



Oatlands Aquatic Centre Officially Opened 15 March 2023

ANNUAL REPORT 2022/23

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 km², a high proportion of which is privately owned land (2406 kms²), 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 814 kilometres of road made up of 34km of urban sealed roads; 181km of rural sealed roads; 599km of rural unsealed roads and 152 bridges.

Council offices are located in Oatlands and Kempton.



INDEX

Introduction	6
Overview	8
Council	10
Council Committee Structure	12
Organisation STRUCTURE	16
Statistics 2022/23	17
INFRASTRUCTURE	20
Roads	21
Bridges	24
Walkways, Cycleways & Trails	25
Lighting	26
Buildings	27
Sewer / Water	28
Drainage	29
Waste	30
Information, Communication Technology	31
GROWTH	32
Residential	33
Tourism	35
Business	36
Industry	37
LANDSCAPES	38
Heritage	39
Natural	41
Cultural	44
Regulatory	46
Regulatory – Plumbing & Building	47
Regulatory – Public Health	48
Regulatory – Animals Control & Compliance	49
Environmental Sustainability	50
COMMUNITY	51
Community Health & Wellbeing	52

Recreation	53
Access	54
Volunteers	55
Families	56
Education	59
Capacity and Sustainability	60
Safety	61
Consultation & Communication	62
ORGANISATION.....	63
Improvement	64
Sustainability	65
Finances	66
Allowances and Expenses Statement.....	68
Code of Conduct Complaints Statement	68
Attendance at Council and Council Committee Meetings Statement	69
Remuneration Statement	70
Advertising of Annual Report	70
Public Health Statement	71
Contracts	71
Enterprise Power Statement	72
Grants & Donations.....	74
2022/2023 FINANCIAL STATEMENTS	76

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 2022-23 Annual Report on behalf of the Southern Midlands Council.

My term as Mayor commenced in late October 2022 following the conduct of the Local Government Elections that month. I take this opportunity to acknowledge and thank the previous Mayor, Alex Green, who served the municipal area for 17 years and fulfilled the role of Mayor for the last four years. The election also saw the appointment of two new Councillors, being Cllr Donna Blackwell and Cllr Fraser Miller, and I welcome them accordingly.

No doubt the highlight of the year was the opening of the Oatlands Aquatic Centre in November 2022. This was the culmination of many years of planning; the pursuit of funding; and the challenges during the construction process – least of which was COVID-19. It is extremely pleasing that this major investment is being utilised by the entire southern midlands community; all schools within the municipal area (and outside); and visitors from beyond.

In January 2022, the State Government established the Local Government Board to review Tasmania's Local Government sector with a view to it making recommendations to ensure Councils remained viable, relevant and responsive to their communities. Pleasingly, upon scrutiny of the data presented, your Council was all these things. During this review process the State Government ultimately declared that there would be no recommendation of forced amalgamations of Councils, nor would there be recommendations affecting Councils' function as a Planning Authority. This review process occupied much Council time. Our Council maintained it strongly opposed amalgamation unless there was a demonstrated benefit to ratepayers. No such benefit was revealed. Council will continue to participate with the review process to achieve the best outcome for the Southern Midlands. I would like to extend sincere thanks to the many residents who turned out to the Community Forums on this issue. Your attendance and representations were greatly valued.

It is also pleasing to report that Council has continued to secure external grants from numerous sources to advance a number of priority projects. The most significant being the grant of \$5.346 million under the 'Remote Roads Upgrade Pilot Program' to reconstruct, upgrade and seal approximately 16.00 kilometres of Interlaken Road within the Southern Midlands Council area.

An amount of \$200,000 was secured through the Vulnerable Road Users Program to upgrade the junction of Reeve Street and Clime Street, Campania and advise has been received from the Tasmanian Government that Council has been granted funding through the Safer Rural Roads Program to provide Guard Rail and Line Marking in Green Valley Road, Bagdad, and Guard Rail on Woodsdale Road. Those projects will be carried out in 2023-24.

The Australian Government's 'Local Roads and Community Infrastructure Program' grants are also a great initiative that appreciates and recognises the need for additional investment in local roads and community infrastructure.

Following completion of the Bagdad Community Club Precinct Management Plan in August 2022 (funded by the Southern Midlands Council) there is an ongoing focus to secure external funding to implementing some of the key initiatives. To address the issue regarding the potential impact on the Golf Course which was raised during the consultation period, the Bagdad Community Club and Council jointly the 'Contour Golf Design Group' to find a redesign solution for the course which satisfies all parties and is achievable and sustainable. The revised concept plans have been referred for comment.

In closing, 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.

A handwritten signature in black ink, appearing to read 'Edwin Batt', with a long horizontal flourish extending to the right.

Clr Edwin Batt
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 2022/23 reporting period. The format of the Annual Report is consistent with the respective strategic themes contained in Council's Strategic Plan - Infrastructure; Growth; Landscapes; Community; and Organisation.

This Annual Report provides an informative overview of Councils' operations for the 2022-23 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 \$101K for the year ended 30 June 2023 (\$90K deficit for the year ended 30 June 2022). This is consistent with Council's Long-term Financial Plan. The Underlying Deficit is lower than the 'Result from continuing operations' surplus of \$4.286 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 \$3.033 million.

Council received an advanced payment for our 2023-24 Financial Assistance Grant of \$4.206m. Advanced payments relating to future years are also adjusted in calculating the underlying deficit.

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

In general, the Annual Report includes many positives and these indicate the broad range of activities and initiatives that Council has been involved with or undertaken during the reporting period.

In terms of forthcoming challenges, as mentioned by the Mayor in his review, the Local Government Board will release its final report relation to the 'Review of Local Government'. Whilst the recommendations are unknown, these will no doubt impose a significant workload for all concerned, but I am confident that we will meet these challenges for the betterment of ratepayers and the council area.

I would like to express my sincere appreciation to the Mayor and Councillors for their assistance and support during the year.

I extend my thanks to all employees for their excellent efforts, commitment and dedication and recognise the contribution that they make to the development and well-being of the Southern Midlands Council 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

November 2022 – June 2023



Mayor
Edwin Batt



Deputy Mayor
Karen Dudgeon



Councillor
Anthony (Tony) Bisdee OAM



Councillor
Rowena McDougall



Councillor
Don Fish



Councillor
Donna Blackwell



Councillor
Fraser Miller

COUNCIL COMMITTEE STRUCTURE

COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p style="text-align: center;">Mayor</p> <p style="text-align: center;">ALEX GREEN</p> <p style="text-align: center;">July 2022 to</p> <p style="text-align: center;">October 2022</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 style="text-align: center;">Mayor</p> <p style="text-align: center;">Edwin Batt</p> <p style="text-align: center;">November 2022 to</p> <p style="text-align: center;">June 2023</p>	<ul style="list-style-type: none"> ◆ Australia Day Awards Committee (Chair) ◆ Enterprise Bargaining/Award Consultative Committee (Chair) ◆ Campania Recreation Ground Management Committee (Chair) ◆ Southern Tasmanian Councils Authority ◆ Local Government Association General Meetings ◆ TasWater Corporation – Owners Representatives & Board Committee (Proxy) ◆ Arts Advisory Committee (Chair) ◆ Southern Midlands Memorial Trees Committee (Chair) ◆ Kempton Streetscape Committee (Chair) ◆ Heritage and Bullock Festival Committee ◆ Heritage Hub Management Committee (Chair) ◆ Melton Mowbray Park Advisory Group (Chair) ◆ Southern Midlands Facilities & Recreation Management Committee

COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p>Deputy Mayor</p> <p>Edwin Batt</p> <p>July 2022 to</p> <p>October 2022</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 (Chair) ◆ 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)
<p>Councillor</p> <p>Karen Dudgeon</p> <p>July 2022 to</p> <p>November 2022</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>Deputy Mayor</p> <p>Karen Dudgeon</p> <p>November 2022 to</p> <p>June 2023</p>	<ul style="list-style-type: none"> ◆ Woodsdale Hall Management Committee (Council Representative) ◆ Australia Day Awards Committee (Proxy) ◆ Enterprise Bargaining/Award Consultative Committee (Proxy) ◆ Tunnack Recreation Ground Management Committee (Proxy) ◆ Oatlands Community Shed Committee(Proxy) ◆ Southern Tasmanian Councils Authority (Proxy) ◆ Local Government Association General Meetings (Proxy) ◆ Heritage Highway Tourism Region Association (Proxy) ◆ MMPHC Community Advisory Committee (Proxy) ◆ Parattah Progress Association (Proxy)

COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
	<ul style="list-style-type: none"> ◆ Southern Midlands Facilities & Recreation Management Committee ◆ Mt Pleasant Recreation Ground Management Committee
<p style="text-align: center;">Councillor Tony Bantick</p> <p style="text-align: center;">July 2022 to June 2023</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 style="text-align: center;">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 ◆ Mangalore Recreation Ground Management Committee (Proxy) ◆ Southern Midlands Memorial Trees Committee (Proxy) ◆ Kempton Streetscape Committee (Proxy) ◆ Melton Mowbray Park Advisory Group ◆ Southern Midlands Memorial Trees Committee (Proxy) ◆ Southern Midlands Audit Panel ◆ Campania Recreation Ground Management Committee (Proxy)
<p style="text-align: center;">Councillor Donna Blackwell</p> <p style="text-align: center;">November 2022 to June 2023</p>	<ul style="list-style-type: none"> ◆ Mangalore Recreation Ground Management Committee ◆ Southern Midlands Audit Panel (Proxy) ◆ Campania Halls Management Committee (Proxy) ◆ Chauncy Vale Management Committee (Proxy)

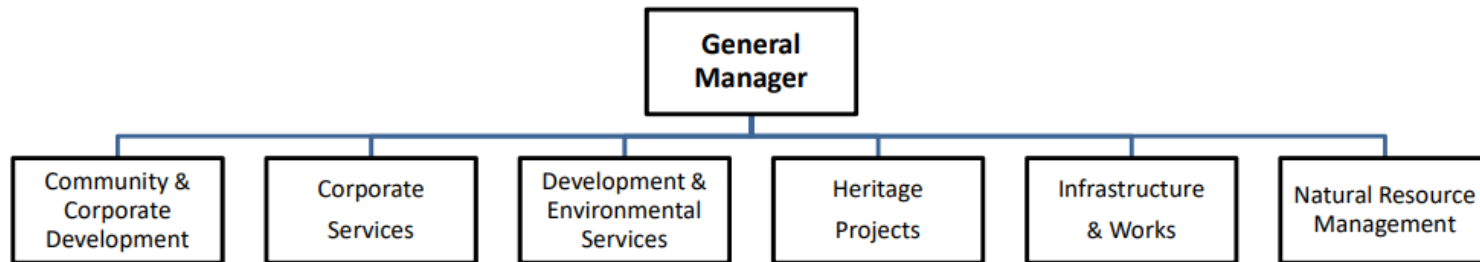
<p>Councillor Donald Fish</p>	<ul style="list-style-type: none"> ◆ Southern Midlands Facilities & Recreation Management Committee (Chair) ◆ Lake Dulverton / Callington Park Management Committee (Chair) ◆ Parattah Progress Association (Council Representative) ◆ Oatlands Community Shed Committee(Chair) ◆ 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)
<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 ◆ Oatlands Community Hall Management Committee (Proxy) ◆ Arts Advisory Committee (Proxy) ◆ Lake Dulverton & Callington Park Management Committee (Proxy) ◆ Parattah Progress Association (Council Representative) ◆ Heritage Highway Tourism Region Association ◆ Heritage Hub Management Committee (Proxy) ◆ Southern Midlands Facilities & Recreation Management Committee (Proxy) ◆ Southern Midlands Emergency Management Planning Committee
<p>Councillor Fraser Miller November 2022 to June 2023</p>	<ul style="list-style-type: none"> ◆ Campania Halls Management Committee ◆ Southern Midlands Audit Panel ◆ Colebrook Memorial Hall Management Committee (Chair) ◆ Woodsdale Hall Management Committee (Proxy)

