \$5.8 million, with a current written down value of \$4.1 million.

Continuing rain events have caused considerable damage, particularly in the Bagdad, Mangalore and Broadmarsh areas. Council continues to be proactive in identifying the scope of individual projects to mitigate the effect of such events in the future.



Waste

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

2021-22 Achievements

Southern Tasmanian Regional Waste Authority – Council endorsed participation in the newly established Southern Waste Joint Authority, being an authority with participation by all twelve southern Councils. The Authority will be responsible for dealing with all waste related issues for the southern region, including managing the new recycling contact (refer following). The Authority will provide a direct link to the State Government for discussion and collaboration and funding opportunities) in the waste sector.

Southern Region - Recycling Tender – the 12 Southern Tasmanian Councils worked together to enable the procurement of a new contract for the processing of co-mingled recyclable materials. The tender process was finalised in late 2021.

The Southern Midlands Waste Management Strategy is being implemented with future directions under consideration by Council over the next few years. Waste management is a major cost in the budget and continues to grow.



Information, Communication Technology

IMPROVE ACCESS TO MODERN COMMUNICATIONS INFRASTRUCTURE

2021-22 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. The map below is the funded sites over 2021/2022.



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



Residential

INCREASE THE RESIDENT, RATE PAYING POPULATION IN THE MUNICIPALITY

2021-22 Achievements

Council continues to work 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 development and continuing to review the current residential zoning following the approval of the Southern Midlands Local Provisions Schedule of the Tasmanian Planning Scheme in April 2022. Council is involved in a regional strategic planning project reviewing residential land supply and demand for settlements within commuting distance of Greater Hobart, which includes Campania and Bagdad/Mangalore.

Overall the municipality has experienced a high level of residential growth this year, with the southern areas continuing to have the highest residential approvals. 64 new dwellings were approved in the 2021/2022 year, a similar number to 2020/2021 and substantially more than in earlier years.

Strong residential development is expected to continue with subdivisions approved and progressing construction in Campania, Kempton and Bagdad as well as growing interest in Oatlands and surrounding settlements.

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 35 days (from 42 days) and the average time for a Permitted Development Application is 13 days (from 28 days). Development approval times have improved in 2021/2022 compared to 2020/2021, from 37 days and 16 days for Discretionary and Permitted Development Applications, respectively.



Tourism

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

2021-22 Achievements

The COVID period restricted the opportunity for visitor engagement, however with the development of the Callington Mill Distillery and the Oatlands Aquatic Centre, visitor numbers in Oatlands are expected to increase over the coming years. Council has worked through this period with our tourism partner organisations, Destination Southern Tasmania as well as the Heritage Highway Tourism Region. The major push by Tourism Tasmania was to brand the central region of Tasmania as 'Heartlands' with signage established across our local government area.



200 Years On there are still plenty of ways to get held up on the Heritage Highway in the Southern Midlands of Tasmania

Business

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)

2021-22 Achievements

The Southcentral Workforce Network (SWN) is a workforce development project operating in the Southern Midlands, Derwent Valley, Brighton and Central Highlands local government areas. This project has been funded by the Tasmanian Community Fund for three years of operation, being led by Anthony McConnon as the Workforce Development Coordinator.

It's aim to increase the workforce participation of local people through access to meaningful qualifications; help local businesses better connect with employment services and training systems; and improve productivity and business growth across the region.

The Workforce Development Coordinator works closely with employers, industry groups, Registered Training Organisations, local job seekers, and educators to support, train and encourage local employment from within the region.

The project essentially revolves around the implementation of the strategies and initiatives recommended in the Southern Central Sub Region Regional Workforce Planning Report undertaken by KPMG on behalf of the four Sub region councils (Southern Midlands, Brighton, Central Highlands and Derwent Valley).

As part of the Premier's Economic and Social Recover Advisory Council Report, it contained a recommendation to establish a range of Jobs Hubs in Tasmania.

Because of the success of the first year of operations of the Workforce Development Project, the State Government through Jobs Tasmania has offered the project a funding commitment of \$M1.625 and the project will run until October 2024.



Launch of the new home for the SWN at the former Brighton Council Chambers at Pontville by the Minister, along with the four council Mayors

Industry

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

2021-22 Achievements

Economic Infrastructure Development Study – The Southern-Central Sub-Region (SCS) engaged KPMG to undertake an ‘Economic Infrastructure Development Study’ of the four municipal areas, being Brighton, Central Highlands, Derwent Valley and the Southern Midlands. The Study is aimed at improving investment and economic outcomes within the SCS region. Having such a document can assist and even lead to funding for major projects, such as state roads upgrades, school redevelopments, funding for Government Business Enterprise improvements and workforce planning investment. The outcomes of the Study will be beneficial in terms of seeking state and federal investment in the region.

Council continues to be active with Irrigation Tasmania and our rural stakeholders.



LANDSCAPES

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



Heritage

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

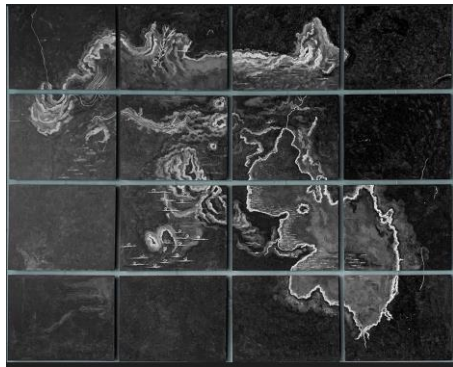
2021-22 Achievements

- Monitoring and promoting the Oatlands Key system and seeking to promote and improve where possible along with annual updates to all heritage & heritage tourism related publications. A notable post-COVID-19 upward trend in visitation has been observed.
- Planning works for the forthcoming demolition of the Oatlands Swimming Pool once the new centre is opened. This includes updating the 2003 archaeological management plan and 2010 interpretation plan.
- Management of Council's heritage collections including: planning a purpose built collection store, a new collection cataloguing system and internet friendly user interface, ongoing audit with volunteer support, continuing collection and curation of historic surface finishes, improvement of storage for the growing Artist in Residence collection and displays, including the foyer of the Oatlands Aquatic Centre.
- Ongoing promotion of Southern Midlands heritage through talks, presentations, media events (local, statewide and national) and the Heritage and Bullock Festival. Exhibitions have included *Decade by Decade* and the *Artist in Residence Retrospective*.
- Ongoing research into the rich convict heritage of the Southern Midlands and publication of research articles in scholarly journals.
- Supervision of an active volunteer program which engages community groups where possible.
- Resource sharing of SMC Heritage staff has occurred with neighbouring Councils on a fee-for-service basis.



Heritage

- 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 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, Heritage Highway Regional Tourism Association 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, particularly with the changeover to the Tasmanian Planning Scheme – Southern Midlands.



SOUTHERN MIDLANDS COUNCIL

ARTIST IN RESIDENCE RETROSPECTIVE
EXHIBITING ITEMS FROM THE SOUTHERN MIDLANDS COLLECTION

AIRSPACE, 79 HIGH STREET, OATLANDS

OPENING TIMES
SATURDAY 13TH - FRIDAY 26TH
NOVEMBER
1PM - 4PM EACH DAY

LAUNCH
FRIDAY 12TH
NOVEMBER
6PM - 7.30PM



Natural

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

2021-22 Achievements

The NRM Unit continues to provide best practice land care 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 2000 trees, which were made available to landholders who had expressed interest in undertaking some native tree establishment works.

Weeds

Working in conjunction with the Works & Services Department, the priorities for treatment continue to be gorse, broome, blackberry, Paterson's Curse, Chilean Needle Grass and some thistle species. There are also small infestations of Spanish heath, pampas grass, serrated tussock and boneseed that are targeted.

- A new Weeds Officer commenced work in January 2022 after the part time position had been vacant for a few months. Work to date in the role has included the training to obtain certification as an accredited Authorised Weeds Officer under the Weeds Management Act. The Council's website on weed issues continues to be updated as new information becomes available. Roadside woody weed surveys and mapping has been initiated; this will provide a baseline for tracking control efforts over time. Weeds targeted include gorse, brooms, and Spanish heath.
- Despite there being no cumbungi plants seen at Lake Dulverton in 20/21, there was a considerable number of small plants found this year. Cumbungi control involved six separate sessions and included circumnavigating the lake on foot and a trip to Marys Island in a row boat to deal with an outbreak at the island. Work was successfully concluded in April. All seed heads were removed and plants controlled.

In late 2021 the Coal River Products Association were successful in obtaining funding of around \$150,000 from the State Government's Weeds Action Round 2 *program*. Council supported the submission, which targets on ground works for gorse, serrated tussock, Chilean needle grass and Amsinckia weeds. At least 75 properties over 15000 Ha (includes a section of Clarence area) are involved. Council will continue to provide support over the three year project with roadside control of these priority weeds in the Southern Midlands municipal area. The Weeds Officer has also been involved with the project when requested.

Natural

Lake Dulverton

The Lake Dulverton Action Plan 2017 was reviewed and updated. In December 2021 the plan (Edition 5) was endorsed by Council.

The *Lake Dulverton Management Strategy 2002*, and the *Lake Dulverton Action Plan 2021* continue to provide guidance for work around the Lake.

Work on the Dulverton Walking Track (Esplanade to Parattah township) continues to occur with minor improvements being added as budgets permit. Two seats were installed in the Flax Mill area to continue to improve the experience for users of the track.

Pathway works on the Lake foreshore on the Esplanade section of the Lake were completed in December 2021. The works included establishment of a path on the foreshore from High Street through to the Stop Over camping area, a distance of approx. 500M. A section of the existing path from the Stop Over area through to the Wellington Street/Esplanade junction was also upgraded. Funding for the work has been made available through the Australian Government.

The water levels in the Recreation Zone of the Lake continue to be monitored with readings taken on a weekly basis. The Midlands Water Scheme winter water take over 2021 saw Council place 315.0 ML of water into the Lake. Council has an allocation of 215ML but a further 100ML was added due to the low water level reading close to the end of the winter take period (September 2021). This was to ensure that there was enough water in the Recreation Zone area to go through the summer 21/22 period when there is no water being added through the Midlands Water Scheme.



Cultural

ENSURE THAT THE CULTURAL DIVERSITY OF THE SOUTHERN MIDLANDS IS MAXIMISED

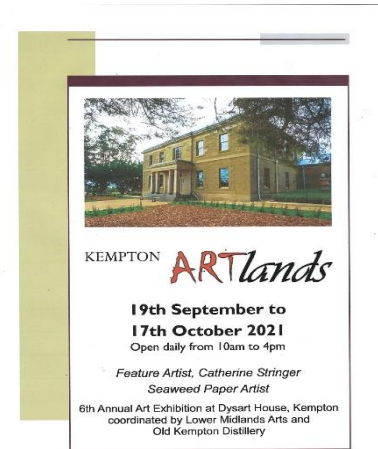
2021-22 Achievements

Southern Midlands Arts Advisory Committee

The Committee continued to support the Lower Midlands Art Group with the 6th Annual “Artlands Exhibition” held at Old Kempton Distillery, Dysart House. The Feature Artist was Catherine Stringer, a seaweed paper artist who produces a range of unique and beautiful artworks. 63 pieces of art were entered along with 24 pieces from the feature artist.