ORGANISATION STRUCTURE

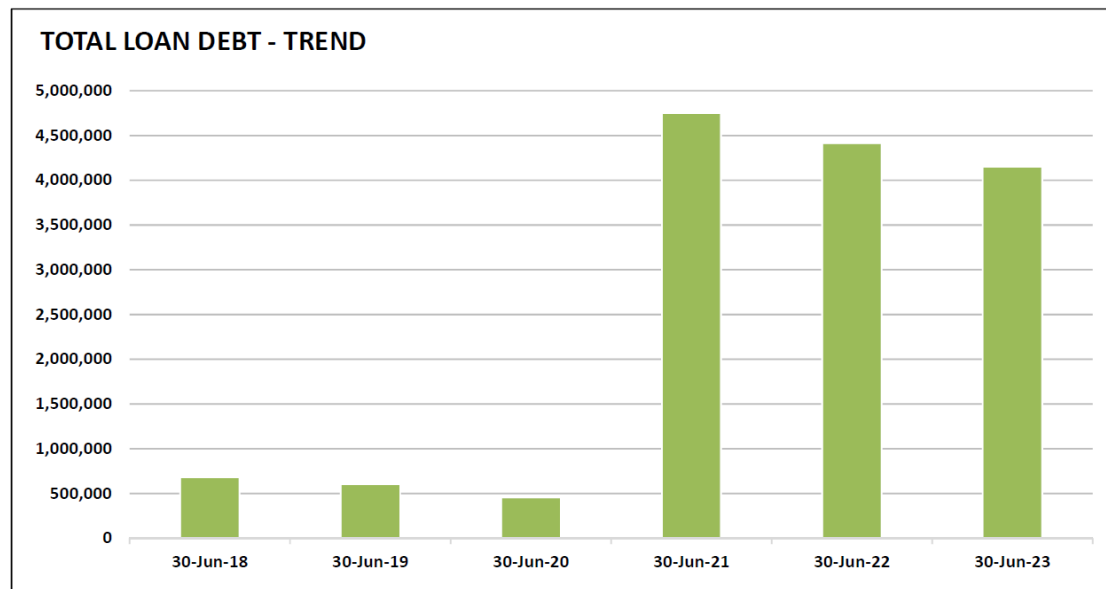
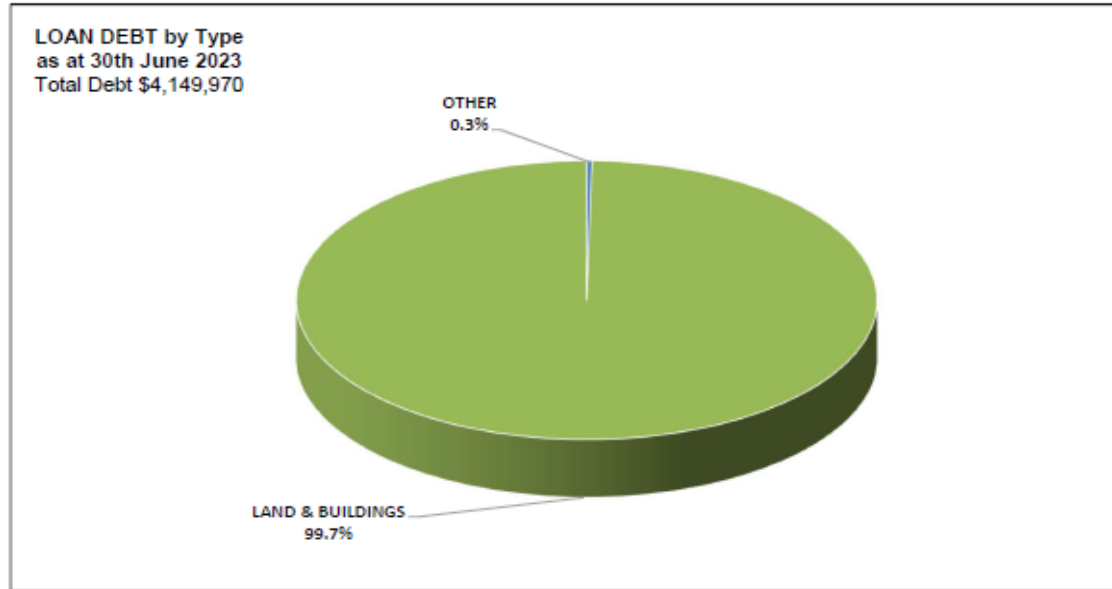
Organisation Structure by Function

Southern Midlands Community

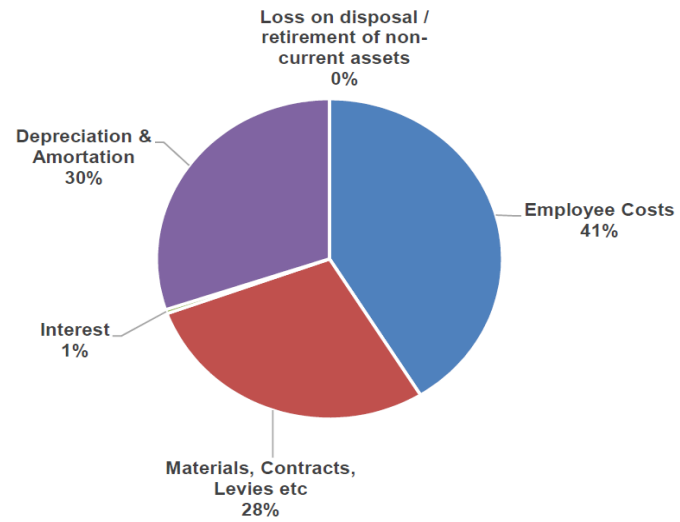
Southern Midlands Council



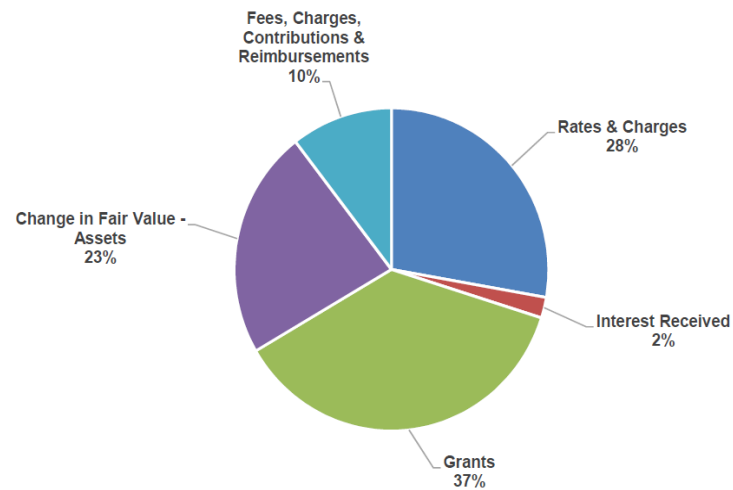
STATISTICS 2022/23



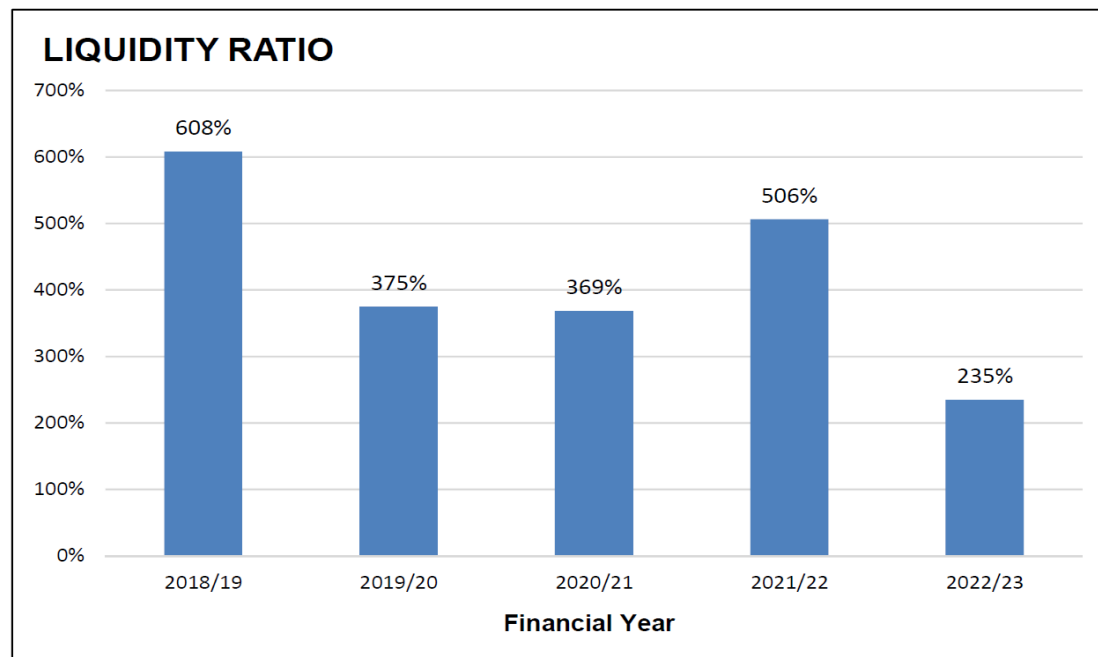
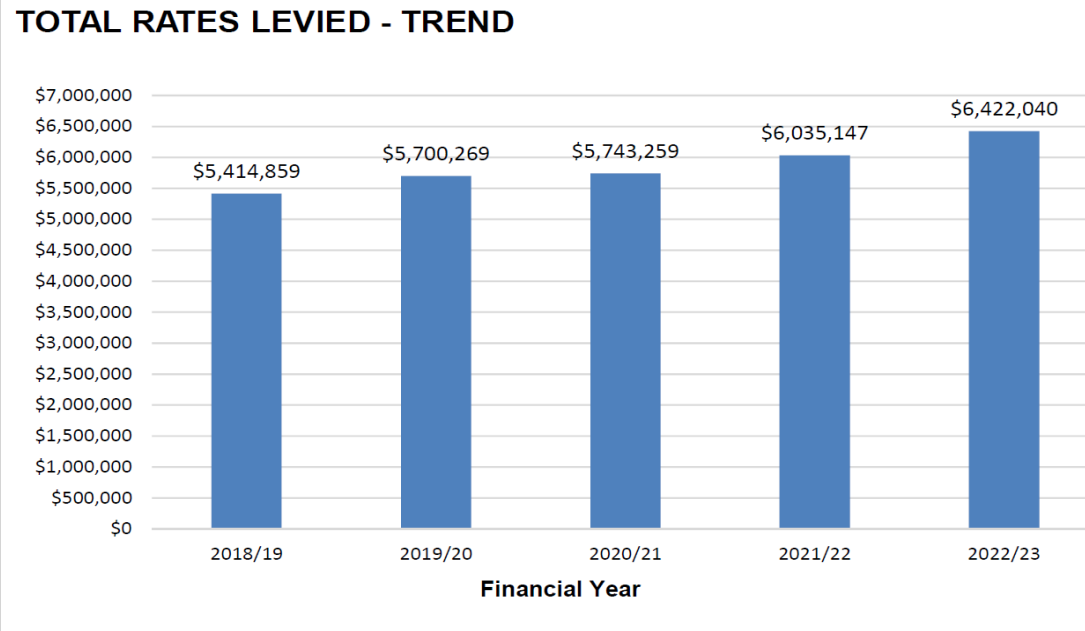
ANALYSIS OF EXPENSES



ANALYSIS OF REVENUE



Note - Change in Fair Value of Assets - includes increased equity in Taswater (\$328K), and increased value following revaluation of Land (\$4.249M) and Bridges (\$730K)



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

2022-23 Achievements

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

- 34 kilometres – Urban Sealed
- 181 kilometres – Rural Sealed
- 599 kilometres – Rural Unsealed

Road projects, totaling \$2.845 million were capitalised at the end of the 2022-23 financial year. These included:

- \$416k on re-sheeting unsealed roads;
- \$1.849m on reconstruction and resealing roads – sections of High Street and Stanley Streets in Oatlands, Native Corners Road, Eldon Road, Pelham Road, Stonor Road, York Plains Road and several sections on Woodsdale Road;
- \$78k on new seal – Ballyhooly Road;
- \$635k on other road safety improvements, including intersections, 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 2022-23.

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 commencing in July 2023 for projects to be completed by July 2025. 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 2024). Our Phase 4 allocation is \$665,531 for Part A – Roads and community infrastructure projects and Part B provides a further \$383,893 specifically for road projects.

The Southern Midlands Council were successful with a grant application for Australian Government funding of \$5.346m under the Remote Roads Upgrade Pilot Program for the reconstruction and sealing of our portion of Interlaken Road. The construction phase of this project will be carried out in 2024.

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.

The written down value of Council's roads as at 30 June 2023 was \$58.75 million (total replacement value of \$127.618 million).

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 \$956,508.50 (GST excl.)

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



Re-Construction of Native Corners Road

Road Reseal Tenders

Due to the necessity to carry out an increased number of road reconstruction projects in 2022-23 Council made the decision to redirect funds normally used for our resealing program to priority reconstruction projects.

Specific Purpose Grants

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

The \$200,000 Vulnerable Road Users Program grant project at the junction of Reeve Street and Clime Street, Campania, continued in 2022-23. This program is also managed by the Department of State Growth. Council contributed \$115,000 to associated improvements. A number of recommendations from the Campania Structure Plan (Circa 2016) were implemented through this grant allocation, which is consistent with Community expectations in Campania.

The Southern Midlands Council were successful with a grant application for Australian Government funding of \$5.346m under the Remote Roads Upgrade Pilot Program for the reconstruction and sealing of our portion of Interlaken Road. Design work was completed in June 2023 and the construction phase of this project will be carried out in 2024. Council's contribution to this project is \$300,000 over three years.

In 2022-23 Council were also successful with two Tasmanian Government grant applications under the Safer Rural Roads Program, which will fund Guard Rail and Line Marking in Green Valley Road, Bagdad, and Guard Rail on Woodsdale Road. Those projects will be carried out in 2023-24.



Landslip Repair Clifton Vale Road

Bridges

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

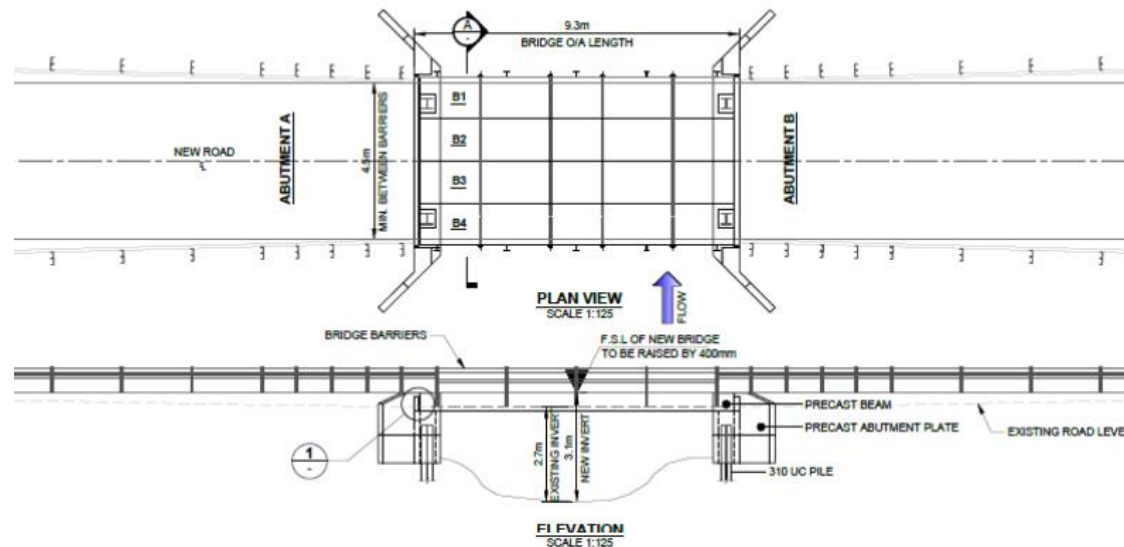
2022-23 Achievements

There are 170 bridges and major culverts within the municipal area, with a total deck area of 8,366m². \$30,737 (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 totalling \$160k were completed in 2022-23, 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 2023 was \$20.541 million (total replacement value of \$32.25m).

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



Walkways, Cycleways & Trails

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

2022-23 Achievements

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

\$221,027 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area.

Walkway renewal / replacements projects, totalling \$290k were capitalised at the end of the 2022-23 financial year.

Works completed in 2022-23 include footpaths and some associated kerb and guttering in East Bagdad Road, Main Street, Kempton, and the Tunnack Streetscape project.

Capital Works in progress (and not completed as at 30 June 2023) included further works as part of the ongoing program of upgrading footpaths in the village of Kempton. Footpath works in Kempton have been largely funded by the Australian Government LRCI Program.

Progress was made with planning for upgrades to the Bagdad Walking Track and a new walking path connecting Main Street Kempton and Mood Food. Upgrades to the Bagdad Walking Track have been included in the 2023-24 works program. Grant funding is being sourced to construct the Kempton walkway.



Footpath, Main Street, Kempton

Lighting

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

2022-23 Achievements

An amount of \$80,414 was paid to Aurora Energy in 2022-23 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.



Buildings

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

2022-23 Achievements

The Mt Pleasant Football Club applied for a grant to upgrade the player change room facilities at the Mt Pleasant Recreation Ground. After two attempts at securing funds, eventually a grant of \$234,365.00 was secured under the Tasmanian Government Department of Communities – Improving the Playing Field 2021-2022 Grant Round. The overall project cost had a budget of \$280,000 (some in kind) with contributions from Aust Football League, Southern Midlands Council, Mt Pleasant Football Club, Mt Pleasant Cricket Club, Haymes Paints and Malcolm Hay. Contributions also came from Langdale Electrical and a number of football club members. The grant provided for three new toilets and four new showers to be built for each of the player teams, catering for both male and female teams. The project commenced in October 2022 and was the building works were completed by June 2023. The project finances and co-ordination was managed by Southern Midlands Council.



Recreation Ground – Player Change Room facilities.



Mt Pleasant Recreation Ground-Player Change Room facilities

Sewer / 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 FOR PUBLIC BUILDINGS IN THE MUNICIPAL AREA

2022-23 Achievements

At 30 June 2023, Council held a 0.68% 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 \$328,009 to \$11.914 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 and 2022-23, 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.

TasWater – Bagdad Sewerage Scheme Upgrade / Extension - In August 2022, Council wrote to TasWater in relation to the Bagdad Sewerage Scheme and seeking its advice regarding the status of any assessment to upgrade the existing Sewerage treatment facility, or alternatively, consider an extension to the Scheme by installing a pipeline that would extend from Bagdad through to the Brighton township. This matter was raised due to the extensive growth that is occurring in the Bagdad district. Issue still being investigated by TasWater.

Drainage

MAINTENANCE AND IMPROVEMENT OF THE TOWN STORM-WATER DRAINAGE SYSTEMS

2022-23 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

In 2022-23 Council capitalised the Campania Recreation Ground Drainage Project, totalling \$56,708.

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.

Council secured \$80,830 from the Australian Government under the Natural Disaster Risk Reduction Grant Program to carry out a Hydraulic Assessment in Bagdad/Mangalore. It is anticipated that the report will be completed by December 2023. Future drainage projects in the Bagdad/Mangalore area will be guided by the results of this report.



Waste

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

2022-23 Achievements

Southern Tasmanian Regional Waste Authority – Council is now participating 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.



Waste and recycling

Council has continued to operate 3 waste transfer stations and a roadside wheelie bin collection service throughout the municipality collecting an average of 300 tons PA of recyclables that are processed at a Hobart recycling facility. Approximately 1,900 tonnes of waste is sent to landfill per annum.

Information, Communication Technology

IMPROVE ACCESS TO MODERN COMMUNICATIONS INFRASTRUCTURE

2022-23 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.

Successful under the Regional Connectivity Program Round 2 in Tasmania, Pelham, received \$600,000, to deploy a new Telstra macro mobile site, providing improved coverage to Pelham, Elderslie and Broadmarsh, in the Southern Midlands



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

2022-23 Achievements

Development and investment in Southern Midlands is continuing to grow, with Council approving 183 planning applications in the 2022/2023 financial year, worth more than \$21 million, this figure signals continued growth and confidence in the region and its economy.

35 applications were also received for subdivisions, showing the increase in demand for available land in the municipality. It is noted that several larger subdivisions in Campania and Bagdad have now progressed to construction stage. In addition to the statutory planning work, Council undertakes strategic functions under the Land Use Planning and Approvals Act 1993, for planning scheme amendments and local strategic documents (such as Structure Plans).

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 adoption of the Southern Midlands Local Provisions Schedule of the Tasmanian Planning Scheme in June 2022.

Overall the municipality has experienced a high level of residential growth this year, with the southern areas continuing to have the highest residential approvals. 67 new dwellings were approved in the 2022/2023 year, which aligns with the number approved in 2021/2022.

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. It is noted that several larger subdivisions in Campania and Bagdad have now progressed to construction stage.

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

Planning and Building approvals are always issued within the statutory timeframes and Council Officers provide advice and guidance to applicants where needed. The average time for assessment of a Discretionary Development Application is 36 days (from 42 days) and the average time for a Permitted Development Application is 12 days (from 28 days). Development approval times have remained comparable with the 2021/2022 figures and Council has determined a number of complex applications including a distillery, winery and through its resource sharing arrangement with Central Highlands Council a wind farm proposal.



Council is involved with *RemPlan* and the Tasmanian Governments settlement strategy - *STRLUS* a regional strategic planning review of residential land supply and demand for settlements within commuting distance of Greater Hobart, which includes Campania and Bagdad/Mangalore. This comprehensive review will assist with the management of residential growth and where necessary to support future growth objectives.

Tourism

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

2022-23 Achievements

Council continued its strong working relationship with Destination Tasmania (DST) by maintaining its membership and entering into a Partnership Agreement for the 2022/23 period. DST is a not-for-profit organisation funded by a combination of membership fees and support from state government and local councils. They are an industry led organisation with a strong voice for tourism in the southern region, working with local businesses, and eleven southern councils along with other stakeholders to promote the diversity of the destination to local, domestic and international visitors, the tourism trade and media.

The Heritage Highway Tourism Region Association is a significant contributor to the marketing of the Southern Midlands.

With the development of the Callington Mill Distillery and the Oatlands Aquatic Centre, visitor numbers in Oatlands and the Southern more generally are increasing. Individual businesses are harnessing the growth in tourism number



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)

2022-23 Achievements

The Callington Mill Distillery

Currently employs fifty people, from a starting point of two people eighteen months ago. The inclusion of the Callington Mill precinct within the overall development of the Distillery site provides a unique tourism and business offering. There are currently eighteen Bond Stores in Oatlands that have been developed to store the Whisky outputs from the Distillery. There are a further thirty Bond Stores planned for the location on the outskirts of Oatlands.

Other businesses are being developed across the Southern Midlands, as well as business diversification.



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

2022-23 Achievements

The predominant industry sector in the Southern Midlands is agriculture and whilst these pursuits are not reliant on Local Government, Council is playing a crucial role in lobbying for irrigation assets to be part of the Southern Midlands landscape

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

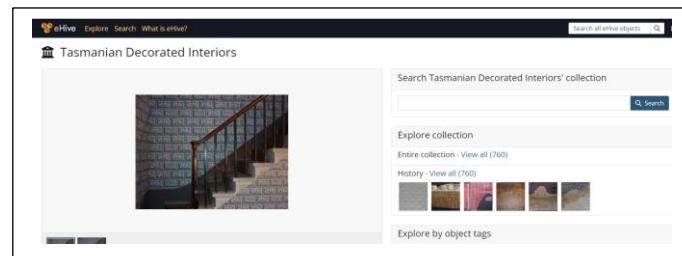
MAINTENANCE AND RESTORATION OF SIGNIFICANT PUBLIC HERITAGE ASSETS; ACT AS AN ADVOCATE FOR HERITAGE AND PROVIDE SUPPORT TO HERITAGE PROPERTY OWNERS; INVESTIGATE DOCUMENT, UNDERSTAND AND PROMOTE THE HERITAGE VALUES OF THE SOUTHERN MIDLANDS

2022-23 Achievements

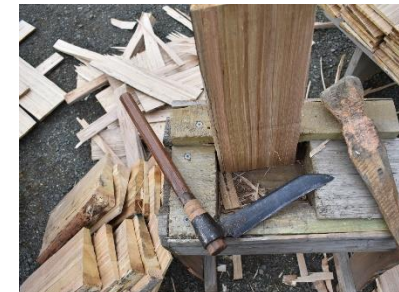
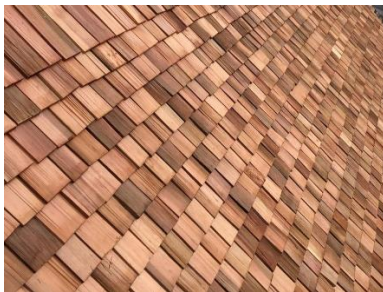
- Monitoring and promoting the Oatlands Key system and seeking to promote and improve where possible along with annual updates to all heritage & heritage tourism related publications. The program now features on the ATDW (Australian Tourism Data Warehouse) which allows the program to be promoted nationally along with permanently pinned promotions of the program on social media so it is the first item users see when searching for Oatlands or Southern Midlands or heritage in Tasmania.
- Planning works for the forthcoming demolition of the Oatlands Swimming Pool once the new centre is opened. This includes engineering specifications to ensure no harm is done to the historic walls, Gaoler's Residence and surrounding properties during demolition.
- Management of Council's heritage and archaeology collections including: investigating alternative collection storage options, development of the cataloguing system's internet accessible, public search page, continuing location audit, provenance and condition checks, repackaging of collection items, planning for additional exhibition room opening at Gaoler's Residence, continuing collection, conservation and curation of historic surface finishes and storage, framing and display of Artist in Residence collection.
- Ongoing promotion of Southern Midlands heritage through talks, presentations, media events (local, statewide and national and the Heritage and Bullock Festival). Several exhibitions were staged and numerous heritage and community groups have been hosted through the year.



Oatlands Key



- Promotion of Southern Midlands heritage and history through “True Crime Oatlands” on MID_FM, various appearances on ABC Local and participation in ‘Grand Designs’ episode including an Oatlands renovation
- 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.
- 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. 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



Natural

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

2022-23 Achievements

The NRM Unit continues to provide best practice land care information, assistance and site visits in regard to a range of natural resource matters. Advice on native tree species suitable for varying locations continues to be sought by ratepayers. The Midlands Tree Committee purchased 1937 trees, which were made available to landholders who had expressed interest in undertaking some native tree establishment works. Ratepayers also sought advice on weed matters, with 98 site visits to landholder properties recorded in 12 months to June 2023.