The Committee reviewed and updated the SMC Arts Strategy during the year.

AiR Space Oatlands (Artist in Residence Space) was established at 79 High Street and the existing AiR program was relocated to these premises, which allowed a greater scope of accommodation & studio/exhibition space. The revised program was advertised on Arts hub in October 2021. The program was fully booked for 2021-22, with 101 applications received. Examples of Artists in Residence in this time included two painters, graphic artists, a poet & author and a photographer. Each donated a piece of their work to the SMC Collection at the conclusion of their stay. Each year the team hosts the Artist in Residence Retrospective Exhibition in Oatlands. This year, the Retrospective spanned the 10-year period that Artists have been participating in the program.



Cultural

Heritage & Bullock Festival

The Heritage & Bullock Festival was held during August. It was a slightly modified event due to COVID-19. Adherence to Framework for COVID-19 Safe Events and Activities was necessary which included contact tracing, social distancing and gathering limits. A free event, the festival is family friendly with attractions and activities to entertain all ages. The street parade, working bullock demonstration, paddy's market, theatre production, wood fired bread, vintage machinery and steam engines were some of the attractions.



Regulatory

A REGULATORY ENVIRONMENT THAT IS SUPPORTIVE OF AND ENABLES APPROPRIATE DEVELOPMENT

2021-22 Achievements

Planning Reform

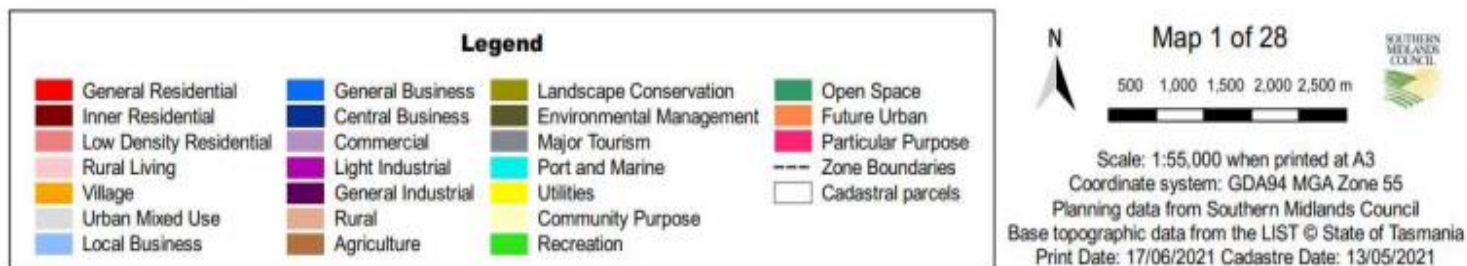
The Southern Midlands Local Provisions Schedule (LPS) has now been approved by the Tasmanian Planning Commission (TPC) and was adopted as part of the Tasmanian Planning Scheme (TPS) in April 2022. Some final amendments to the LPS have been exhibited for public comment as directed by the TPC and are expected to be reviewed by the end of 2022. This will bring the lengthy transition process to the Tasmania Planning Scheme to an end for Southern Midlands.

The adoption of a single statewide planning scheme (TPS) by all Councils is an objective of the State Government's Phase 1 of Planning Reform. In 2021 the State Government announced the Phase 2 Planning Reforms which are expected to take place over a 2-3 year period. Phase 2 includes the following key components:

- Introduction of the Tasmanian Planning Policies;
- Delivering an improved regional land use planning framework; and
- Comprehensive reviews of the three Regional Land Use Strategies.

The draft Tasmanian Planning Policies have now been prepared by the State Planning Office and were released for comment in October 2022. As these reforms progress, Council staff will continue to engage with the State Government to ensure that matters relevant to our municipality are fully considered.

Council is involved in a regional strategic planning project called the Outer Hobart Councils – Residential Demand & Supply Study that is reviewing residential land supply and demand for settlements within commuting distance of Greater Hobart, which includes Campania and Bagdad/Mangalore. This study is underway and expected to conclude in early 2023.



Regulatory

Council staff are working with the State Planning Office to identify strategic projects that could fit into this reform program and follow on from the Outer Hobart Councils – Residential Demand & Supply Study. This could include new and updated structure plans for our growing towns and a coordinated land supply and demand study for more regional areas and towns, in order to accommodate future residential growth and economic development. The high demand for residential development in the Southern Midlands in recent years is expected to continue and consideration will need to be given to zoning new land where appropriate and infrastructure and services will need to be improved to accommodate this.

Together, these reforms will significantly advance the level of strategic planning in Tasmania at a state and regional level, providing essential guidance for Councils, property owners and developers considering future land use and development.

The adoption of the Southern Midlands LPS and strategic planning work 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 2021/2022 year – those developments and strategic planning changes directly and/or indirectly further the objectives and desired outcomes contained in Council's Strategic Plan.

Regulatory

Oatlands Structure Plan

The 'Oatlands Structure Plan' was finalised and adopted by Council in August 2021.

The 'Oatlands Structure Plan' project commenced in July 2020 with the appointment of a Steering Committee consisting of two elected members and a number of Council officers. A Consultant, JMG Engineering and Planning, was then engaged to prepare the Structure Plan.

Development of the Structure Plan included two phases of Public Consultation. In total, around 100 people provided feedback on the formation of the Structure Plan and the draft Structure Plan before it was finalised and adopted.

Work has now commenced on the Implementation Plan, with the following projects underway or planned for commencement shortly:

- Master planning of infill development opportunities for residential growth (Action 2.1);
- Construction of a new toilet facility for Callington Park playground (Action 1.3);
- Development of a Village Design Plan and Streetscape Guidelines (Actions 5.1 and 5.2);
- Development of an electric vehicle charging station in the Oatlands Aquatic Centre car park (Action 7.2);
- Progressing various traffic improvements (Strategy 4).

Residential Subdivisions

A number of significant new subdivisions have been approved by Council in 2021/2022 including:

- 56 lot subdivision in Bagdad,
- 11 and 14 lot subdivisions in Oatlands; and
- 14 lot subdivision in Campania.

These projects will contribute to the continued supply of land for new dwellings and growth for our municipality.

Regulatory

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 2021/2022 year measured against the previous four (4) financial years to provide a succinct five (5) year comparison.

Application Type	2021/2022	2019/2020	2019/2020	2018/2019	2017/2018
Building Applications <i>This is inclusive of all applications for permits, Certificates or notifiable works under the Building Act 2016</i>	116	117	109	87	99
Plumbing Applications <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>	68	75	66	60	52
Development Applications <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>	166* *includes 20 Development Applications for Subdivision	197* *includes 19 Development Applications for Subdivision	141* *includes 18 Development Applications for Subdivision	141* *includes 15 Development Applications for Subdivision	126* *includes 12 Development Applications for Subdivision

A total of \$35.07 million worth of development was approved in the Southern Midlands during the 2021/2022 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).

64 new dwellings were approved in the reporting period. 62 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.

Regulatory – Public Health

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 were conducted for school students at Oatlands and Campania District High Schools in association with Council's Medical Officer of Health.

Food premises were monitored and licensed in accordance with statutory requirements.

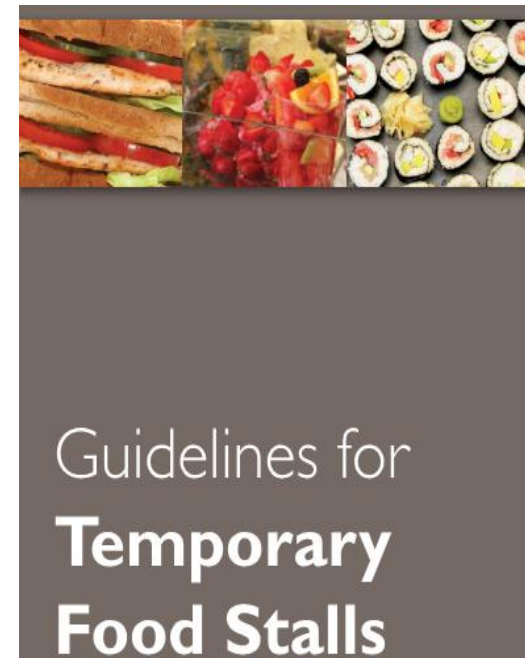
Relevant legislative requirements are specified in:

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

Statutory Licences issued for:

- Food Premises
- Water Carriers
- Special Event Licences ("temporary" Places of Assembly)
- Private Water Licences

Campania Cemetery – The Campania Cemetery is the only Council owned Cemetery in the municipal area, Council reviewed the fees and charges for the Cemetery In March 2022. The increased fees are based on achieving an increase in revenue to enable an enhanced maintenance program to be implemented.



Regulatory – Animals

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 2021-22 financial year, 1,729 dogs were registered and 60 Kennel Licences issued.

The Dog Management Policy was reviewed and updated in May 2022.

Kempton Dog “Off Lead” Area

Council initiated a project last year to establish an “off Lead” area in the Kempton township. Council developed an initial concept plan and project plan for public consultation. A budget was allocated in the 2021/22 financial year to progress the establishment following further consultation in terms of location and specific design. The site was ready to proceed, however the local Green Ponds Progress Association was success in receiving grant funding from the Tasmanian Community Fund for the development of a Skate Park, in partnership with Council. That project has delayed the commencement of the Off Lead Dog Park

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



Environmental Sustainability

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

2021-22 Achievements

Electric Vehicle Charging Stations

Council in partnership with Electric Highway Tasmania applied and was successful for a State Government grant of \$45,000 for the installation of two fast charge Electric Vehicle Charging Stations at the Oatlands Aquatic Centre.

Black Summer Bushfires Grants Program

As we know Australia is prone to natural disasters such as droughts, bushfires, floods, cyclones and storms. The Science tells us that longer, hotter, drier summers, and more extreme weather are here to stay. We can never disaster-proof our patch but the Australian Government's, National Recovery and Resilience Agency is working alongside communities across Australia to ensure we are all better prepared for future disasters.

As part of its support to communities, the Agency sought submissions from organisations across Australia under the Black Summer Bushfires Grant Program. There were only five local government areas in Tasmania that were eligible to apply and Southern Midlands was one of those Council areas. Southern Midlands applied for a grant of \$300,000 to recycle and treat the water from the Oatlands Aquatic Centre through a recovery facility in William Street Oatlands. The backwash water from the Aquatic Centre equates to 32,000 litres every seven to ten days. Additionally the Pool will be fully drained every eight years for maintenance. The water will be stored in six, 90,000 litre tanks, being constructed by Tassie Concrete Tanks, a local Southern Midlands based Company. The recycled water will be used for firefighting purposes and for road maintenance and construction purposes.