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, with a high priority being stemless thistle on the only known site in Tasmania. There continues to be small infestations of Spanish heath, pampas grass, serrated tussock and boneseed that are targeted.

- Council's part time Weeds Officer continues to be busy with many ratepayers seeking information and advice on identification and control of weed species. The roadside woody weed surveys and mapping that commenced in early 2022 was completed in March 2023 with over 800 way points having been collected to record weed location data and 415 Kilometres of Councils road network travelled to compile the information. The roadside woody weeds plan now provides a mapped baseline for tracking control efforts over time. Weeds targeted include gorse, brooms, and Spanish heath with isolated patches of box thorn and tree lupin also being included. The Council weeds contractors for roadside control are now working with this information and recording their activity. The interactive plan provides for ongoing guidance and appraisal of Council's roadside weed control.
- A grant for the control of stemless thistle was sought from the State Government's Weeds Action Fund (administered by NRM North). The application was successful and allows for control works in the 2023/2024 financial year.

Regular contributions on weeds information is sent to the monthly Southern Regional News publication. This is proving to be a good way to raise awareness of weed issues and educate our ratepayers as to how to deal with some of the plants in a timely and efficient way to best eradicate the unwanted plant species – sometimes found in home gardens.

Lake Dulverton

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

- Cumbungi control continues in and around the Lake. All seed heads were removed and plants controlled. An outbreak of Californian Thistle is also being targeted as well as gorse and broom. The wet October 2022 month has caused many dormant seeds to strike.

Work on the Dulverton Walking Track (Esplanade to Parattah township) continues to occur with minor improvements being added as budgets permit. Two solar lights were installed. One at the end of Hay Street (Flax Mill site area) and the other at the bridge over the culvert at Hawthorn Bay.

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 2022 saw Council place 176.0 ML of water into the Lake. Council has an allocation of 215ML but given the high rainfall in October 2022, the Lake did not require the full supplementary water available from the scheme. There is no water available through the Midlands Water Scheme in summer.

In June 2023, Southern Midlands Council and Tas Irrigation finalized an agreement for the 215ML water allocation that had been made available for use in Lake Dulverton by the State Government in February 2010 and formally offered by letter in October 2011 (by then Minister for Primary Industries, Hon Bryan Green MP). However, there was a need to have the allocation formalized on to the Tas Irrigation register of water entitlements. In the early stages of the Scheme this was overlooked and much of the arrangement was lost over time by changes in personnel. With a lot of background information, research and evidence provided by the NRM Unit of Southern Midlands, Tas Irrigation agreed that the water was granted to Southern Midlands for use in Lake Dulverton for 'in perpetuity', not a short term arrangement. An agreement for up to 215ML (formal registered allocation amount) of water per year for the next 100 years was signed off. (4 periods of 25 years) This important agreement ensures that the Lake will have every chance of always retaining water in at least a portion of the lake in the face of a warming climate.

At the Australian Tidy Towns Sustainability Awards 2023 Oatlands was present with a highly commended award for its environmental sustainability and commitment to natural environmental management. The award recognised, in particular, the work the Southern Midlands Council does to manage Lake Dulverton and the surrounding environment.

A Lake Dulverton brochure was designed and printed as an initiative of the Lake Dulverton & Callington Park Management Committee. 1500 brochures were printed, with the brochure describing many of the bird species found at Lake Dulverton as well as outlining historical information and the walking track associated with the area.



Snippet of the popular Lake Dulverton Conservation Area brochure.

Chauncy Vale & Flat Rock Reserve Joint Management Plan 2022

Chauncy Vale Wildlife Sanctuary (owned by Council) and Flat Rock Reserve (owned by Tasmanian Land Conservancy - TLC) are managed co-operatively by a special committee of Southern Midlands Council, the Chauncy Vale Management Committee. The Committee comprises representatives from the TLC, Southern Midlands Council, Parks and Wildlife Service, the Chauncy family and the local community. The Committee has updated the Joint Management Plan (endorsed by Council in July 2022) and this provides a decision making framework to highlight and prioritise reserve management actions.

Cultural

ENSURE THAT THE CULTURAL DIVERSITY OF THE SOUTHERN MIDLANDS IS MAXIMISED

2022-23 Achievements

AiR Space Oatlands Since the establishment of AiRspace (Artist in Residence Space) at 79 High Street Oatlands and subsequent advertising through Artshub in 2021, there has been a steady flow of applications. We were able to use the previous year's applicant list along with the additional 18 new applicants to fill the space for 2022-2023. Examples of Artists in Residence in this time included two painters, a lightbox artist, a quilter, two photographic artists, a textile artist, a stone sculptor, wood sculptor, musician/composer & a journalist/writer. Each donated a piece of their work to the SMC Collection at the conclusion of their stay. Every year the team hosts the Artist in Residence Retrospective Exhibition at AiR Space, featuring the art pieces received as part of the Artist in Residence Program.



Heritage & Bullock Festival

The Heritage & Bullock Festival held in Oatlands on the 13th and 14th of August 2022 was a great success, albeit with some challenging weather conditions on the Saturday night and early Sunday morning. Approximately 5,100 people came along and enjoyed the Festival with all it had to offer. We estimate that there were over 750 hours contributed to the led up and over that weekend by volunteers that donated their time & effort to making this Festival the success that it is.



Regulatory

A REGULATORY ENVIRONMENT THAT IS SUPPORTIVE OF AND ENABLES APPROPRIATE DEVELOPMENT

2022-23 Achievements

Planning Reform - Regional Strategic Planning

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 Strategy acknowledges that Greater Hobart is one settlement and that major land use planning decisions in one part of Greater Hobart have consequences that reverberate across the whole metropolitan area and often across the entire Southern region. Planning on a 'whole of region' basis is necessary as many challenges and opportunities cannot be adequately addressed by individual planning authorities, or State agencies, acting alone. There are significant opportunities at this level of planning to better integrate land use and infrastructure planning.

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. 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.

This study is underway and expected to conclude in late 2023.

Regulatory – Plumbing & Building

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 2022/2023 year measured against the previous four (4) financial years to provide a succinct five (5) year comparison.

Application Type	2022/2023	2021/2022	2019/2020	2019/2020	2018/2019
Building Applications <i>This is inclusive of all applications for permits, Certificates or notifiable works under the Building Act 2016</i>	101	116	117	109	87
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>	75	68	75	66	60
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>	144* *includes 20 Development Applications for Subdivision	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

A total of \$21.49 million worth of development was approved in the Southern Midlands during the 2022/2023 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).

34 new dwellings were approved in the reporting period. 64 new dwellings were approved in the previous year. This significant decrease is attributable to a number of factors.

Regulatory – Public Health

The Environmental Health Program plays a key role in the provision of a range of public and environmental health services to the community, ranging from environmental management issues, and pollution including the assessment of development proposals. This department 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.

The program regulates food business registration under the Food Act 2003. As part of food business regulation, the Council proactively checks food businesses throughout our area in order to protect public health. The Environmental Health section comprises of a consulting Environmental Health Officer with support of an Administrative Officer.

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 EHO and two registered nurses via a third party provider.

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 July 2023. The increased fees are based on achieving an increase in revenue to enable an enhanced maintenance program to be implemented.



Regulatory – Animals Control & Compliance

The compliance unit undertakes a regulatory role in relation to the control of dogs, nuisances, and general matters of non-compliance of other legislation. Responsibilities include animal control, dog management, fire abatement and investigation of nuisance complaints.

During the 2022/2023 financial year, the section was staffed with the Animal Management/Compliance Officer. Some key outcomes during the year were the following:

- 1819 Dogs registered
- 62 Kennel licences
- 8 Fire Abatements
- 30 Caution Notices (fire hazard related)

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 2022-23 financial year, 1,819 dogs were registered and 62 Kennel Licences issued.

Council is currently operating under its *Dog Management Policy (2022)*.

Dog “Off Lead” Areas

Council initiated a project last year to establish an “off Lead” area in the Kempton township.

Off-lead parks are a great place for people to exercise and socialise their dogs with other dog owners.

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 of the Kempton off lead dog park following further consultation in terms of location and specific design.



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.

2022-23 Achievements

Central Renewable Energy Zone

Council received a briefing in relation to the *Renewable Energy Coordination Framework* project, under the State Government's Renewables, Climate and Future Industries Tasmania section, (ReCFIT). The overarching aim of the framework is to determine how to manage Tasmania's renewable energy growth. The project seeks to address all the issues that surround the construction of renewable energy generation, such as wind farms. There are four key pillars:

- 1. Integrated Infrastructure** to deliver the least cost and optimally located generation and transmission to meet load where it is needed.
- 2. Environment** to protect and enhance our State's environmental values – biodiversity, cultural and aboriginal heritage.
- 3. Economic** to stimulate job creation and business growth through renewable energy investment to build a skilled workforce for generations.
- 4. Community** to engage communities to ensure benefits are tangible and valued and make positive contributions to shaping their future.

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.



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

2022-23 Achievements

Oatlands was awarded the Annual KAB Sustainable Community Award for Tasmania in December 2022. With the achievement of being acknowledged as the most sustainable town in Tasmania, it follows that Oatlands was then a finalist in the Australian Sustainable Community Awards.

At the National Awards ceremony, His Excellency, General, the Honourable David Hurley AC DSC (Retd) the Governor-General of the Commonwealth of Australia; and her Excellency Mrs Linda Hurley; had the pleasure of making the presentations.

The Oatlands Awards were accepted by Deputy Mayor Karen Dudgeon on behalf of Southern Midlands Council.

The following Awards were received in respect of Oatlands

Joint Winner - Heritage & Culture Award

Highly Commended – Environmental Sustainability

Natural Environment Management Award

Highly Commented – Community Health, Wellbeing & Interest Award

These are significant Awards that hold considerable merit for Council the Community, and Council Officers. All should be justifiably proud of their contribution to their Community



Recreation

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

2022-23 Achievements

The Oatlands Aquatic Centre was the major recreation project officially opened in 2022-23. After delays caused by Covid-19 and associated resource shortages, the Centre was opened to the public on 14 November 2022, with the official opening ceremony held on 15 March 2023. Feedback since the pool opened has been overwhelmingly positive, with patronage from all parts of the Southern Midlands as well as many visitors from outside our municipality.

The OAC is a new single storey indoor aquatic centre comprising:

- 25 x 6 lane main pool
- 12 x 5m child pool
- Change amenities, including M/F / Parenting, Accessible / Carers
- Gym / Activities Room
- Administration area and associated facilities
- External recreational spaces and playgrounds
- 37 car parking spaces, including 2 accessible spaces

Official Opening on 15th March 2023

- **Funding**
- \$5,500,000 Council funds (including borrowings);
- \$2,000,000 from the State Government;
- \$2,000,000 from the Australian Government; and
- \$ 80,533 from The Station Child Care Centre upon closure of the Childcare Centre.



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

Access

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

2022-23 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

2022-23 Achievements

Community Small Grants Program

Once again, Council conducted its annual Community Small Grants program in September 2022. 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 2022/23 grant rounds were as follows:-

Southern Midlands Community Small Grants Program 2022									
Group/Club	Auspiced by	Project	Project Cost	Grant Sought	Will Accept	Recommend to Council	Score	Remarks	Acknowledgement Letters
Bagdad Online Access Centre	BCC	Equip - Vacuum, Oven, Dining Suite, AquaStation	\$ 2,997.00	\$ 2,997.00	\$ 2,997.00	\$ 2,997.00	7	Yes GST - Yes ABN - Yes PL	✓
Bagdad VFB	SFC	Therma Imaging Camera	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	3	Yes GST - Yes ABN - Yes PL	✓
Brighton & Green Ponds RSL		Heat pumps for Hall	\$ 9,036.94	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	5	No GST - Yes ABN - Yes PL	✓
Campania FC		Floor coverings	\$ 3,775.00	\$ 3,000.00	\$ 2,000.00	\$ -	13	No GST - Yes ABN - Yes PL	✓
Central Hawks JFC		Floor coverings	\$ 5,400.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	10	No GST - Yes ABN - Yes PL	✓
Colebrook Golf Club		Cooker, urn and Microwave	\$ 2,614.09	\$ 2,614.09	\$ 2,614.09	\$ -	14	No GST - Yes ABN - Yes PL	✓
Community Shed Oatlands	SMC	Replacement wood heater & install	\$ 3,148.00	\$ 2,048.00	\$ 1,599.00	\$ 1,599.00	2	Yes GST - Yes ABN - Yes PL	✓
Jericho VFB	MMRC	Audio visual equipment	\$ 3,994.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	6	No GST - Yes ABN - Yes PL	✓
Mount Pleasant FC		Floor Coverings	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	8	Yes GST - Yes ABN - Yes PL	✓
Navigate Family Services		Pilot Community Project	\$ 4,000.00	\$ 3,000.00	\$ 2,800.00	\$ 2,800.00	1	No GST - Yes ABN - Yes PL	✓
Oatlands Ex Service & Community Club		Bar furniture upgarde	\$ 3,491.00	\$ 3,000.00	\$ 3,000.00	\$ 1,452.00	12	Yes GST - Yes ABN - Yes PL	✓
St Mary's Community Cemetery Kempton		Heritage Repairs	\$ 5,160.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	9	No GST - Yes ABN - Yes PL	✓
Tunbridge Town Hall		Ceiling repairs	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	4	No GST - Yes ABN - Yes PL	✓
Tunnack Community Club		Furniture	\$ 4,308.80	\$ 3,000.00	\$ 2,500.00	\$ 1,452.00	11	Yes GST - Yes ABN - Yes PL	✓
Woodsdale FC		Septic tank, supply and install	\$ 6,500.00	\$ 3,000.00	\$ 2,000.00	\$ -			✓
			\$ 62,124.83	\$ 42,359.09	\$ 39,210.09	\$ 30,000.00			

Families

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

2022-23 Achievements

Bagdad Child Care Expansion

In response to the increasing demand for additional child care placements in the Bagdad community, Council partly funded a 'modular' style that would provide for an additional 20 places at the Bagdad Education and Child Care Centre. A lease arrangement to place the building adjacent to the existing Centre was negotiated with the Bagdad Community Club Inc. and the building has been subsequently sub-leased by Council to KidzBiz Pty Ltd as the operator of the Child Care Centre.