A second Grant application from within the southern midlands council area was submitted by the Broadmarsh Elderslie Progress Association Inc., in partnership with the Southern Midlands Council. This was for \$1.55M for the redevelopment of the Broadmarsh Community Hall, to become a recovery centre in the event of further bushfires in the area. It was an amazing effort by that community to be proactive and provide a detailed and robust application for the funds.

It was very pleasing to see the release of the successful grants list during the second week of February 2022. Both of the aforementioned Projects received their full grant allocation. Congratulations goes to the Broadmarsh Elderslie Progress Association and the Council officers who played a role in the development of these submissions. The support of the National Recovery and Resilience Agency is acknowledged in providing these funds for two very worthwhile projects.

COMMUNITY

The need to increase the opportunities for improved health and well-being of those that live in the Southern Midlands



Community Health & Wellbeing

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

2021-22 Achievements

Seniors Week Activities

The importance of looking after our wellbeing through connection to each other and our communities cannot be overstated, and Senior Week provides a wonderful opportunity to celebrate. The theme was "friendship" with the tagline of "discover.imagine.together". This provides an opportunity for older Tasmanians to connect with each other and their communities. Three events were undertaken - BBQ lunch at the Chauncy Vale Wildlife Sanctuary, self-guided tour around the gardens with a two course lunch at Brickendon and an opportunity to attend Woolmers Estate Festival of Roses, displaying thousands of roses in bloom.



Chauncy Vale Wildlife Sanctuary



Brickendon

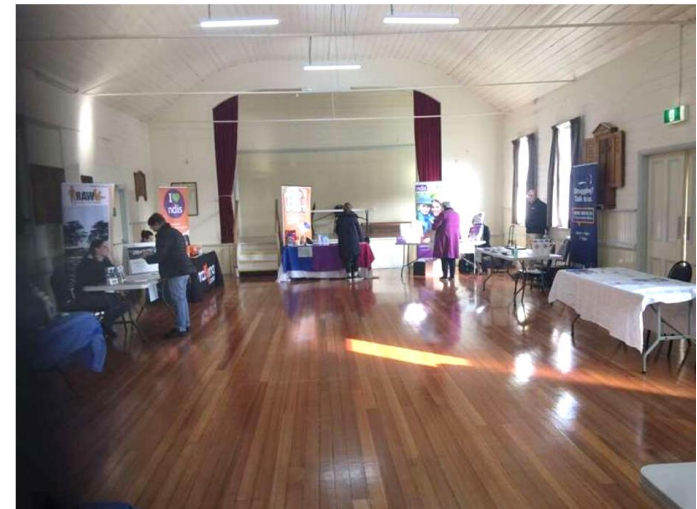


Woolmer's Estate Festival of Roses

Community Health & Wellbeing

Kempton Health & Wellbeing Expo

The Expo was held to promote health & wellbeing services available to our local community. It provided opportunities for service providers to promote their organisation and assess the community needs for services.



Community Health & Wellbeing

The School Holiday Program continued to be greatly supported throughout the year. The program provided an opportunity for the youth to participate in a range of activities to increase physical activity, improve social connectedness and engage in new and challenging experiences. A total of 252 youth participated in those activities. The activities ranged from sailing on the Lady Nelson, visiting the Launceston Planetarium & Museum, Launceston Aquatic Centre, Bonorong Wildlife Sanctuary, Bounce, Putt & Play, Movies, Riverbend Park, Old Hobart Town & Richmond.

The program was jointly funded between Southern Midlands Council and Communities for Children/Hobart City Mission.



Recreation

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

2021-22 Achievements

Upgrade works on the pathway at Victoria Hall, Kempton and the adjacent road junction were undertaken and completed in July 2021.

Council supported the Mt Pleasant Football Club funding application to the Tasmanian Government for new change rooms at the Mt Pleasant Recreation Ground. A grant of \$200,000 was received together with a further \$34,000 from the Australian Football League Tasmania. Works will commence in late 2022

The development of the Bagdad Community Club Master Plan for the site is progressing with all parties participating in the development of the Plan.



The Oatlands Aquatic Centre is the major recreation project that Council is implementing for the Community with its anticipated opening to the public in November 2022

Image 9th May 2022

Access

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

2021-22 Achievements

The Oatlands Aquatic Centre is designed to meet all of the requirements of the Disability Discrimination Act (DDA).

Council is in the process of reviewing the access to the Oatlands Council Chambers building and its services to comply with the DDA. Heritage buildings are a design challenge and extremely costly to ensure that they comply with the DDA.



Volunteers

ENCOURAGE COMMUNITY MEMBERS TO VOLUNTEER

2021-22 Achievements

Community Small Grants Program

Once again, Council conducted its annual Community Small Grants program in September 2021. 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 (not for profit) organisations who are looking to improve facilities, services or increase participation in their relevant field – all within the Southern Midlands area. Successful applicants in 2021/22 grant rounds were as follows:-

Group/Club	Auspiced by	Project	Project Cost	Grant Sought	Will Accept	Recommend to be Approved by Council	Priority Scored (1 = highest)
Brighton Equestrian Club	NA	Remediation of Arena	\$ 3,825.00	\$ 3,000.00	\$ 2,500.00	\$ 3,000.00	1
Oatlands Ex Services & Community Club	NA	Gas Hot Water Upgrade	\$ 5,275.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	2
Brighton & Green Ponds RSL Sub Branch	NA	Floor sanding and finishing	\$ 5,750.00	\$ 2,950.00	\$ 2,500.00	\$ 2,950.00	3
Oatlands Community Assn Inc	NA	Kitchen Reburfishment	\$ 7,331.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	4
Campania FC	NA	Electrical Sub Board at Club Rooms	\$ 2,898.50	\$ 2,800.00	\$ 2,000.00	\$ 2,790.00	5
Levendale Hall Committee	NA	Install Heat Pump	\$ 2,800.00	\$ 2,800.00	\$ 2,000.00	\$ 2,000.00	6
Central Hawks Junior FC	NA	Replace existing Carpet in Clubrooms	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	7
Mount Pleasant FC	NA	New Fridge for Clubrooms	\$ 3,135.00	\$ 3,000.00	\$ 2,500.00	\$ 2,500.00	8
Oatlands Rural Youth	RYOT	New Seating for the Clubrooms	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	9
Campania VFB	TFS	Ride on Mower	\$ 5,669.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	10
Green Ponds Progrss Assn	NA	COVID-19 Supplies fo GPPA plus others	\$ 1,760.00	\$ 1,760.00	\$ 1,760.00	\$ 1,760.00	11
			\$ 44,443.50	\$ 31,310.00	\$ 28,260.00	\$ 30,000.00	

From a historical perspective it is interesting to note that since the inception of the Southern Midlands Community Small Grants Program in 2007, Council have paid out to Community Groups through this Program \$367,697.00, supporting \$1,202,286.00 worth of Community Projects.

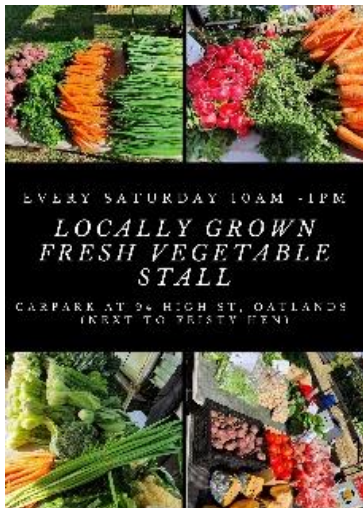
Families

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

2021-22 Achievements

The old Oatlands pool (circa 1954) was closed over the summer period as the condition of the operating equipment was concerning. Over previous years it continued 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 biased towards the Brighton area and the city. 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. This was a great service that had also been provided by the Community & Corporate Development Team in previous years.



Southern Midlands Events
15 Apr · 🌐

Roxy IGA
15 Apr · 🌐

Home Grocery Deliveries for IGA Oatlands

We will partner with Rural Alive and Well to do deliveries to the elderly and people in isolation in our district. We would require orders by Tuesday for delivery on Thursday with limited spots available. Payment by credit card over the phone is preferred but if this is an issue please let us know as Rural Alive and Well will not handle cash.

CTST - Community Transport Services Tasmania
20 Apr · 🌐

Please share!

Southern Midlands Events
9 Apr · 🌐

Available to vulnerable elderly, residents with chronic disease who have limited family support and isolated community members in the Southern Midlands...
#southernmidlandscouncil

Corumbene Tucker Boxes

Struggling to get to the shops because of the COVID-19 outbreak?

Corumbene Care Community Services have commenced a Tucker box delivery service for vulnerable residents of the:

- Derwent Valley
- Central Highlands
- Southern Midlands

Our delivery service provides:

Emergency Relief now at Oatlands.

- Food Packs
- Food Vouchers
- Professional Support
- Referrals to other Services

Hobart City Mission
Established 1852

CHILD HEALTH ASSOCIATION OF TASMANIA & PLAYGROUP TASMANIA PRESENT

KEMPTON POP-UP FAMILY PLAYGROUP AND PICNIC

Thursday 5th March 10.30-12.30
Kempton Rest Stop Park
near the Doctor's surgery

Enjoy a free healthy morning tea provided by the Well Fed Tasmania food truck and loads of fun activities from Playgroup Tasmania for families with children 0-5 years.

Southern Midlands Events

WELL FED TASMANIA FOOD TRUCK

Like possible by tagging from Community 2 comments

Education

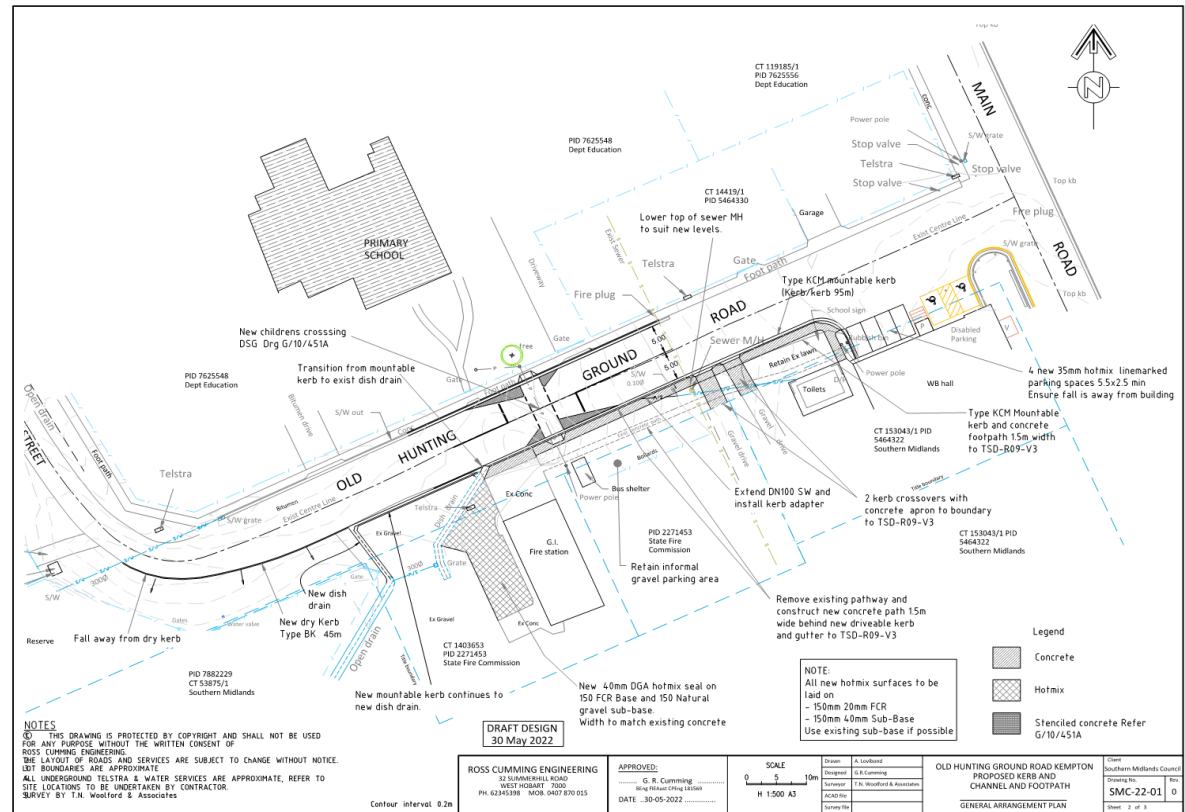
INCREASE THE EDUCATIONAL AND EMPLOYMENT OPPORTUNITIES AVAILABLE WITHIN THE SOUTHERN MIDLANDS

2021-22 Achievements

Council team members work with the schools in the Southern Midlands to add value where ever and whenever they can and enjoy an excellent working relation with Principals, teachers and students.



Kempton Primary School students with Surveyor Tony Woolford checking out a new career option in undertaking the survey for the design of Old Hunting Ground Road, improvements.



Capacity and Sustainability

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

2021-22 Achievements

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

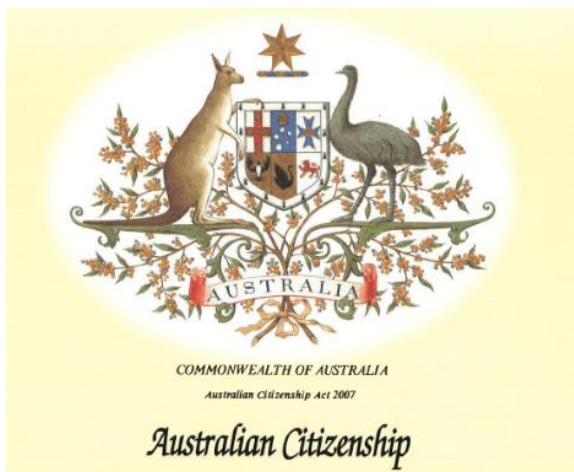
Australia Day Awards

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 Bagdad Community Club on 26th January 2022.

- Citizen of the Year: Ms Denise Smith
- Young Citizen of the Year: Miss Kendylle Byers

Citizenship Ceremonies

Council conducted 4 (four) Citizenship Ceremonies in 2021/22.



Safety

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

2021-22 Achievements

Several Council employees are members of the State Emergency Service Road Rescue Unit or are volunteers with the various Tasmania Fire Service Brigades across the southern midlands local government area (or both).



Consultation & Communication

IMPROVE THE EFFECTIVENESS OF CONSULTATION AND COMMUNICATION WITH THE COMMUNITY

2021-22 Achievements

Two (2) Ordinary Meetings of Council were held in the following areas within the municipality during 2021/22. Meetings had been planned in other areas but due to COVID-19 were held online via WebEx.

- Colebrook
- Levendale

The Southern Midlands Council's website 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.

The Mayor participates on the Australian Broadcasting Commission (ABC) Mornings radio show on Mayor's Monday to provide a perspective of Southern Midlands Council to a wider audience.



ORGANISATION

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



Improvement

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

2021-22 Achievements

Strategic Plan – Council conducted a desktop review of its Strategic Plan which involved a series of workshops and discussions. The updated Strategic Plan 2022-2032 was adopted by Council in June 2022.

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

- Workplace Equality & Respect Policy
- Mobile Food Vendors Policy
- Delegations Register (full review and update)
- Goods & Services Purchasing Policy
- Safeguarding Children & Young People & Mandatory Reporting Policy
- Dog Management Policy (to be advertised for public input)
- COVID-19 Vaccination Policy

The Southern Midlands Council's Audit Panel held four meetings during the 2021/22 financial year.



Sustainability

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

2021-22 Achievements

Work, Health & Safety / Risk Management

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

In July 2021, Council adopted a 'Statement of Intent' relating to Workplace Equality and Respect. This consolidated a number of existing policy positions into a single documents.



Information, Communication & Technology Systems

In June 2021, Council engaged Taylor Mitchell (external consultant) to undertake a review of Council's ICT platforms and prepare a 'technology strategy and road map'. This project was initiated as a result of Council's existing software suppliers providing advice that they will discontinue support and development of the currently deployed products, as each vendor have now moved to newer, more modern cloud based solutions.

Following a 'Request for Proposal' process, Council accepted a proposal submitted by MAGIQ Software Pty Ltd. This single system will provide all the core functionality including Finance; Payroll; Documents Management; Property and Rating; and the Regulatory Application module. The system is currently being configured and implemented with a 'go-live' date anticipated for January 2022.

Southern Midlands Council - Enterprise Bargaining Agreement - A new Enterprise Bargaining Agreement was negotiated with employees and the Australian Services Union which took effect from 1st July 2021. The Agreement is for a period of three (3) years.

Finances

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

2021-22 Achievements

The 2021-22 Financial Statements form part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity increased by \$23,325 million. This is largely due to the following:

- a net asset revaluation increment of \$16.638 million;
- an increase of \$283K in the value of Council's investment in TasWater;
- a decrease of \$3.864 million in Cash and cash equivalents;
- an overall 'Net result from continuing operations for the year' surplus of \$6.449 million; and
- movements in other assets and liabilities which are shown in the Balance Sheet and detailed in the Notes to the Financial Report.



REPORTING ON LEGISLATIVE REQUIREMENTS

Following are the reports that Council is required to provide under various legislation for the 2021/2022 financial year:

Allowances and Expenses Statement

(Under the *Local Government Act 1993*)

In 2021/22 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances	\$ 118,993.68
Expenses	\$ 17,918.52

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 2021/22 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 2021/22 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

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 8th December 2021.
- One (1) Southern Midlands Facilities & Recreation Committee meeting was held on the 8th September 2021.

COUNCILLOR ATTENDANCE	Ordinary Council Meetings	Annual General Meeting	Special Council Meetings	Southern Midlands Recreation Committee
	x 12 meetings	x 1 meeting	x 2 meetings	x 1 meeting
Mayor A Green	11/12	1/1	1/2	N/A
Deputy Mayor E Batt	12/12	1/1	2/2	1/1
Clr A Bantick	11/12	1/1	2/2	1/1
Clr A Bisdee OAM	11/12	0/1	2/2	N/A
Clr K Dudgeon	12/12	1/1	2/2	N/A
Clr D Fish	12/12	1/1	2/2	1/1
Clr R McDougall	11/12	1/1	2/2	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	1
\$120,001 - \$140,000	1
\$140,000 - \$160,000	1
\$220,001 - \$240,000	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 23rd November 2022; 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 2021/22 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 30th June 2022.

Contactor Name & Address	Description	Value of Contract <i>(excl. GST)</i>	Period of Contract <i>(plus extension options if applicable)</i>
Stabilised Pavements of Australia	Annual Road Stabilisation & Seal Program	\$450,006.07	
Roadways	Annual Spray Sealing Program	\$272,625.00	
Komatsu Australia Pty Ltd	Motor Grader	\$458,890.00	

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 \$
Tasmania's Heritage Highway	Annual Grant	\$ 12,000.00
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
Lewis Burke	Donation to attend Royal Sydney Show Judging Comp	\$ 100.00
Runnymede Cricket Club	Annual Contribution Ground Maintenance (2020-21 & 2021-22)	\$ 3,000.00
Oatlands District Football Association	Sponsorship of ODFA Best & Fairest (Mayors Trophy)	\$ 150.00
Tunnack Hall & Progress Association	Contribution Public Liability Insurance	\$ 474.17
Levendale Hall Committee	Contribution Public Liability Insurance	\$ 331.50
Tunbridge Hall committee	Contribution Public Liability Insurance	\$ 315.61
Melton Mowbray Community Association	Contribution to Melton Mowbray Rodeo	\$1,500.00
Green Ponds Progress Association	Contribution to Kempton Festival	\$1,500.00
Brighton & Southern Midlands Poly Club	Contribution to Hosting Southern Zone Games & State Games	\$ 400.00
Lower Midlands Arts	Contribution to ARTlands Exhibition	\$ 500.00
Bagdad Community Club	Operational Grant MOU	\$10,000.00

Brighton Equestrian Club	Community Small Grant	\$ 3,000.00
Brighton Green Ponds RSL Sub Branch Inc	Community Small Grant	\$ 2,950.00
Campania Football Club	Community Small Grant	\$ 2,790.00
Central Hawks Junior Football Club	Community Small Grant	\$ 3,000.00
Green Ponds Progress Association Inc	Community Small Grant	\$ 3,000.00
Levendale Hall Committee	Community Small Grant	\$ 2,000.00
Mt Pleasant Football Club Inc	Community Small Grant	\$ 2,500.00
Oatlands Community Association	Community Small Grant	\$ 3,000.00
Oatlands Exservices & Community Club Inc	Community Small Grant	\$ 3,000.00
Rural Youth	Community Small Grant	\$ 3,000.00
Campania Volunteer Fire Brigade	Community Small Grant	\$ 3,000.00
GRANTS & DONATIONS TOTAL		\$ 62,951

2021 / 2022 FINANCIAL STATEMENTS

SOUTHERN
MIDLANDS
COUNCIL



Southern Midlands Council

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Phone: 03 6254 5000 | Phone: 03 6254 5050

mail@southernmidlands.tas.gov.au

www.southernmidlands.tas.gov.au

SOUTHERN MIDLANDS COUNCIL



COMPLETE SET OF FINANCIAL STATEMENTS

2021 | 22 FINANCIAL YEAR

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 2022 and the results of its operations and cash flows for the year then ended, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