Senior Week Activities

The Seniors Week Activities provides an important opportunity to reconnect with community and friends and to celebrate all that living in Tasmania has to offer. Older Tasmanians have a wealth of knowledge that enriches our community life, so it is fitting that the theme for this year is 'Enrich'. Two events were undertaken – BBQ lunch at Chauncy Vale Wildlife Sanctuary and a trip to historic Glen Derwent on the banks of the River Derwent at New Norfolk for Devonshire tea.



Glen Derwent



Glen Derwent



Chauncy Vale Wildlife Sanctuary

Encouraging Active Ageing Activities

This year Council receive additional funding under FRRR Program – Strengthening Rural Communities. This provides additional opportunities for our ageing community to participate in activities that provide social benefit, social interactions, being part of a community and developing relationships. Agfest, Deloraine Craft Fair, Derwent River Cruise and Salmon Ponds



Deloraine Craft Fair



Derwent River Cruises



Salmon Ponds



Agfest

The School Holiday Program

The School Holiday Program continued to be greatly supported throughout the year. The program provided an opportunity for the children ranging from 5 – 17 to participate in a range of activities to increase physical activity, improve social connectedness and engage in new and challenging experiences. A total of 228 participated in those activities. The activities ranged from Bounce, Kingston Park, Amaze Richmond, Mt Field National Park, Chauncy Vale Wildlife Sanctuary, Oatlands Aquatic Centre, Putters Adventure Golf & Tas Laser Skirmish.

The program was jointly funded between Southern Midlands Council and Communities for Children/Navigate Family Services.



Education

INCREASE THE EDUCATIONAL AND EMPLOYMENT OPPORTUNITIES AVAILABLE WITHIN THE SOUTHERN MIDLANDS

2022-23 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. The new Oatlands Aquatic Centre will open up other employment prospects for students.



SWN Jobs Hub

Council is a founding share holder in the now State Government funded Southcentral Jobs Hub, along with CHC, BC, DVC. Located in the old Brighton Council Chambers at Pontville, it is doing some amazing work, assisting employers and potential employees to find the right fit for meaningful employment. This includes working hand-in-hand with our local Schools in providing job search skills, CV development, White Card attainment, and a personal service that is client focused.

Since its inception, the Jobs Hub have placed 286 people into work, created 30 Apprenticeships and sent out 998 resumes to businesses. Anthony and his Team are doing wonderful work. Our Jobs Hub is about

Local Jobs for Local People.

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

2022-23 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.

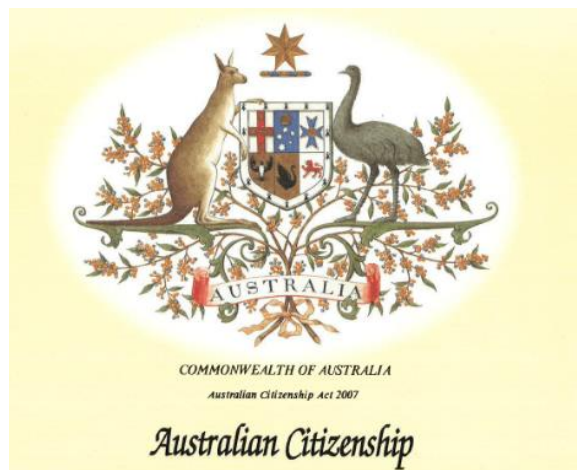
Australia Day Awards

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 2023.

- Citizen of the Year: Mr Tony Collis
- Young Citizen of the Year: Not awarded

Citizenship Ceremonies

Council conducted 3 (three) Citizenship Ceremonies in 2022/23.



Safety

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

2022-23 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

2022-23 Achievements

Five (5) Ordinary Meetings of Council were held in the following areas within the municipality during 2022/23.

- January 2023 – Broadmarsh Hall, Broadmarsh
- February 2023 – Tunbridge Hall, Tunbridge
- March 2023 – Tunnack Hall, Tunnack
- April 2023 – Campania Community Hall, Campania
- May 2023 – Runnymede Recreation Ground, Runnymede

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

2022-23 Achievements

Local Government Elections – Local Government Elections (conducted every four years) were held in October 2022. The election was managed by the Tasmanian Electoral Commission, with the Certificate of Election being issued in late October 2022. An induction program for all elected members was held on 14th November 2022.

Workplace Health and Safety Review – Elected Members – The Local Government Association of Tasmania (LGAT) engaged Edge Legal to undertake a review of the workplace health and safety of the Local Government sector for elected representatives. The review, funded by the Office of Local Government, produced a number of recommendations which are being progressed by the LGAT.

Asset Management Strategy – Council reviewed and updated its Asset Management Strategy in July 2022 in accordance with section 70B of the *Local Government Act 1933*. This asset management strategy is prepared to assist council in improving the way it delivers services from infrastructure including roads, bridges, footpaths, stormwater drainage, parks and recreation, buildings, plant and equipment and any other classes of assets.

Local Government Board Review – Council actively participated in the Local Government Board review process and provided detailed submissions in response to each of the discussion papers and reports issued by the Board.

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

- Election Caretaker Period Policy
- Code of Tenders and Contracts
- Code of Conduct for Employees and Workers
- Use Policies – Council Heritage Properties
- Customer Service Charter
- Recruitment & Selection Policies & Procedures
- Remote & Isolated Worker Policy
- Work Health & Safety Policy
- Audio Recording of Council Meetings Policy
- Municipal Seal – Use Policy
- Issue Resolution Policy
- Fit for Work Policy
- Fraud Control & Corrupt Conduct Prevention Policy

The Southern Midlands Council's Audit Panel held four meetings during the 2022/23 financial year.

Continuous improvement is a core component of our culture, as we seek to meet and indeed surpass our community's expectations.

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

2022-23 Achievements

Work, Health & Safety / Risk Management Committee

Four meetings of the Work, Health & Safety / Risk Management Committee were held



Shared Professional Services

Southern Midlands Council provided a range of services to the following Council over the year; Brighton Council, Central Highlands Council, Glenorchy City Council, Derwent Valley Council and Tasman Council
These services consisted of

- Strategic Land Use Planning
- Development Application Planning
- Land Use Planning Compliance
- Heritage Services
- Animal Management

There were a total of 1,359 hours provided by Southern Midlands Professional staff in support of our colleague Councils.

Southern Midlands Council purchased 187 hours of professional services from an adjoining Council.

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

2022-23 Achievements

The 2022-23 Financial Statements form part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity increased by \$9.593 million. This is largely due to the following:

- a net asset revaluation increment of \$4.979 million;
- an increase of \$328K in the value of Council's investment in TasWater;
- an increase of \$2.815 million in Cash and cash equivalents;
- an increase of \$570K in unspent specific purpose grant income shown as a Contract Liability;
- an overall 'Net result from continuing operations for the year' surplus of \$4.286 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 2022/2023 financial year:

Allowances and Expenses Statement

(Under the *Local Government Act 1993*)

In 2022/23 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances	\$ 121,216
Expenses	\$ 21,321

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 2022/23 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 2022/23 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) Special Meeting was held on 12th April 2023.
- One (1) Annual General Meeting was held on the 14th December 2022.
- One (1) Southern Midlands Facilities & Recreation Committee meeting was held on the 15th September 2022.

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	2/4	N/A	N/A	N/A
Mayor (Nov 22 to June 23) & Deputy Mayor (July 22 to Oct 22) E Batt	11/12	1/1	1/1	1/1
Deputy Mayor (Nov 22 – June 23) & Councillor (July 22 to Oct 22) K Dudgeon	12/12	1/1	1/1	1/1
Clr A Bantick	4/4			
Clr A Bisdee OAM	12/12	0/1	0/1	N/A
Clr D Blackwell	7/8	1/1	1/1	N/A
Clr D Fish	12/12	1/1	1/1	1/1
Clr R McDougall	11/12	1/1	0/1	0/1
Clr F Miller	8/8	1/1	N/A	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
\$60,001 -- \$80,000	1
\$100,001 - \$120,000	1
\$160,001 - \$180,000	1
\$200,001 - \$220,000	1
\$240,001 - \$260,000	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 2022/23 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 2023.

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	\$956,508.50	

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
Sean Andrews	Donation to attend Judo Australian National School Championships	\$ 100.00
Ella Burrill	Donation to attend Gymnastics National Clubs Carnival	\$ 100.00
Hobart Gymnastics Academy	Donation for Chloe Byrne & Hayley Jenkins to attend Gymnastics National Clubs Carnival	\$ 200.00
Charlotte Rosen	Donation to attend DCE National Cheer & Dance Competition	\$ 100.00
Lions Club Circus Quirkus	Donation of 2 Tickets (for children with disabilities)	\$ 109.09
Oatlands Christmas Pageant	Annual Donation	\$ 100.00
Runnymede Cricket Club	Annual Contribution Ground Maintenance	\$ 2,000.00
Levendale Cricket Club	Annual Contribution to Ground Maintenance	\$1,000.00
Oatlands District Football Association	Sponsorship of ODFA Best & Fairest (Mayors Trophy)	\$ 150.00
Levendale Hall Committee	Contribution Public Liability Insurance	\$ 350.50
Tunbridge Hall committee	Contribution Public Liability Insurance	\$ 294.24
St Mary's Community Cemetery Kempton Inc	Community Owned Halls Grant	\$ 4,545.45

Green Ponds Progress Association	Contribution to Kempton Festival	\$1,500.00
Lower Midlands Arts	Contribution to ARTlands Exhibition	\$ 750.00
Bagdad Community Club	Operational Grant MOU	\$10,000.00
Brighton Green Ponds RSL Sub Branch Inc	Community Small Grant	\$ 3,000.00
Community Shed Oatlands	Community Small Grant	\$ 1,834.59
Bagdad Community Club	Community Small Grant	\$ 2,997.00
Central Hawks Junior Football Club	Community Small Grant	\$ 3,000.00
St Mary's Community Cemetery Kempton Inc	Community Small Grant	\$ 2,727.27
Tunnack Community Club	Community Small Grant	\$ 1,452.00
Mt Pleasant Football Club Inc	Community Small Grant	\$ 2,600.00
Bagdad Volunteer Fire Brigade	Community Small Grant	\$ 2,100.00
Oatlands Exservices & Community Club Inc	Community Small Grant	\$ 1,452.00
Tunbridge Town Hall Inc	Community Small Grant	\$ 3,000.00
Navigate Family Services	Community Small Grant	\$ 2,800.00
GRANTS & DONATIONS TOTAL		\$ 60,702.14

2022/2023
FINANCIAL
STATEMENTS

SOUTHERN MIDLANDS COUNCIL



COMPLETE SET OF FINANCIAL STATEMENTS

2022 | 23 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.