T F Kirkwood
General Manager

Dated: 18 October 2022

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2022

(Amounts shown in \$'000)	Note	Budget 2022	Actual 2022	Actual 2021
Income from continuing operations				
Recurrent Income				
Rates and charges	2.2a	5,995	6,035	5,743
User fees	2.2b	787	1,076	1,014
Grants - Recurrent	2.2c	3,620	4,731	3,524
Interest	2.2d	125	27	35
Contract income	2.2e	765	529	311
Other income	2.2f	82	431	58
Investment revenue from water corporation	2.2g	183	182	76
		11,557	13,011	10,761
Net Capital Income				
Grants - capital	2.2h	6,431	5,495	2,045
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	2.2i	(7)	1	120
		6,424	5,496	2,165
Total income from continuing operations		17,981	18,507	12,926
Expenses from continuing operations				
Employee benefits	2.3a	(4,387)	(3,877)	(3,645)
Materials and contracts	2.3b	(3,458)	(3,704)	(3,279)
Depreciation and amortisation	2.3c	(3,004)	(3,697)	(3,322)
Contributions	2.3d	(245)	(245)	(234)
Finance costs	2.3e	(68)	(65)	(19)
Other expenses	2.3f	(913)	(470)	(449)
Total expenses from continuing operations		(12,075)	(12,058)	(10,948)
Net result from continuing operations for the year		5,906	6,449	1,978
Other comprehensive income				
Items that will not be reclassified to net result				
Fair value adjustments on equity investment asset	3.6	-	238	958
Net asset revaluation increment/(decrement)	3.7	-	16,638	7,001
Total other comprehensive income		-	16,876	7,959
Total Comprehensive Result		5,906	23,325	9,937

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

Consolidated Statement of Financial Position

as at 30 June 2022

(Amounts shown in \$000)	Note	Actual 2022	Actual 2021
Assets			
Current assets			
Cash and cash equivalents	3.1	14,636	18,500
Trade and other receivables	3.2	1,162	1,124
Contract assets	3.3	1,855	169
Assets held for sale	3.4	100	100
Other assets	3.5	236	284
Total current assets		17,989	20,177
Non-current assets			
Investment in water corporation	3.6	11,586	11,348
Property, plant, equipment, infrastructure and intangibles	3.7	125,590	102,522
Total non-current assets		137,176	113,870
Total assets		155,165	134,047
Liabilities			
Current liabilities			
Trade and other payables	3.9	965	798
Trust funds and deposits	3.10	200	141
Contract liabilities	3.11	474	2,602
Employee provisions	4.1	1,649	1,600
Interest-bearing loans and borrowings	5.1	265	334
Total current liabilities		3,553	5,475
Non-current liabilities			
Employee provisions	4.1	6	26
Interest-bearing loans and borrowings	5.1	4,150	4,415
Total non-current liabilities		4,156	4,441
Total liabilities		7,709	9,916
Net Assets		147,456	124,131
Equity			
Accumulated surplus		61,509	55,060
Reserves	6.1	85,947	69,071
Total Equity		147,456	124,131

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

(Amounts shown in \$'000)	Note	Total Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves	
Balance as at 1 July 2020		114,194	53,082	60,809	(3,348)	3,651
Net result from continuing operations for the year		1,978	1,978	-	-	-
Fair value adjustment on equity investment asset	3.6	958	-	-	958	-
Net revaluation reserve increment/(decrement)	3.7	7,001	-	7,001	-	-
Transfers between reserves	6.1	-	-	-	-	-
Balance as at 30 June 2021		124,131	55,060	67,810	(2,390)	3,651
Net result from continuing operations for the year		6,449	6,449	-	-	-
Fair value adjustment on equity investment asset	3.6	238	-	-	238	-
Net revaluation reserve increment/(decrement)	3.7	16,638	-	16,638	-	-
Transfers between reserves	6.1	-	-	-	-	-
Balance as at 30 June 2022		147,456	61,509	84,448	(2,152)	3,651

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2022

(Amounts shown in \$000)	Note	Actual 2022	Actual 2021
Cash flows from operating activities			
Rates and charges		6,056	5,836
User fees		1,124	932
Grants - Recurrent		4,731	3,510
Interest		27	35
Investment revenue from water corporation		182	76
Other receipts		902	531
Net GST refund/payment		1,161	708
Payments to suppliers		(5,474)	(4,688)
Payments to employees		(3,848)	(3,626)
Finance costs paid		(65)	(19)
Net cash from (used in) operating activities	2.4	4,796	3,295
Cash flows from investing activities			
Payments for property, plant, equipment, infrastructure and intangibles		(10,518)	(6,226)
Proceeds from sale of property, plant, equipment, infrastructure and intangibles		392	294
Capital grants		1,741	2,858
Net cash from (used in) investing activities		(8,385)	(3,074)
Cash flows from financing activities			
Trust funds and deposits		59	(26)
Proceeds from interest bearing loans and borrowings		-	4,365
Repayment of interest bearing loans and borrowings		(334)	(73)
Net cash from (used in) financing activities	2.5	(275)	4,266
Net increase (decrease) in cash and cash equivalents		(3,864)	4,487
Cash and cash equivalents at the beginning of the financial year		18,500	14,013
Cash and cash equivalents at the end of the financial year	3.1	14,636	18,500

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

Notes to the Financial Report

for the year ended 30 June 2022

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 3.13. 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 2022

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 and infrastructure

Assumptions and judgements are utilised in determining the fair value of Council's property, plant, equipment and infrastructure including useful lives and depreciation rates. These assumptions are discussed in note 3.7.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 3.6.

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 2022

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	
	2022	2021	2022	2021	2022	2021	2022	2021
Roads and bridges	1,676	1,250	5,433	4,727	(3,757)	(3,477)	84,947	66,933
Stormwater	-	-	129	120	(129)	(120)	4,148	3,742
Waste management	1,100	932	1,218	1,146	(118)	(214)	434	563
Economic development	621	385	1,450	1,120	(829)	(735)	7,890	8,173
Environmental management	197	20	438	434	(241)	(414)	1,011	881
Development services	308	279	985	997	(677)	(718)	1,452	1,445
Community services	48	84	626	632	(578)	(548)	3,921	3,995
Recreational facilities	4,051	120	1,032	970	3,019	(850)	18,566	13,774
Governance and administration	186	40	503	570	(317)	(530)	3,473	3,439
Other - non attributable	10,320	9,816	244	232	10,076	9,584	29,323	31,102
	18,507	12,926	12,058	10,948	6,449	1,978	155,165	134,047

Grants included in Income from continuing operations:

	2022	2021
Roads and bridges	1,620	1,183
Stormwater	-	-
Waste management	-	-
Economic development	-	145
Environmental management	182	108
Development services	-	-
Community services	24	54
Recreational facilities	3,698	582
Governance and administration	-	-
Other - non attributable	4,702	3,497
	10,226	5,569

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

	2022	2021
Current assets	17,989	20,177
Non-current assets	137,176	113,870
	155,165	134,047

Notes to the Financial Report

for the year ended 30 June 2022

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 2022

2.2 Income from continuing operations

(Amounts shown in \$000)	2022	2021
Recurrent income		
2.2a Rates and charges		
General	4,637	4,604
Fire levy	245	234
Waste & garbage management	1,066	892
Interest and penalties	87	13
Total rates and charges	6,035	5,743
2.2b User fees		
Community safety	10	12
Growth tourism	4	5
Growth business	370	286
Landscapes cultural	-	-
Landscapes heritage	4	1
Landscapes regulatory	228	238
Landscapes natural	5	5
Lifestyle recreation	40	52
Lifestyle animals	76	41
Organisation sustainability	177	212
Organisation finances	22	15
Volunteers program	100	105
Other fees and charges	40	42
Total user fees	1,076	1,014
2.2c Grants - Recurrent		
Australian Government Financial Assistance Grants	1,850	1,689
Australian Government Financial Assistance Grants (in advance)	2,852	1,808
Landscapes youth	10	4
Landscapes natural	-	-
Other	19	23
Total recurrent grants	4,731	3,524
2.2d Interest		
Interest on financial assets	-	-
Interest on cash and cash equivalents	27	35
Total interest	27	35
2.2e Contract income		
Contracted works	529	311
Total contract income	529	311
2.2f Other income		
Government subsidies	62	12
Developer contribution	44	-
Special Committee contributions	200	-
Insurance recoveries	56	18
Sundry	69	28
Total other income	431	58

Notes to the Financial Report

for the year ended 30 June 2022

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)

	2022	2021
2.2g Investment revenue from water corporation		
Dividends, tax equivalent and guarantee fees received	182	76
Total investment revenue from water corporation	182	76
Total recurrent income	13,011	10,761
2.2h Net capital income		
Grants - capital		
Australian Government - Roads	666	666
Australian Government - Local Roads and Community Infrastructure	578	569
Australian Government - Black Summer Bushfire Grant	60	-
Australian Government - Broadmarsh Streetscape	230	-
Australian Government - Campania Bush Reserve Shared Pathway	92	-
Australian Government - Chauncy Vale Pedestrian Bridge Project	-	55
Australian Government - Charge Smart	-	-
Australian Government - Kempton Town Development	45	30
Australian Government - Lake Dulverton Conservation Area Walkway	163	44
Australian Government - Oatlands Aquatic Centre	3,500	125
Australian Government - Oatlands Destination Playground Development	-	500
Australian Government - Oatlands Underground Power Project	125	-
Landscapes natural	19	8
Lifestyles public health	-	48
Lifestyles recreation	17	-
Total grants - capital	5,495	2,045
2.2i Net gain/(loss) on disposal of property, plant, equipment and infrastructure		
Proceeds of sale of non-current assets	392	294
Written down value of non-current assets disposed	(391)	(174)
Total gain/(loss)	1	120
Total net capital income	5,496	2,165
Total income from continuing operations	18,507	12,926

Notes to the Financial Report

for the year ended 30 June 2022

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)

	2022	2021
2.2j Grants received by funding source and conditions attached		
<i>Funding source</i>		
Australian Government	10,161	5,486
Other	65	83
Total	10,226	5,569

The Australian Government provides untied Financial Assistance Grants to Council for general purpose use and the provision of local roads. 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 2021-22 by \$2,852,000 (2020-21 by \$1,808,000). This has impacted the Statement of Comprehensive Income resulting in the result from continuing operations being higher by the same amount.