Contents

	Page
General Manager's Declaration	1
Financial Statements	
Consolidated Statement of Comprehensive Income	2
Consolidated Statement of Financial Position	3
Consolidated Statement of Changes in Equity	4
Consolidated Statement of Cash Flows	5
Notes to the Financial Report	
1. About the Financial Statements	6
2. Financial Performance	8
3. Asset Base	22
4. People	36
5. Debt and Risk Management	44
6. Other Information	51
Independent Audit Report	54

General Manager's Declaration

The financial report presents fairly the financial position of the Southern Midlands Council as at 30 June 2023 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: 14 August 2023

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2023

(Amounts shown in \$'000)	Note	Budget 2023	Actual 2023	Actual 2022
Income from continuing operations				
Recurrent Income				
Rates and charges	2.2a	6,405	6,422	6,035
User fees	2.2b	1,095	1,991	1,076
Grants - Recurrent	2.2c	3,786	5,460	4,731
Interest	2.2d	48	476	27
Contract income	2.2e	-	110	529
Other income	2.2f	120	134	431
Investment revenue from water corporation	2.2g	182	182	182
		11,636	14,775	13,011
Net Capital Income				
Grants - capital	2.2h	3,876	3,033	5,495
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	2.2i	-	(24)	1
		3,876	3,009	5,496
Total income from continuing operations		15,512	17,784	18,507
Expenses from continuing operations				
Employee benefits	2.3a	(4,802)	(4,577)	(3,877)
Materials and contracts	2.3b	(3,433)	(3,815)	(3,704)
Depreciation and amortisation	2.3c	(3,521)	(4,068)	(3,697)
Contributions	2.3d	(258)	(258)	(245)
Finance costs	2.3e	(59)	(56)	(65)
Other expenses	2.3f	(155)	(724)	(470)
Total expenses from continuing operations		(12,228)	(13,498)	(12,058)
Net result from continuing operations for the year		3,284	4,286	6,449
Other comprehensive income				
Items that will not be reclassified to net result				
Fair value adjustments on equity investment asset	3.6	-	328	238
Net asset revaluation increment/(decrement)	3.7	-	4,979	16,638
Total other comprehensive income		-	5,307	16,876
Total Comprehensive Result		3,284	9,593	23,325

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

Consolidated Statement of Financial Position

as at 30 June 2023

(Amounts shown in \$'000)	Note	Actual 2023	Actual 2022
Assets			
Current assets			
Cash and cash equivalents	3.1	17,451	14,636
Trade and other receivables	3.2	1,033	1,162
Contract assets	3.3	500	1,855
Assets held for sale	3.4	155	100
Other assets	3.5	201	236
Total current assets		19,340	17,989
Non-current assets			
Investment in water corporation	3.6	11,914	11,586
Property, plant, equipment, infrastructure and intangibles	3.7	134,190	125,590
Total non-current assets		146,104	137,176
Total assets		165,444	155,165
Liabilities			
Current liabilities			
Trade and other payables	3.9	1,026	965
Trust funds and deposits	3.10	268	200
Contract liabilities	3.11	1,044	474
Employee provisions	4.1	1,874	1,649
Interest-bearing loans and borrowings	5.1	4,023	265
Total current liabilities		8,235	3,553
Non-current liabilities			
Employee provisions	4.1	33	6
Interest-bearing loans and borrowings	5.1	127	4,150
Total non-current liabilities		160	4,156
Total liabilities		8,395	7,709
Net Assets		157,049	147,456
Equity			
Accumulated surplus		65,795	61,509
Reserves	6.1	91,254	85,947
Total Equity		157,049	147,456

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

(Amounts shown in \$'000)	Note	Total Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves	
Balance as at 1 July 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
Net result from continuing operations for the year		4,286	4,286	-	-	-
Fair value adjustment on equity investment asset	3.6	328	-	-	328	-
Net revaluation reserve increment/(decrement)	3.7	4,979	-	4,979	-	-
Transfers between reserves	6.1	-	-	-	-	-
Balance as at 30 June 2023		157,049	65,795	89,427	(1,824)	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 2023

(Amounts shown in \$000)	Note	Actual 2023	Actual 2022
Cash flows from operating activities			
Rates and charges		6,286	6,056
User fees		2,255	1,124
Grants - Recurrent		5,460	4,731
Interest		476	27
Investment revenue from water corporation		182	182
Other receipts		254	902
Net GST refund/payment		831	1,161
Payments to suppliers		(5,641)	(5,474)
Payments to employees		(4,325)	(3,848)
Finance costs paid		(56)	(65)
Net cash from (used in) operating activities	2.4	5,722	4,796
Cash flows from investing activities			
Payments for property, plant, equipment, infrastructure and intangibles		(8,330)	(10,518)
Proceeds from sale of property, plant, equipment, infrastructure and intangibles		562	392
Capital grants		5,058	1,741
Net cash from (used in) investing activities		(2,710)	(8,385)
Cash flows from financing activities			
Trust funds and deposits		68	59
Proceeds from interest bearing loans and borrowings		-	-
Repayment of interest bearing loans and borrowings		(265)	(334)
Net cash from (used in) financing activities	2.5	(197)	(275)
Net increase (decrease) in cash and cash equivalents		2,815	(3,864)
Cash and cash equivalents at the beginning of the financial year		14,636	18,500
Cash and cash equivalents at the end of the financial year	3.1	17,451	14,636

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

Notes to the Financial Report

for the year ended 30 June 2023

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 2023

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 2023

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Roads and bridges	848	1,676	5,605	5,433	(4,757)	(3,757)	86,789	84,947
Stormwater	-	-	126	129	(126)	(129)	4,183	4,148
Waste management	1,220	1,100	1,338	1,218	(118)	(118)	527	434
Economic development	112	621	1,430	1,450	(1,318)	(829)	10,285	7,890
Environmental management	55	197	445	438	(390)	(241)	732	1,011
Development services	527	308	1,030	985	(503)	(677)	1,451	1,452
Community services	85	48	789	626	(704)	(578)	2,286	3,921
Recreational facilities	1,178	4,051	1,665	1,032	(487)	3,019	24,720	18,566
Governance and administration	462	186	811	503	(349)	(317)	3,212	3,473
Other - non attributable	13,297	10,320	259	244	13,038	10,076	31,259	29,323
	17,784	18,507	13,498	12,058	4,286	6,449	165,444	155,165

Grants included in Income from continuing operations:

	2023	2022
Roads and bridges	815	1,620
Stormwater	-	-
Waste management	-	-
Economic development	-	-
Environmental management	49	182
Development services	-	-
Community services	35	24
Recreational facilities	949	3,698
Governance and administration	-	-
Other - non attributable	6,645	4,702
	8,493	10,226

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

	2023	2022
Current assets	19,340	17,989
Non-current assets	146,104	137,176
	165,444	155,165

Notes to the Financial Report

for the year ended 30 June 2023

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 2023

2.2 Income from continuing operations

(Amounts shown in \$'000)	2023	2022
Recurrent income		
2.2a Rates and charges		
General	4,876	4,637
Fire levy	260	245
Waste & garbage management	1,189	1,066
Interest and penalties	97	87
<i>Total rates and charges</i>	<u>6,422</u>	<u>6,035</u>
2.2b User fees		
Community safety	1	10
Growth tourism	4	4
Growth business	795	370
Landscapes cultural	-	-
Landscapes heritage	-	4
Landscapes regulatory	341	228
Landscapes natural	5	5
Lifestyle recreation	174	40
Lifestyle animals	47	76
Organisation sustainability	460	177
Organisation finances	12	22
Volunteers program	128	100
Other fees and charges	24	40
<i>Total user fees</i>	<u>1,991</u>	<u>1,076</u>
2.2c Grants - Recurrent		
Australian Government Financial Assistance Grants	1,217	1,850
Australian Government Financial Assistance Grants (in advance)	4,206	2,852
Landscapes youth	9	10
Landscapes natural	20	-
Other	8	19
<i>Total recurrent grants</i>	<u>5,460</u>	<u>4,731</u>
2.2d Interest		
Interest on financial assets	53	-
Interest on cash and cash equivalents	423	27
<i>Total interest</i>	<u>476</u>	<u>27</u>
2.2e Contract income		
Contracted works	110	529
<i>Total contract income</i>	<u>110</u>	<u>529</u>
2.2f Other income		
Government subsidies	59	62
Developer contribution	-	44
Special Committee contributions	8	200
Insurance recoveries	13	56
Sundry	54	69
<i>Total other income</i>	<u>134</u>	<u>431</u>

Notes to the Financial Report

for the year ended 30 June 2023

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)	2023	2022
2.2g Investment revenue from water corporation		
Dividends, tax equivalent and guarantee fees received	182	182
<i>Total investment revenue from water corporation</i>	<u>182</u>	<u>182</u>
Total recurrent income	<u>14,775</u>	<u>13,011</u>
2.2h Net capital income		
Grants - capital		
Australian Government - Roads	666	666
Australian Government - Local Roads and Community Infrastructure	1,285	578
Australian Government - Black Spot	150	-
Australian Government - Black Summer Bushfire Grant	332	60
Australian Government - Broadmarsh Streetscape	-	230
Australian Government - Campania Bush Reserve Shared Pathway	-	92
Australian Government - Charge Smart	45	-
Australian Government - Kempton Town Development	-	45
Australian Government - Lake Dulverton Conservation Area Walkway	-	163
Australian Government - Oatlands Aquatic Centre	500	3,500
Australian Government - Oatlands Underground Power Project	-	125
Landscapes natural	5	19
Lifestyles recreation	50	17
<i>Total grants - capital</i>	<u>3,033</u>	<u>5,495</u>
2.2i Net gain/(loss) on disposal of property, plant, equipment and infrastructure		
Proceeds of sale of non-current assets	562	392
Written down value of non-current assets disposed	(586)	(391)
<i>Total gain/(loss)</i>	<u>(24)</u>	<u>1</u>
Total net capital income	<u>3,009</u>	<u>5,496</u>
Total income from continuing operations	<u>17,784</u>	<u>18,507</u>

Notes to the Financial Report

for the year ended 30 June 2023

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)

2.2j Grants received by funding source and conditions attached

Funding source

Australian Government	8,401	10,161
Other	92	65
<i>Total</i>	8,493	10,226

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 2022-23 by \$4,026,000 (2021-22 by \$2,852,000). 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

Capital

Balance of unspent funds at 1 July	474	2,602
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	1,044	2,701
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	(474)	(4,829)
Balance of unspent funds at 30 June	1,044	474

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 2023

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 2023

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 2023

2.3 Expenses from continuing operations

(Amounts shown in \$'000)	2023	2022
2.3a Employee benefits		
Wages and salaries	3,215	3,016
Other employee costs	1,846	1,383
	<u>5,061</u>	<u>4,399</u>
Less amounts capitalised	(484)	(522)
<i>Total employee benefits</i>	<u>4,577</u>	<u>3,877</u>
2.3b Materials and contracts		
Advertising	35	47
Bank charges and commissions	17	21
Callington Mill	7	-
Computer system operation	183	252
Consultancies	146	209
Contractor labour and services	304	448
Council plant & machinery	296	266
Donations and grants	53	52
Gravel purchases	25	111
Household garbage and recycling collection contract	299	292
Insurance premiums	177	151
Legal expenses	17	39
Office expenses	95	99
Plant and machinery hire (external)	291	266
Power costs (including street lighting)	230	137
Repairs and maintenance	208	206
Subscriptions and publications	54	54
Telecommunications	27	20
Waste transfer, transport and disposal contracts	532	448
Water purchases	35	46
Valuation fees (supplementary valuations)	25	13
Volunteer services	129	100
Other materials and contracts	630	427
<i>Total materials and contracts</i>	<u>3,815</u>	<u>3,704</u>
2.3c Depreciation and amortisation		
Property		
Buildings	803	674
Plant and equipment		
Plant and machinery	314	215
Furniture and fixtures	37	28
Minor plant	16	13
Infrastructure		
Roads	2,324	2,244
Bridges	415	403
Stormwater	62	57
Waste management	23	24
<i>Total depreciation</i>	<u>3,994</u>	<u>3,658</u>
Amortisation of intangibles	74	39
<i>Total depreciation and amortisation</i>	<u>4,068</u>	<u>3,697</u>

Notes to the Financial Report

for the year ended 30 June 2023

2.3 Expenses from continuing operations (continued)

(Amounts shown in \$'000)	2023	2022
2.3d Contributions		
Fire service levy	258	245
<i>Total contributions</i>	<u>258</u>	<u>245</u>
2.3e Finance costs		
Interest - Borrowings	56	65
<i>Total finance costs</i>	<u>56</u>	<u>65</u>
2.3f Other expenses		
Councillors allowances	143	140
Election costs	42	3
External auditors' remuneration	53	34
Bad & doubtful debts	3	-
Private works	437	258
Other	46	35
<i>Total other expenses</i>	<u>724</u>	<u>470</u>
Total expenses from continuing operations	<u><u>13,498</u></u>	<u><u>12,058</u></u>

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 2023

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)	2023	2022
Net result from continuing operations for the year	4,286	6,449
Depreciation and amortisation	4,068	3,697
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	24	(1)
Bad & doubtful debts	-	-
Grants - capital	(5,058)	(1,741)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	129	(38)
Decrease/(increase) in contract assets	1,355	(1,686)
Decrease/(increase) in other assets	35	48
Increase/(decrease) in contract liabilities	570	(2,128)
Increase/(decrease) in trade and other payables	61	167
Increase/(decrease) in employee provisions	252	29
<i>Net cash provided by/(used in) operating activities</i>	<u>5,722</u>	<u>4,796</u>
<i>Reconciliation of cash and cash equivalents</i>		
Cash and cash equivalents	17,451	14,636
<i>Total reconciliation of cash and cash equivalents</i>	<u>17,451</u>	<u>14,636</u>

Notes to the Financial Report

for the year ended 30 June 2023

2.5 Reconciliation of liabilities arising from financing activities

(Amounts shown in \$'000)	2023	2022
Trust funds and deposits		
Balance at the beginning of the financial year	200	141
Net movements	68	59
Balance at the end of the financial year	<u>268</u>	<u>200</u>
Interest-bearing loans and borrowings		
Balance at the beginning of the financial year	4,415	4,749
New borrowings	-	-
Cash repayments	(265)	(334)
Balance at the end of the financial year	<u>4,150</u>	<u>4,415</u>

2.6 Management indicators

(Amounts shown in \$'000)

	Benchmark	2023	2022	2021	2020
2.6a Underlying surplus or deficit					
Recurrent income* less		13,397	11,968	10,913	11,332
recurrent expenditure		13,498	12,058	10,948	11,207
Underlying surplus/deficit	> \$0	<u>(101)</u>	<u>(90)</u>	<u>(35)</u>	<u>125</u>

* 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	17,784	18,507
Less non-operating income		
Financial Assistance Grant in advance - prior year	2,852	1,808
Financial Assistance Grant in advance - current year	(4,206)	(2,852)
Grants - Capital	(3,033)	(5,495)
Recurrent income	<u>13,397</u>	<u>11,968</u>
Expenses from continuing operations	13,498	12,058
Recurrent expenditure	<u>13,498</u>	<u>12,058</u>

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/deficit 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.

2.6b Underlying surplus or deficit ratio

Underlying surplus or deficit		(101)	(90)	(35)	125
Recurrent income*		13,397	11,968	10,913	11,332
Underlying surplus or deficit ratio %	> 0%	<u>-0.8%</u>	<u>-0.8%</u>	<u>-0.3%</u>	<u>1.1%</u>

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

Notes to the Financial Report

for the year ended 30 June 2023

2.6 Management indicators (continued)

(Amounts shown in \$'000)	Benchmark	2023	2022	2021	2020
2.6c Net financial liabilities					
Liquid assets less		18,484	15,798	19,624	15,094
total liabilities		8,395	7,709	9,916	4,565
Net financial liabilities	> \$0	10,089	8,089	9,708	10,529

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

2.6d Net financial liabilities ratio

Net financial liabilities		10,089	8,089	9,708	10,529
Recurrent income*		13,397	11,968	10,913	11,332
Net financial liabilities ratio %	0% - (50%)	75.3%	67.6%	89.0%	92.9%

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)		79,291	78,330	61,295	60,806
Current replacement cost (Gross)		159,867	156,212	122,666	120,488
Asset consumption ratio %	> 60%	49.6%	50.1%	50.0%	50.5%

Buildings

Fair value (Carrying amount)		32,292	22,685	22,389	15,422
Current replacement cost (Gross)		57,908	47,810	46,855	26,463
Asset consumption ratio %	> 60%	55.8%	47.4%	47.8%	58.3%

Drainage

Fair value (Carrying amount)		4,143	4,148	3,732	3,778
Current replacement cost (Gross)		5,833	5,776	5,303	5,295
Asset consumption ratio %	> 60%	71.0%	71.8%	70.4%	71.4%

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 2023

2.6 Management indicators (continued)

(Amounts shown in \$'000)

	Benchmark	2023	2022	2021	2020
--	-----------	------	------	------	------

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**		25,044	23,866	22,300	19,474
Projected capital expenditure funding***		26,240	24,205	19,881	20,475
Asset renewal funding ratio %	90-100%	95.4%	98.6%	112.2%	95.1%

Buildings

Projected capital funding outlays**		6,743	6,861	3,600	3,600
Projected capital expenditure funding***		6,550	6,270	3,375	3,708
Asset renewal funding ratio %	90-100%	102.9%	109.4%	106.7%	97.1%

Stormwater

Projected capital funding outlays**		486	526	486	486
Projected capital expenditure funding***		558	468	486	486
Asset renewal funding ratio %	90-100%	87.1%	112.4%	100.0%	100.0%

** 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		4,324	4,034	2,530	2,374
Annual depreciation and amortisation expense		4,068	3,697	3,322	3,170
Asset sustainability ratio %	100.0%	106.3%	109.1%	76.2%	74.9%

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 2023

2.6 Management indicators (continued)

(Amounts shown in \$'000)

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
2023			
By asset class (including work in progress)			
Land	-	12	12
Buildings	373	3,735	4,108
Plant and machinery	669	-	669
Furniture and fixtures	73	-	73
Minor plant	25	-	25
Roads	2,878	259	3,137
Bridges	40	-	40
Stormwater	57	-	57
Waste management	4	-	4
Intangibles	205	-	205
Total	4,324	4,006	8,330
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

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 2023

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)	2023	2022
Cash at bank and on hand	6,496	2,805
Term deposits (3 months or less)	10,955	11,831
<i>Total cash and cash equivalents</i>	<u>17,451</u>	<u>14,636</u>

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

Restricted funds

- Trust funds and deposits (note 3.10)	268	200
- Unspent grant funds with conditions (notes 2.2j)	1,044	474
	<u>1,312</u>	<u>674</u>

Internally committed funds

- Special committees of Council	89	77
- Heritage Building Solutions Pty Ltd (note 3.13)	32	247
- Heritage Education and Skills Centre Ltd (note 3.13)	10	32
Restricted and internally committed funds	<u>1,443</u>	<u>1,030</u>
Total unrestricted and uncommitted cash and cash equivalents	<u>16,008</u>	<u>13,606</u>

Restricted and internally committed 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) Unspent grant funds with conditions until specific performance obligations required under funding arrangements are completed.
- iii) Funds held by special committees and subsidiary companies.

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)	2023	2022
Rates debtors	842	678
Other debtors	191	484
<i>Total trade and other receivables</i>	<u>1,033</u>	<u>1,162</u>

Notes to the Financial Report

for the year ended 30 June 2023

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)	2023	2022
Contract assets for work in progress	500	1,855
<i>Total contract assets</i>	<u>500</u>	<u>1,855</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)	2023	2022
Land held for resale	155	100
<i>Total assets held for sale</i>	<u>155</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 2023

3.5 Other assets

(Amounts shown in \$000)	2023	2022
Stores and materials	201	228
Subsidiary work in progress	-	8
<i>Total other assets</i>	<u>201</u>	<u>236</u>

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)	2023	2022
Opening Balance	11,586	11,348
Change in fair value of investment	328	238
<i>Total investment in water corporation</i>	<u>11,914</u>	<u>11,586</u>

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 2023, Council held a 0.68% ownership interest in TasWater (2022: 0.70%) 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 2023

3.7 Property, plant, equipment, infrastructure and intangibles

(Amounts shown in \$'000)	Gross book value		Accumulated depreciation		Total	
	2023	2022	2023	2022	2023	2022
Property						
At fair value						
Land	8,978	4,932	-	-	8,978	4,932
Land under roads	3,474	3,474	-	-	3,474	3,474
Buildings	57,908	47,810	(25,616)	(25,125)	32,292	22,685
Total property	70,360	56,216	(25,616)	(25,125)	44,744	31,091
Plant and equipment						
At cost						
Plant and machinery	4,671	4,523	(1,627)	(1,582)	3,044	2,941
Furniture and fixtures	754	681	(499)	(462)	255	219
Minor plant	366	341	(307)	(291)	59	50
Total plant and equipment	5,791	5,545	(2,433)	(2,335)	3,358	3,210
Infrastructure						
At fair value						
Roads	127,618	124,772	(68,868)	(66,543)	58,750	58,229
Bridges	32,249	31,440	(11,708)	(11,339)	20,541	20,101
Stormwater	5,833	5,776	(1,690)	(1,628)	4,143	4,148
Waste management	369	365	(169)	(146)	200	219
Total infrastructure	166,069	162,353	(82,435)	(79,656)	83,634	82,697
Work in progress	2,161	8,431	-	-	2,161	8,431
Intangibles	765	698	(472)	(537)	293	161
Total property, plant, equipment, infrastructure and intangibles	245,146	233,243	(110,956)	(107,653)	134,190	125,590

Notes to the Financial Report

for the year ended 30 June 2023

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
2023								
<i>Property</i>								
Land	4,932	35	4,194	-	(183)	-	-	8,978
Land under roads	3,474	-	-	-	-	-	-	3,474
Buildings	22,685	10,527	-	(803)	(117)	-	-	32,292
<i>Total property</i>	31,091	10,562	4,194	(803)	(300)	-	-	44,744
<i>Plant and equipment</i>								
Plant and machinery	2,941	669	-	(314)	(252)	-	-	3,044
Furniture and fixtures	219	73	-	(37)	-	-	-	255
Minor plant	50	25	-	(16)	-	-	-	59
<i>Total plant and equipment</i>	3,210	767	-	(367)	(252)	-	-	3,358
<i>Infrastructure</i>								
Roads	58,229	2,845	-	(2,324)	-	-	-	58,750
Bridges	20,101	159	730	(415)	(34)	-	-	20,541
Stormwater	4,148	57	-	(62)	-	-	-	4,143
Waste management	219	4	-	(23)	-	-	-	200
<i>Total infrastructure</i>	82,697	3,065	730	(2,824)	(34)	-	-	83,634
<i>Work in progress</i>	8,431	(6,270)	-	-	-	-	-	2,161
<i>Intangibles</i>	161	206	-	(74)	-	-	-	293
<i>Total property, plant, equipment, infrastructure and intangibles</i>	125,590	8,330	4,924	(4,068)	(586)	-	-	134,190

Notes to the Financial Report

for the year ended 30 June 2023

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								
<i>Property</i>								
Land	4,932	-	-	-	-	-	-	4,932
Land under roads	3,051	-	423	-	-	-	-	3,474
Buildings	22,389	970	-	(674)	-	-	-	22,685
<i>Total property</i>	30,372	970	423	(674)	-	-	-	31,091
<i>Plant and equipment</i>								
Plant and machinery	2,359	1,188	-	(215)	(391)	-	-	2,941
Furniture and fixtures	226	21	-	(28)	-	-	-	219
Minor plant	58	5	-	(13)	-	-	-	50
<i>Total plant and equipment</i>	2,643	1,214	-	(256)	(391)	-	-	3,210
<i>Infrastructure</i>								
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
<i>Total infrastructure</i>	65,236	3,974	16,215	(2,728)	-	-	-	82,697
<i>Work in progress</i>	4,213	4,218	-	-	-	-	-	8,431
<i>Intangibles</i>	58	142	-	(39)	-	-	-	161
<i>Total property, plant, equipment, infrastructure and intangibles</i>	102,522	10,518	16,638	(3,697)	(391)	-	-	125,590

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 2023

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	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	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 2023

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 2023

3.9 Trade and other payables

(Amounts shown in \$000)	2023	2022
Payables and accruals	632	615
Rates and charges in advance	292	264
Payroll oncosts on employee entitlements	102	86
<i>Total trade and other payables</i>	<u>1,026</u>	<u>965</u>

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)	2023	2022
Tender deposits and funds held on trust	268	200
<i>Total trust funds and deposits</i>	<u>268</u>	<u>200</u>

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)	2023	2022
Grants received in advance	1,044	474
<i>Total contract liabilities</i>	<u>1,044</u>	<u>474</u>

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	474	4,829
---	-----	-------

Notes to the Financial Report

for the year ended 30 June 2023

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 2023

3.12 Fair value measurements (continued)

(Amounts shown in \$'000)	Level 1		Level 2		Level 3		Total	
	2023	2022	2023	2022	2023	2022		2023
Fair value measurements								
<i>Recurring</i>								
Property								
Land	-	-	8,978	4,932	-	-	8,978	4,932
Land under roads	-	-	3,474	3,474	-	-	3,474	3,474
Buildings	-	-	-	-	32,292	22,685	32,292	22,685
Infrastructure								
Roads	-	-	-	-	58,750	58,229	58,750	58,229
Bridges	-	-	-	-	20,541	20,101	20,541	20,101
Stormwater	-	-	-	-	4,143	4,148	4,143	4,148
Waste management	-	-	-	-	200	219	200	219
<i>Total recurring</i>	-	-	12,452	8,406	115,926	105,382	128,378	113,788
<i>Non-recurring</i>								
Assets held for sale	155	100	-	-	-	-	155	100
<i>Total non-recurring</i>	155	100	-	-	-	-	155	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 the Valuer General as at 1 July 2022. 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 2023

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 2023

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 2023. 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 2023

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)

Heritage Building Solutions Pty Ltd

Statement of Comprehensive Income

Revenue	117	824
Expenses	(327)	(769)

Total Comprehensive Income for the year	(210)	55
--	--------------	-----------

Statement of Financial Position

Assets	61	542
Liabilities	(46)	(317)