Unspent grants

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

Operating

Balance of unspent funds at 1 July	1,808	1,840
Add: Funds recognised as revenue in the year but not yet spent in accordance with the conditions	2,852	1,808
Add: Funds received and not recognised as revenue in the year	-	-
Less: Funds recognised as revenue in previous years that have been spent during the year	(1,808)	(1,840)
Less: Funds received in prior year but revenue recognised and funds spent in the year	-	-
Balance of unspent funds at 30 June	2,852	1,808

Capital

Balance of unspent funds at 1 July	2,602	1,660
Add: Funds recognised as revenue in the year but not yet spent in accordance with the conditions	-	-
Add: Funds received and not recognised as revenue in the year	2,701	1,002
Less: Funds recognised as revenue in previous years that have been spent during the year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in the year	(4,829)	(60)
Balance of unspent funds at 30 June	474	2,602
Total unspent grants	3,326	4,410

2.2k Recognition and measurement

Rates and charges

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

User fees

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

Notes to the Financial Report

for the year ended 30 June 2022

2.2 Income from continuing operations (continued)

Grants - recurrent and capital

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.

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.

Notes to the Financial Report

for the year ended 30 June 2022

2.2 Income from continuing operations (continued)

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

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.

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 2022

2.3 Expenses from continuing operations

(Amounts shown in \$000)	2022	2021
2.3a Employee benefits		
Wages and salaries	3,016	2,724
Other employee costs	1,383	1,278
	4,399	4,002
Less amounts capitalised	(522)	(357)
<i>Total employee benefits</i>	3,877	3,645
2.3b Materials and contracts		
Advertising	47	44
Bank charges and commissions	21	21
Callington Mill	-	6
Computer system operation	252	195
Consultancies	209	160
Contractor labour and services	478	409
Council plant & machinery	266	244
Donations and grants	52	48
Gravel purchases	111	24
Household garbage and recycling collection contract	292	296
Insurance premiums	151	128
Legal expenses	39	41
Office expenses	99	82
Plant and machinery hire (external)	266	201
Power costs (including street lighting)	137	178
Repairs and maintenance	206	158
Subscriptions and publications	54	50
Telecommunications	20	26
Waste transfer, transport and disposal contracts	448	414
Water purchases	46	51
Valuation fees (supplementary valuations)	13	16
Volunteer services	100	104
Other materials and contracts	397	383
<i>Total materials and contracts</i>	3,704	3,279
2.3c Depreciation and amortisation		
Property		
Buildings	674	655
Plant and equipment		
Plant and machinery	213	223
Furniture and fixtures	28	29
Minor plant	14	14
Infrastructure		
Roads	2,243	1,921
Bridges	405	362
Stormwater	57	54
Waste management	25	27
<i>Total depreciation</i>	3,659	3,285
Amortisation of intangibles	38	37
<i>Total depreciation and amortisation</i>	3,697	3,322

Notes to the Financial Report

for the year ended 30 June 2022

2.3 Expenses from continuing operations (continued)

(Amounts shown in \$000)	2022	2021
2.3d Contributions		
Fire service levy	245	234
Total contributions	245	234
2.3e Finance costs		
Interest - Borrowings	65	19
Total finance costs	65	19
2.3f Other expenses		
Councillors allowances	140	136
Election costs	3	2
External auditors' remuneration	34	30
Bad & doubtful debts	-	19
Other	293	262
Total other expenses	470	449
Total expenses from continuing operations	12,058	10,948

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 2022

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 is reviewed 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)	2022	2021
Net result from continuing operations for the year	6,449	1,978
Depreciation and amortisation	3,697	3,322
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	(1)	(120)
Bad & doubtful debts	-	-
Grants - capital	(1,741)	(2,858)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(38)	(43)
Decrease/(increase) in contract assets	(1,686)	(169)
Decrease/(increase) in other assets	48	100
Increase/(decrease) in contract liabilities	(2,128)	942
Increase/(decrease) in trade and other payables	167	124
Increase/(decrease) in employee provisions	29	19
<i>Net cash provided by/(used in) operating activities</i>	4,796	3,295
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	14,636	18,500
Total reconciliation of cash and cash equivalents	14,636	18,500

Notes to the Financial Report

for the year ended 30 June 2022

2.5 Reconciliation of liabilities arising from financing activities

(Amounts shown in \$000)	2022	2021
Trust funds and deposits		
<i>Balance at the beginning of the financial year</i>	141	167
Net movements	59	(26)
<i>Balance at the end of the financial year</i>	200	141
Interest-bearing loans and borrowings		
<i>Balance at the beginning of the financial year</i>	4,749	457
New borrowings	-	4,365
Cash repayments	(334)	(73)
<i>Balance at the end of the financial year</i>	4,415	4,749

2.6 Management indicators

(Amounts shown in \$000)	Benchmark	2022	2021	2020	2019
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2.6a Underlying surplus or deficit

Recurrent income* less		11,968	10,913	11,332	11,145
recurrent expenditure		12,058	10,948	11,207	11,403
Underlying surplus/deficit	> \$0	(90)	(35)	125	(258)

* 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	18,507	12,926
Less non-operating income		
Financial Assistance Grant in advance - prior year	1,808	1,840
Financial Assistance Grant in advance - current year	(2,852)	(1,808)
Grants - Capital	(5,495)	(2,045)
Recurrent income	11,968	10,913
Expenses from continuing operations	12,058	10,948
Less non-operating expenditure		
Expenses related to COVID 19	-	-
Recurrent expenditure	12,058	10,948

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 small deficit in the current year and the prior year, slightly lower than the benchmark of breakeven. 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.

2.6b Underlying surplus or deficit ratio

Underlying surplus or deficit		(90)	(35)	125	(258)
Recurrent income*		11,968	10,913	11,332	11,145
Underlying surplus or deficit ratio %	> 0%	-0.8%	-0.3%	1.1%	-2.3%

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

Notes to the Financial Report

for the year ended 30 June 2022

2.6 Management indicators (continued)

(Amounts shown in \$000)	Benchmark	2022	2021	2020	2019
2.6c Net financial liabilities					
Liquid assets less		15,798	19,624	15,094	13,689
total liabilities		7,709	9,916	4,565	2,822
Net financial liabilities	> \$0	8,089	9,708	10,529	10,867

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		8,089	9,708	10,529	10,867
Recurrent income*		11,968	10,913	11,332	11,145
Net financial liabilities ratio %	0% - (50%)	67.6%	89.0%	92.9%	97.5%

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

Fair value (Carrying amount)		78,330	61,295	60,806	61,793
Current replacement cost (Gross)		156,212	122,666	120,488	119,198
Asset consumption ratio %	> 60%	50.1%	50.0%	50.5%	51.8%

Buildings

Fair value (Carrying amount)		22,685	22,389	15,422	13,255
Current replacement cost (Gross)		47,810	46,855	26,463	23,494
Asset consumption ratio %	> 60%	47.4%	47.8%	58.3%	56.4%

Drainage

Fair value (Carrying amount)		4,148	3,732	3,778	3,717
Current replacement cost (Gross)		5,776	5,303	5,295	5,180
Asset consumption ratio %	> 60%	71.8%	70.4%	71.4%	71.8%

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 2022

2.6 Management indicators (continued)

(Amounts shown in \$000)

	Benchmark	2022	2021	2020	2019
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**		23,866	22,300	19,474	18,638
Projected capital expenditure funding***		24,205	19,881	20,475	21,750
Asset renewal funding ratio %	90-100%	98.6%	112.2%	95.1%	85.7%
Buildings					
Projected capital funding outlays**		6,861	3,600	3,600	3,301
Projected capital expenditure funding***		6,270	3,375	3,708	2,750
Asset renewal funding ratio %	90-100%	109.4%	106.7%	97.1%	120.0%
Stormwater					
Projected capital funding outlays**		526	486	486	501
Projected capital expenditure funding***		468	486	486	520
Asset renewal funding ratio %	90-100%	112.4%	100.0%	100.0%	96.3%

** 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. This is in line with Council's long term financial management strategy and associated financial plan.

2.6g Asset sustainability ratio

Capex on replacement/renewal of existing assets		4,034	2,530	2,374	2,349
Annual depreciation and amortisation expense		3,697	3,322	3,170	3,079
Asset sustainability ratio %	100.0%	109.1%	76.2%	74.9%	76.3%

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 2022

2.6 Management indicators (continued)

(Amounts shown in \$000)

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
2022			
By asset class (including work in progress)			
Land	-	26	26
Buildings	316	4,915	5,231
Plant and machinery	1,188	-	1,188
Furniture and fixtures	21	-	21
Minor plant	5	-	5
Roads	2,052	1,043	3,095
Bridges	310	-	310
Stormwater	-	466	466
Waste management	-	34	34
Intangibles	142	-	142
Total	4,034	6,484	10,518
2021			
By asset class (including work in progress)			
Land	-	8	8
Buildings	560	2,579	3,139
Plant and machinery	192	-	192
Furniture and fixtures	13	-	13
Minor plant	11	-	11
Roads	1,669	1,064	2,733
Bridges	72	-	72
Stormwater	-	10	10
Waste management	-	35	35
Intangibles	13	-	13
Total	2,530	3,696	6,226

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 2022

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)	2022	2021
Cash at bank and on hand	2,805	8,070
Term deposits (3 months or less)	11,831	10,430
<i>Total cash and cash equivalents</i>	14,636	18,500

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 3.10)	200	141
- Special committees of Council	77	71
- Heritage Building Solutions Pty Ltd (note 3.13)	247	278
- Heritage Education and Skills Centre Ltd (note 3.13)	32	20
- Unspent grant funds with conditions (notes 2.2j)	3,326	4,410
- Australian Government - Financial Assistance Grant (in advance) (note 2.2c)	2,852	1,808
Restricted funds	6,734	6,728
Total unrestricted cash and cash equivalents	7,902	11,772

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) Unspent grant funds with conditions until specific performance obligations required under funding arrangements are completed.

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)	2022	2021
Rates debtors	678	695
Other debtors	484	429
<i>Total trade and other receivables</i>	1,162	1,124

Notes to the Financial Report

for the year ended 30 June 2022

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 Contract assets

(Amounts shown in \$000)

	2022	2021
Contract assets for work in progress	1,855	169
<i>Total contract assets</i>	<u>1,855</u>	<u>169</u>

Recognition and measurement

Council recognises a contract asset for work in progress where a performance obligation is satisfied by transferring a promised good or service to the customer, before the customer pays consideration or the payment is due. Contract assets are transferred to receivables when the right to receive payment becomes unconditional. Council recognised a contract asset for construction of the Oatlands Aquatic Centre. Council reviews contract assets for impairment. This project is expected to be completed and funds received within the next 12 months. There is no impairment.

3.4 Assets held for sale

(Amounts shown in \$000)

	2022	2021
Internal transfer from Land	100	100
<i>Total assets held for sale</i>	<u>100</u>	<u>100</u>

Recognition and measurement

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

Notes to the Financial Report

for the year ended 30 June 2022

3.5 Other assets

(Amounts shown in \$000)

	2022	2021
Stores and materials	228	239
Subsidiary work in progress	8	45
<i>Total other assets</i>	236	284

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.

3.6 Investment in water corporation

(Amounts shown in \$000)

	2022	2021
Opening Balance	11,348	10,390
Change in fair value of investment	238	958
<i>Total investment in water corporation</i>	11,586	11,348

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 2022, Council held a 0.70% ownership interest in TasWater (2021: 0.72%) 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 2022

3.7 Property, plant, equipment, infrastructure and intangibles

(Amounts shown in \$000)

	Gross book value		Accumulated depreciation		Total	
	2022	2021	2022	2021	2022	2021
Property						
At fair value						
Land	4,932	4,932	-	-	4,932	4,932
Land under roads	3,474	3,051	-	-	3,474	3,051
Buildings	47,810	46,855	(25,125)	(24,466)	22,685	22,389
Total property	56,216	54,838	(25,125)	(24,466)	31,091	30,372
Plant and equipment						
At cost						
Plant and machinery	4,523	4,274	(1,582)	(1,915)	2,941	2,359
Furniture and fixtures	681	661	(462)	(435)	219	226
Minor plant	341	335	(291)	(277)	50	58
Total plant and equipment	5,545	5,270	(2,335)	(2,627)	3,210	2,643
Infrastructure						
At fair value						
Roads	124,772	94,403	(66,543)	(51,837)	58,229	42,566
Bridges	31,440	28,263	(11,339)	(9,534)	20,101	18,729
Stormwater	5,776	5,303	(1,628)	(1,571)	4,148	3,732
Waste management	365	344	(146)	(135)	219	209
Total infrastructure	162,353	128,313	(79,656)	(63,077)	82,697	65,236
Work in progress	8,431	4,213	-	-	8,431	4,213
Intangibles	698	557	(537)	(499)	161	58
Total property, plant, equipment, infrastructure and intangibles	233,243	193,191	(107,653)	(90,669)	125,590	102,522

Notes to the Financial Report

for the year ended 30 June 2022

3.7 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	Transferred to held for sale	Impairment of assets	Balance at end of financial year
2022								
Property								
Land	4,932	-	-	-	-	-	-	4,932
Land under roads	3,051	-	423	-	-	-	-	3,474
Buildings	22,389	970	-	(674)	-	-	-	22,685
Total property	30,372	970	423	(674)	-	-	-	31,091
Plant and equipment								
Plant and machinery	2,359	1,188	-	(215)	(391)	-	-	2,941
Furniture and fixtures	226	21	-	(28)	-	-	-	219
Minor plant	58	5	-	(13)	-	-	-	50
Total plant and equipment	2,643	1,214	-	(256)	(391)	-	-	3,210
Infrastructure								
Roads	42,566	3,237	14,670	(2,244)	-	-	-	58,229
Bridges	18,729	230	1,545	(403)	-	-	-	20,101
Stormwater	3,732	473	-	(57)	-	-	-	4,148
Waste management	209	34	-	(24)	-	-	-	219
Total infrastructure	65,236	3,974	16,215	(2,728)	-	-	-	82,697
Work in progress	4,213	4,218	-	-	-	-	-	8,431
Intangibles	58	142	-	(39)	-	-	-	161
Total property, plant, equipment, infrastructure and intangibles	102,522	10,518	16,638	(3,697)	(391)	-	-	125,590

Notes to the Financial Report

for the year ended 30 June 2022

3.7 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	Transferred to held for sale	Impairment of assets	Balance at end of financial year
2021								
Property								
Land	5,102	-	-	-	(70)	(100)	-	4,932
Land under roads	3,051	-	-	-	-	-	-	3,051
Buildings	15,422	1,194	6,428	(655)	-	-	-	22,389
Total property	23,575	1,194	6,428	(655)	(70)	(100)	-	30,372
Plant and equipment								
Plant and machinery	2,493	193	-	(223)	(104)	-	-	2,359
Furniture and fixtures	243	12	-	(29)	-	-	-	226
Minor plant	61	11	-	(14)	-	-	-	58
Total plant and equipment	2,797	216	-	(266)	(104)	-	-	2,643
Infrastructure								
Roads	42,317	2,170	-	(1,921)	-	-	-	42,566
Bridges	18,489	29	573	(362)	-	-	-	18,729
Stormwater	3,778	8	-	(54)	-	-	-	3,732
Waste management	200	36	-	(27)	-	-	-	209
Total infrastructure	64,784	2,243	573	(2,364)	-	-	-	65,236
Work in progress	1,653	2,560	-	-	-	-	-	4,213
Intangibles	82	13	-	(37)	-	-	-	58
Total property, plant, equipment, infrastructure and intangibles	92,891	6,226	7,001	(3,322)	(174)	(100)	-	102,522

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 2022

3.7 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
	\$	
Property		
Land	1	Fair value
Land under roads	1	Fair value
Buildings	1	Fair value
Plant and equipment		
Plant and machinery	1,000	Cost
Furniture and fixtures	1,000 (2021: \$500)	Cost
Minor plant	1,000	Cost
Infrastructure		
Roads	1	Fair value
Bridges	5,000	Fair value
Stormwater	3,000	Fair value
Waste management	3,000	Cost
Intangibles	1,000 (2021: \$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 2022

3.8 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.

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 elected to measure a class (or classes) of right-of-use assets arising under 'concessionary leases' at initial recognition at cost, in accordance with AASB16.23–25. Cost being the initial measurement of the lease liability.

Notes to the Financial Report

for the year ended 30 June 2022

3.9 Trade and other payables

(Amounts shown in \$000)	2022	2021
Payables and accruals	615	455
Rates and charges in advance	264	260
Payroll oncosts on employee entitlements	86	83
Total trade and other payables	965	798

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. General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt. Rates and charges in advance represents amounts received by Council prior to the commencement of the rating or charging period. Revenue is recognised by Council at the beginning of the rating or charge period to which the advance payment relates.

3.10 Trust funds and deposits

(Amounts shown in \$000)	2022	2021
Tender deposits and funds held on trust	200	141
Total trust funds and deposits	200	141

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.

3.11 Contract liabilities

(Amounts shown in \$000)	2022	2021
Grants received in advance	474	2,602
Total contract liabilities	474	2,602

Recognition and measurement

Grants received but unspent to construct Council controlled assets represent funding for construction projects for community infrastructure. The funds received are under enforceable contracts which require Council to perform specific obligations to construct identified assets for the community infrastructure projects which will be under Council's control on completion. The revenue is recognised as Council constructs the assets and the contract liability reflects the funding received which cannot yet be recognised as revenue. Revenue is expected to be recognised in the next 12 months.

Revenue recognised that was included in the contract liability balance at the beginning of the period

Grants to construct Council controlled assets	4,829	60
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Notes to the Financial Report

for the year ended 30 June 2022

3.12 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 3.6
- Property and infrastructure as disclosed at note 3.7

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 3.4. 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 access at the measurement date.
- Level 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3** Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 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 2022

3.12 Fair value measurements (continued)

(Amounts shown in \$000)	Level 1		Level 2			Level 3		Total
	2022	2021	2022	2021	2022	2021	2022	2021
Fair value measurements								
Recurring								
Property								
Land	-	-	4,932	4,932	-	-	4,932	4,932
Land under roads	-	-	3,474	3,051	-	-	3,474	3,051
Buildings	-	-	-	-	22,685	22,389	22,685	22,389
Infrastructure								
Roads	-	-	-	-	58,229	42,566	58,229	42,566
Bridges	-	-	-	-	20,101	18,729	20,101	18,729
Stormwater	-	-	-	-	4,148	3,732	4,148	3,732
Waste management	-	-	-	-	219	209	219	209
Total recurring	-	-	8,406	7,983	105,382	87,625	113,788	95,608
Non-recurring								
Assets held for sale	100	100	-	-	-	-	100	100
Total non-recurring	100	100	-	-	-	-	100	100

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

Investment in water corporation

Refer to 3.6 for details of valuation techniques used to derive fair values.

Land

Land fair values were determined by a qualified independent valuer as at 1 July 2020. 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 2022

3.12 Fair value measurements (continued)

Land held for sale

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

Land under roads

Land under roads is based on valuations determined by the Valuer-General effective 1 July 2019, using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights, private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation.

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 as at 1 July 2020.

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 2022

3.12 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. Council engaged Moloney Asset Management, an independent valuer, to undertake a valuation of roads as at 30 June 2022.

Bridges

Council engaged Auspan, an independent valuer, to undertake valuation of bridges as at 30 June 2022. 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 as at 1 July 2015. 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 3.7 (Property, plant, equipment and infrastructure). Investment in water corporation, which is classified as level 3 has been separately disclosed in note 3.6.

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 2022

3.13 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)	2022	2021
Heritage Building Solutions Pty Ltd		
Statement of Comprehensive Income		
Revenue	824	872
Expenses	(769)	(856)
Total Comprehensive Income for the year	55	16
Statement of Financial Position		
Assets	542	496
Liabilities	(317)	(326)
Total Equity	225	170
Heritage Education & Skills Centre Pty Ltd		
Statement of Comprehensive Income		
Revenue	-	21
Expenses	(2)	(25)
Total Comprehensive Income for the year	(2)	(4)
Statement of Financial Position		
Assets	32	34
Liabilities	(67)	(67)
Total Equity	(35)	(33)

Notes to the Financial Report

for the year ended 30 June 2022

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)

	2022	2021
Current		
Annual leave	571	496
Long service leave	797	821
Personal	281	283
Total current	1,649	1,600
Non-current		
Long service leave	6	26
Total non-current	6	26
Total employee provisions	1,655	1,626
Description of current and non-current components of employee provisions		
Current		
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.	852	779
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	797	821
	1,649	1,600
Non-current		
Long service leave representing less than 10 years of continuous service measured at present value.	6	26
	6	26
Number of employees (full time equivalents)	46	47

Notes to the Financial Report

for the year ended 30 June 2022

4.1 Employee Provisions (continued)

Movements in employee provisions during the financial year

(Amounts shown in \$000)	Annual leave		Long service leave		Personal			Total
	2022	2021	2022	2021	2022	2021	2022	2021
Balance at beginning of the year	496	513	847	816	283	278	1,626	1,607
Additional provisions	433	292	28	113	112	163	573	568
Amounts used	(358)	(309)	(72)	(82)	(114)	(158)	(544)	(549)
Balance at end of the year	571	496	803	847	281	283	1,655	1,626

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 2022

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:

Councillors	Mayor A O Green	1 July 2021	to	30 June 2022
	Deputy Mayor E C Batt	1 July 2021	to	30 June 2022
	Councillor A R Bantick	1 July 2021	to	30 June 2022
	Councillor A E Bisdee OAM	1 July 2021	to	30 June 2022
	Councillor K Dudgeon	1 July 2021	to	30 June 2022
	Councillor D F Fish	1 July 2021	to	30 June 2022
General Manager	Councillor R McDougall	1 July 2021	to	30 June 2022
	Mr T F Kirkwood	1 July 2021	to	30 June 2022