Total Equity	15	225
---------------------	-----------	------------

Heritage Education & Skills Centre Pty Ltd

Statement of Comprehensive Income

Revenue	50	-
Expenses	(5)	(2)

Total Comprehensive Income for the year	45	(2)
--	-----------	------------

Statement of Financial Position

Assets	10	32
Liabilities	-	(67)

Total Equity	10	(35)
---------------------	-----------	-------------

Notes to the Financial Report

for the year ended 30 June 2023

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)	2023	2022
<i>Current</i>		
Annual leave	832	571
Long service leave	727	797
Personal	315	281
<i>Total current</i>	<u>1,874</u>	<u>1,649</u>
<i>Non-current</i>		
Long service leave	33	6
<i>Total non-current</i>	<u>33</u>	<u>6</u>
<i>Total employee provisions</i>	<u>1,907</u>	<u>1,655</u>
<i>Description of current and non-current components of employee provisions</i>		
<i>Current</i>		
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.	1,147	852
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	727	797
	<u>1,874</u>	<u>1,649</u>
<i>Non-current</i>		
Long service leave representing less than 10 years of continuous service measured at present value.	33	6
	<u>33</u>	<u>6</u>
<i>Number of employees (full time equivalents)</i>	52	46

Notes to the Financial Report

for the year ended 30 June 2023

4.1 Employee Provisions (continued)

Movements in employee provisions during the financial year

(Amounts shown in \$'000)	Annual leave		Long service leave		Personal			Total
	2023	2022	2023	2022	2023	2022	2023	
Balance at beginning of the year	571	496	803	847	281	283	1,655	1,626
Additional provisions	495	433	81	28	163	112	739	573
Amounts used	(234)	(358)	(124)	(72)	(129)	(114)	(487)	(544)
Balance at end of the year	832	571	760	803	315	281	1,907	1,655

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 2023

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 E C Batt	4 November 2022 to 30 June 2023	
	Mayor A O Green	1 July 2022 to 3 November 2022	
	Deputy Mayor K Dudgeon	4 November 2022 to 30 June 2023	
	Deputy Mayor E C Batt	1 July 2022 to 3 November 2022	
	Councillor A R Bantick	1 July 2022 to 3 November 2022	
	Councillor A E Bisdee OAM	1 July 2022 to 30 June 2023	
	Councillor D Blackwell	1 July 2022 to 30 June 2023	
	Councillor D F Fish	1 July 2022 to 30 June 2023	
	Councillor A O Green	4 November 2022 to 30 June 2023	
	Councillor R McDougall	1 July 2022 to 30 June 2023	
	Councillor F Miller	1 July 2022 to 30 June 2023	
	General Manager	Mr T F Kirkwood	1 July 2022 to 30 June 2023

Councillor remuneration

(Amounts shown in \$)

	Allowances	Compensation AA5B 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
2023						
E C Batt	35,013	35,013	3,119	1,100	-	39,232
K Dudgeon	19,432	19,432	2,512	266	-	22,210
A R Bantick	2,855	2,855	-	-	-	2,855
A E Bisdee OAM	11,641	11,641	4,504	780	-	16,925
D Blackwell	7,834	7,834	2,090	961	-	10,885
D F Fish	11,641	11,641	-	780	-	12,421
A O Green	13,324	13,324	-	-	-	13,324
R McDougall	11,641	11,641	2,875	360	-	14,876
F Miller	7,834	7,834	516	1,458	-	9,808
<i>Total</i>	121,215	121,215	15,616	5,705	-	142,536

Notes to the Financial Report

for the year ended 30 June 2023

4.2 Related party transactions (continued)

(Amounts shown in \$)

	Allowances	Compensation MAB 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

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.

Key Management Personnel remuneration

		Short term benefits			Post employment benefits			
		Salary	Vehicles	Other benefits	Superannuation	Termination benefits	Other non- monetary benefits	Total
2023								
Remuneration band	Employees							
\$ 60 001 - \$80 000	1 (part year)	47,983	-	300	6,718	-	5,644	60,645
\$100 001 - \$120 000	1	98,439	-	300	13,535	-	3,422	115,696
\$160 001 - \$180 000	1	124,059	4,920	300	13,195	-	21,438	163,912
\$200 001 - \$220 000	1	151,271	3,977	300	20,219	-	27,506	203,273
\$240 001 - \$260 000	1	194,950	10,296	300	27,116	-	21,157	253,819
		616,702	19,193	1,500	80,783	-	79,167	797,345

Notes to the Financial Report

for the year ended 30 June 2023

4.2 Related party transactions (continued)

(Amounts shown in \$)		Short term benefits			Post employment benefits			Total
		Salary	Vehicles	Other benefits	Superannuation	Termination benefits	Other non-monetary benefits	
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

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.

Directors of subsidiary companies remuneration

One director of Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd was paid director and management fees of \$12,286. In the prior year, two directors were paid a total of \$47,803.

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.

Notes to the Financial Report

for the year ended 30 June 2023

4.2 Related party transactions (continued)

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.

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). The Fund was a sub-fund of the Tasplan Superannuation Fund up to 31 March 2021. On 1 April 2021, the Tasplan Superannuation Fund merged (via a Successor Fund Transfer) into the MTAA Superannuation Fund to become Spirit Super. The 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 2023 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.

Notes to the Financial Report

for the year ended 30 June 2023

4.3 Post employment benefits (continued)

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

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.

Notes to the Financial Report

for the year ended 30 June 2023

4.3 Post employment benefits (continued)

- In terms of Rule 15.2 of the Spirit Super 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. 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.
- The application of Fund assets on Spirit Super being wound-up is set out in Rule 20.2. 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 Spirit Super. However it is likely that Rule 15.2 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.
- The 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 2022, showed that the Fund had assets of \$49.53 million and members' Vested Benefits were \$40.79 million. These amounts represented 0.20% and 0.17% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2022 the Fund had 77 members and the total employer contributions and member contributions for the year ending 30 June 2022 were \$780,908 and \$229,521 respectively.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$5,501 (2021-22, \$5,501), and the amount paid to accumulation schemes was \$460,228 (2021-22, \$380,748).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$nil, and the amount to be paid to accumulation schemes is \$522,913.

Notes to the Financial Report

for the year ended 30 June 2023

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)	2023	2022
<i>Current</i>		
Borrowings - secured	4,023	265
<i>Non-current</i>		
Borrowings - secured	127	4,150
<i>Total borrowings</i>	<u>4,150</u>	<u>4,415</u>

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

The maturity profile for Council's borrowings is:

Not later than one year	4,023	265
Later than one year and not later than five years	127	4,150
Later than five years	-	-
<i>Total</i>	<u>4,150</u>	<u>4,415</u>

Recognition and measurement

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

5.2 Financing arrangements

(Amounts shown in \$'000)	2023	2022
Bank overdraft limit	200	200
Direct debit facility	100	100
Business credit cards	50	50
Used facilities	(2)	-
<i>Unused facilities</i>	<u>348</u>	<u>350</u>

Notes to the Financial Report

for the year ended 30 June 2023

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 2.4% (0.4% in 2022). The interest rate at balance date was 4.3% (0.5% in 2022).
Trade and other receivables	See Note 3.2	<p>General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2022). 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 6.8% 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 payment of loans (principal and interest) by Council for the current year, based on the debenture loan schedules, equated to less than 2.5% of total revenue for the preceding year (2022: less than 2.5%).</p>

Notes to the Financial Report

for the year ended 30 June 2023

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: 1 year or less	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total
2023						
<i>Financial assets</i>						
Cash and cash equivalents	6,496	10,955	-	-	-	17,451
Trade and other receivables	-	-	-	-	1,033	1,033
Investment in water corporation	-	-	-	-	11,914	11,914
<i>Total financial assets</i>	6,496	10,955	-	-	12,947	30,398
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	1,026	1,026
Trust funds and deposits	-	-	-	-	268	268
Interest-bearing loans and borrowings	-	4,023	127	-	-	4,150
<i>Total financial liabilities</i>	-	4,023	127	-	1,294	5,444
Net financial assets (liabilities)	6,496	6,932	(127)	-	11,653	24,954
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
<i>Total financial assets</i>	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
<i>Total financial liabilities</i>	-	265	4,150	-	1,165	5,580
Net financial assets (liabilities)	2,805	11,566	(4,150)	-	11,583	21,804

Notes to the Financial Report

for the year ended 30 June 2023

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	
	2023	2022	2023	2022
<i>Financial assets:</i>				
Cash and cash equivalents	17,451	14,636	17,451	14,636
Trade and other receivables	1,033	1,162	1,033	1,162
Investment in water corporation	11,914	11,586	11,914	11,586
<i>Total financial assets</i>	30,398	27,384	30,398	27,384
<i>Financial liabilities:</i>				
Trade and other payables	1,026	965	1,026	965
Trust funds and deposits	268	200	268	200
Interest-bearing loans and borrowings	4,150	4,415	4,150	4,415
<i>Total financial liabilities</i>	5,444	5,580	5,444	5,580

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 2023

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)	2023	2022
Current (not yet due)	91	1,292
Past due by up to 30 days	55	845
Past due between 31 and 60 days	1	125
Past due between 61 and 90 days	3	1
Past due by more than 90 days	41	76
<i>Total Trade & Other Receivables</i>	<u>191</u>	<u>2,339</u>
Rates receivable	842	678
Total receivables	<u>1,033</u>	<u>3,017</u>

Notes to the Financial Report

for the year ended 30 June 2023

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).

2023 (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	1,026	-	-	1,026	1,026
Trust funds and deposits	268	-	-	268	268
Interest-bearing loans and borrowings	4,023	127	-	4,150	4,150
Total financial liabilities	5,317	127	-	5,444	5,444
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

Notes to the Financial Report

for the year ended 30 June 2023

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, Council believes the following movements are 'reasonably possible' over the next 12 months:

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

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

2023		Interest rate risk				
		-1%		+1%		
		-100 basis points		+100 basis points		
(Amounts shown in \$'000)		Profit	Equity	Profit	Equity	
	<i>Financial assets:</i>					
	Cash and cash equivalents	17,451	(175)	(175)	175	175
	<i>Financial liabilities:</i>					
	Interest-bearing loans and borrowings	4,150	42	42	(42)	(42)
2022		Interest rate risk				
		-1%		+2%		
		-100 basis points		+200 basis points		
(Amounts shown in \$'000)		Profit	Equity	Profit	Equity	
	<i>Financial assets:</i>					
	Cash and cash equivalents	14,636	(146)	(146)	293	293
	<i>Financial liabilities:</i>					
	Interest-bearing loans and borrowings	4,415	44	44	(88)	(88)

Notes to the Financial Report

for the year ended 30 June 2023

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 2021	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2022	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2023
Asset revaluation reserve	67,810	16,638	-	84,448	4,979	-	89,427
Fair value reserve							
<i>Equity investment asset</i>							
Investment in water corporation	(2,390)	-	238	(2,152)	-	328	(1,824)
Total fair value reserve	(2,390)	-	238	(2,152)	-	328	(1,824)
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	69,071	16,638	238	85,947	4,979	328	91,254

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 designated its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised. 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 2023

6.2 Commitments

(Amounts shown in \$000)	2023	2022
<i>By type</i>		
<i>Capital expenditure contractual commitments</i>		
Contractual commitments for capital expenditure at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:	463	3,037
<i>Other contractual commitments</i>		
Other contractual commitments at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:	1,838	2,324
<i>Total commitments</i>	<u>2,301</u>	<u>5,361</u>
<i>By maturity</i>		
<i>Capital expenditure contractual commitments</i>		
One year or less	463	2,574
From one to five years	-	463
<i>Total capital expenditure commitments</i>	<u>463</u>	<u>3,037</u>
<i>Other contractual commitments</i>		
One year or less	788	720
From one to five years	1,050	1,604
<i>Total other contractual commitments</i>	<u>1,838</u>	<u>2,324</u>
<i>Total commitments</i>	<u>2,301</u>	<u>5,361</u>

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.

Notes to the Financial Report

for the year ended 30 June 2023

6.4 Other significant accounting policies and new accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Allocation between current and non-current

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

(c) Budget

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

(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

Certain new accounting standards and interpretations have been published that are not mandatory in the current year. Council's assessment of the impact of the relevant new standards and interpretations in future years is set out below.

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

This Standard modifies AASB 13 Fair Value Measurement for application by not-for-profit public sector entities such as Council. It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows. This includes guidance and clarification regarding the determination of an asset's highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values. Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value. The Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.



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 2023 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 signed 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 2023 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, nor 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.

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.



Jeff Tongs
Assistant Auditor-General

Delegate of the Auditor-General
Tasmanian Audit Office

3 November 2023
Hobart

SOUTHERN
MIDLANDS
COUNCIL



Southern Midlands Council

71 High Street, Oatlands Tas 7120 | 85 Main Street, Kempton Tas 7030

Phone: 03 6254 5000 | Phone: 03 6254 5050

mail@southernmidlands.tas.gov.au

www.southernmidlands.tas.gov.au