Councillor remuneration

(Amounts shown in \$)

	Allowances	Compensation AASB 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
2022						
A O Green	42,684	42,684	4,543	1,682	-	48,909
E C Batt	22,616	22,616	1,395	1,100	-	25,111
A R Bantick	11,339	11,339	1,567	780	-	13,686
A E Bisdee OAM	11,339	11,339	1,327	780	-	13,446
K Dudgeon	11,339	11,339	1,813	-	-	13,152
D F Fish	11,339	11,339	-	780	-	12,119
R McDougall	11,339	11,339	1,760	390	-	13,489
Total	121,995	121,995	12,405	5,512	-	139,912

(Amounts shown in \$)

	Allowances	Compensation AASB 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
2021						
A O Green	38,800	38,800	4,774	1,776	-	45,350
E C Batt	22,111	22,111	1,587	1,020	-	24,718
A R Bantick	11,086	11,086	1,391	780	-	13,257
A E Bisdee OAM	11,617	11,617	2,028	780	-	14,425
K Dudgeon	11,086	11,086	1,822	-	-	12,908
D F Fish	11,086	11,086	-	780	-	11,866
R McDougall	11,086	11,086	1,705	360	-	13,151
Total	116,872	116,872	13,307	5,496	-	135,675

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 2022

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
2022								
Remuneration band	Employees							
\$ 80 001 - \$100 000	1 (part year)	66,616	2,489	300	2,521	-	(30,543)	41,383
\$100 001 - \$120 000	1	89,405	-	300	11,724	-	6,766	108,195
\$120 001 - \$140 000	1	111,254	3,438	300	11,332	-	11,186	137,510
\$160 001 - \$180 000	1	136,726	2,050	300	18,017	-	7,380	164,473
\$220 001 - \$240 000	1	184,871	10,956	300	24,416	-	10,547	231,090
		588,872	18,933	1,500	68,010	-	5,336	682,651

(Amounts shown in \$)

		Short term benefits			Post employment benefits			
		Salary	Vehicles	Other benefits	Superannuation	Termination benefits	Other non-monetary benefits	Total
2021								
Remuneration band	Employees							
\$20 001 - \$40 000	(1 part year)	18,882	-	300	1,794	-	1,920	22,896
\$100 001 - \$120 000	3	284,360	4,421	900	35,743	-	1,999	327,423
\$140 001 - \$160 000	1	143,754	3,018	300	17,200	-	(5,706)	158,566
\$220 001 - \$240 000	1	181,195	11,113	300	22,800	-	11,314	226,722
		628,191	18,552	1,800	77,537	-	9,527	735,607

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 2022

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 \$47,803 (2021: \$38,442).

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 2022

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 2022 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 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. 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 3.75% p.a.
- Salary Inflation 2.75% p.a.
- Price Inflation n/a

Notes to the Financial Report

for the year ended 30 June 2022

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 2020.
- 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 2020.
- 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 2020.

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 2021 to 30 June 2024. 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 2023 and is expected to be completed late in 2023.

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

- The 2020 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 2017.

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 other requirements as determined by the regulators).

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 2022

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 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2021, showed that the Fund had assets of \$54.52 million and members' Vested Benefits were \$45.12 million. These amounts represented 0.21% and 0.18% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2021 the Fund had 87 members and the total employer contributions and member contributions for the year ending 30 June 2021 were \$879,254 and \$229,820 respectively.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$5,501 (2020-21, \$4,810), and the amount paid to accumulation schemes was \$380,748 (2020-21, \$378,526).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$3,174, and the amount to be paid to accumulation schemes is \$402,830.

Notes to the Financial Report

for the year ended 30 June 2022

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)	2022	2021
Current		
Borrowings - secured	265	334
Non-current		
Borrowings - secured	4,150	4,415
Total borrowings	4,415	4,749

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	265	334
Later than one year and not later than five years	4,150	4,415
Later than five years	-	-
Total	4,415	4,749

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 Comprehensive Income over the period of the liability using the effective interest method.

5.2 Financing arrangements

(Amounts shown in \$000)	2022	2021
Bank overdraft limit	200	200
Direct debit facility	100	100
Business credit cards	50	50
Used facilities	-	-
Unused facilities	350	350

Notes to the Financial Report

for the year ended 30 June 2022

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 0.4% (0.6% in 2021). The interest rate at balance date was 0.5% (0.4% in 2021).
Trade and other receivables	See Note 3.2	<p>General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2021). 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 3.6	Council's Investment in Water Corporation returns investment revenue, variable from year to year, as disclosed at note 2.2g.
<i>Financial Liabilities</i>		
Trade and other payables	See Note 3.9	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"> - 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. - Grants made to a council for a specific purpose are to be excluded in calculating 30% of the revenue of the council. <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 (2021: less than 2.5%).</p>

Notes to the Financial Report

for the year ended 30 June 2022

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	Fixed interest maturing in:			Non-interest bearing	Total
		1 year or less	Over 1 year to 5 years	More than 5 years		
2022						
<i>Financial assets</i>						
Cash and cash equivalents	2,805	11,831	-	-	-	14,636
Trade and other receivables	-	-	-	-	1,162	1,162
Investment in water corporation	-	-	-	-	11,586	11,586
Total financial assets	2,805	11,831	-	-	12,748	27,384
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	965	965
Trust funds and deposits	-	-	-	-	200	200
Interest-bearing loans and borrowings	-	265	4,150	-	-	4,415
Total financial liabilities	-	265	4,150	-	1,165	5,580
Net financial assets (liabilities)	2,805	11,566	(4,150)	-	11,583	21,804
2021						
<i>Financial assets</i>						
Cash and cash equivalents	8,070	10,430	-	-	-	18,500
Trade and other receivables	-	-	-	-	1,124	1,124
Investment in water corporation	-	-	-	-	11,348	11,348
Total financial assets	8,070	10,430	-	-	12,472	30,972
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	798	798
Trust funds and deposits	-	-	-	-	141	141
Interest-bearing loans and borrowings	-	334	4,415	-	-	4,749
Total financial liabilities	-	334	4,415	-	939	5,688
Net financial assets (liabilities)	8,070	10,096	(4,415)	-	11,533	25,284

Notes to the Financial Report

for the year ended 30 June 2022

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	
	2022	2021	2022	2021
<i>Financial assets:</i>				
Cash and cash equivalents	14,636	18,500	14,636	18,500
Trade and other receivables	1,162	1,124	1,162	1,124
Investment in water corporation	11,586	11,348	11,586	11,348
Total financial assets	27,384	30,972	27,384	30,972
<i>Financial liabilities:</i>				
Trade and other payables	965	798	965	798
Trust funds and deposits	200	141	200	141
Interest-bearing loans and borrowings	4,415	4,749	4,415	4,749
Total financial liabilities	5,580	5,688	5,580	5,688

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 2022

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)	2022	2021
Current (not yet due)	1,292	382
Past due by up to 30 days	845	132
Past due between 31 and 60 days	125	-
Past due between 61 and 90 days	1	-
Past due by more than 90 days	76	84
<i>Total Trade & Other Receivables</i>	2,339	598
Rates receivable	678	695
Total receivables	3,017	1,293

Notes to the Financial Report

for the year ended 30 June 2022

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).

2022 (Amounts shown in \$000)	Less than 1 year	1 to 5 years	More than 5 years	Contracted cash flow	Carrying amount
Trade and other payables	965	-	-	965	965
Trust funds and deposits	200	-	-	200	200
Interest-bearing loans and borrowings	265	4,150	-	4,415	4,415
Total financial liabilities	1,430	4,150	-	5,580	5,580
2021 (Amounts shown in \$000)	Less than 1 year	1 to 5 years	More than 5 years	Contracted cash flow	Carrying amount
Trade and other payables	798	-	-	798	798
Trust funds and deposits	141	-	-	141	141
Interest-bearing loans and borrowings	334	4,415	-	4,749	4,749
Total financial liabilities	1,273	4,415	-	5,688	5,688

Notes to the Financial Report

for the year ended 30 June 2022

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 +2% and -1% in market interest rates (AUD) from year-end rates.

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

2022		Interest rate risk			
		-1.0%		2.0%	
(Amounts shown in \$000)		-100 basis points		200 basis points	
		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	14,636	(146)	(146)	293	293
Trade and other receivables	1,162	(12)	(12)	23	23
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	4,415	44	44	(88)	(88)

2021		Interest rate risk			
		-0.5%		1.0%	
(Amounts shown in \$000)		-50 basis points		100 basis points	
		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	18,500	(93)	(93)	185	185
Trade and other receivables	1,124	(6)	(6)	11	11
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	4,749	24	24	(47)	(47)

Notes to the Financial Report

for the year ended 30 June 2022

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 2020	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2021	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2022
Asset revaluation reserve	60,809	7,001	-	67,810	16,638	-	84,448
Fair value reserve							
<i>Equity investment asset</i>							
Investment in water corporation	(3,348)	-	958	(2,390)	-	238	(2,152)
Total fair value reserve	(3,348)	-	958	(2,390)	-	238	(2,152)
Other reserves							
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
Total other reserves	3,651	-	-	3,651	-	-	3,651
Total reserves	61,112	7,001	958	69,071	16,638	238	85,947

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 2022

6.2 Commitments

(Amounts shown in \$000)

2022

2021

Capital expenditure contractual commitments

Contractual commitments for capital expenditure at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:

3,037

7,838

Other contractual commitments

Other contractual commitments at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:

720

587

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.

Notes to the Financial Report

for the year ended 30 June 2022

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

(c) Budget

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

(d) Adoption of new and amended accounting standards

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

(e) Pending Accounting Standards

In the current year, Council has reviewed and assessed all the new accounting standards and interpretations that have been published, with future effective dates, and determined they are either not applicable to Council's activities, or would have no material impact

Independent Auditor's Report

To the Councillors of Southern Midlands Council

Report on the Audit of the 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 2022 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 2022 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of 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 financial report 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.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Fair value of roads and bridges <i>Refer to note 3.6 and 3.11</i></p>	
<p>As at 30 June 2022, Council’s assets included roads and bridge infrastructure recognised at fair value, totalling \$78.33 million. These assets were revalued in 2021-22 based on current replacement cost valuations determined by external experts. The valuations are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuation of roads and bridges • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Evaluating management’s assessment of the valuation report provided by the independent experts, including the completeness of the assets in the report. • Critically assessed assumptions and other key inputs into the valuation model. • Evaluating the adequacy of relevant disclosures in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

In preparing the financial report, the General Manager is responsible for assessing 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 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 represent 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.



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

27 October 2022
Hobart