

SOUTHERN
MIDLANDS
COUNCIL



Denise Smith Photography

ANNUAL REPORT 2023/24

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 3,900 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.



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Our Vision

*A community spirit based on friendliness, co-operation and self-help;
An environment which encourages local creativity, enterprise and self-help;
A diversified local economy creating employment opportunities through sustainable agriculture, heritage tourism, forestry, and viable historic villages/service centres;
Development based on the sustainable use of local resources and the physical environment; and
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; and
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; and
Operate in accordance with the "Codes of Conduct" adopted by Council.*

INTRODUCTION



The Year in Review

I write the introduction to this report with some pride as 2023/24 has been a year of achievement and of challenges overcome.

This year the performance of Local Government generally, and of the Southern Midlands Council in particular, has been under close scrutiny as the State Government conducted an extensive Review of the sector.

Whilst this review was largely unproductive, it did require your Council to analyse deeply just how we were travelling. As our finances, our decision making processes and our outcomes went under the microscope it became clear the Southern Midlands Council was sound in every respect.

We are very fortunate to have an experienced leadership team of Council Officers working in harness with elected Councillors who have a long commitment to the area they serve.

Our towns are growing, particularly Bagdad, Kempton and Campania. Young families recognise how liveable our district is and see it's opportunities for employment, education and sport. As residential growth occurs Council must turn its mind to providing the necessary infrastructure to compliment it. To this end, Council has already taken significant steps to address some of the recommendations contained within the recently completed Community Infrastructure Plan, particularly as they relate to the recreation grounds (and precincts) at Bagdad, Campania and Oatlands. Concepts plans have been prepared for these three locations for the purpose of seeking grant funding. The initial stages for the Bagdad Community Precinct have been estimated at \$15.2 million; Oatlands Recreation Ground \$2.80 million and Campania Recreation Ground \$1.1 million.

Council has also initiated the Bagdad-Mangalore Structure Plan process which will see the preparation of a long-term plan for the Bagdad-Mangalore valley, to replace the 2010 Structure Plan. The development of this Plan will provide an opportunity for community members, community groups, business owners, and anyone with an interest in the future of this area to contribute their ideas and help establish a 'vision' and a suite of strategies needed to work towards that vision.

This year has seen the completion of several major infrastructure projects. One project will see a boost for both agriculture and tourism is the remodeling and sealing of nearly 12 kilometers of the Interlaken Rd at a cost of \$5.75 million mostly funded

by the federal government. Other road construction and footpath projects completed during the year are detailed throughout this Annual Report.

It has been a busy and productive year. Another successful year calls for congratulations and thanks to my fellow Councillors and to all Southern Midlands Council staff for their individual and collective contributions as they continue to strive for positive outcomes for you, the all-important ratepayers.

We look forward to the year ahead with some confidence.

A handwritten signature in black ink, appearing to read 'Edwin Batt', with a long, sweeping horizontal stroke 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 2023/24 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 2023-24 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 surplus of \$275K for the year ended 30 June 2024 (\$101K deficit for the year ended 30 June 2023). This is a favourable outcome when compared to the forecast deficit in Council's Long-term Financial Plan. The Underlying Surplus is lower than the 'Result from continuing operations' surplus of \$5.606 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 surplus, Grants for Capital related works are excluded. These totalled \$5.669 million.

Council received an advanced payment for our 2024-25 Financial Assistance Grant of \$3.868m. Advanced payments relating to future years are also adjusted in calculating the underlying surplus.

An unqualified Audit Opinion was received from the Tasmanian Audit Office on the 30th October 2024.

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.

Southern Midlands Community Infrastructure Plan

The *Southern Midlands Community Infrastructure Plan 2024*, prepared by Inspiring Place as independent consultants and adopted by Council in March 2024, will provide a sound basis and much needed focus for the provision of community and recreational infrastructure going forward. This Plan replaces the 2006 Recreation Plan and considers the evolving needs of the Southern Midlands local government area. The objectives of the Plan include understanding population changes, current infrastructure, and the needs of users over the next decades.

Addressing the recommendations that include actions, rationale, responsibilities and priorities will be a high priority for Council as it aims to meet the community's expectations and fill the infrastructure gaps that have been identified. I am confident that we will be able to meet these challenges for the betterment of our council area.

Sincere appreciation to the Mayor and Councillors for their assistance and support during the year, and again extend my thanks to all employees for their excellent efforts, commitment and dedication.

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

Tim Kirkwood
GENERAL MANAGER

COUNCIL

July 2023 – June 2024



Mayor
Edwin Batt



Deputy Mayor
Karen Dudgeon



Councillor
Anthony (Tony) Bisdee OAM



Councillor
Don Fish



Councillor
Donna Blackwell



Councillor
Fraser Miller



Councillor
Rowena McDougall
July 2023 – October 2023



Councillor
Bob Campbell
November 2023 – June 2024

COUNCIL COMMITTEE STRUCTURE

COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p>Mayor Edwin Batt</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) ◆ Heritage and Bullock Festival Committee ◆ Heritage Hub Management Committee (Chair) ◆ Melton Mowbray Park Advisory Group (Chair) ◆ Southern Midlands Facilities & Recreation Management Committee ◆ Southern Midlands Emergency Management Planning Committee (Chair) ◆ Tunnack Recreation Ground Management Committee (Proxy) ◆ Southern Midlands Memorial Trees Committee (Chair)
<p>Deputy Mayor Karen Dudgeon</p>	<ul style="list-style-type: none"> ◆ Woodsdale Hall Management Committee ◆ Southern Midlands Facilities & Recreation Committee ◆ Lake Dulverton & Callington Park Management Committee (Proxy) ◆ Oatlands Community Shed Committee (Proxy) ◆ MMPHC Community Advisory Committee (Proxy) ◆ Australia Day Awards Committee (Proxy) ◆ Enterprise Bargaining/Award Consultative Committee (Proxy) ◆ Southern Tasmanian Councils Authority (Proxy) ◆ Local Government Association General Meetings (Proxy) ◆ Heritage Highway Tourism Region Association ◆ Parattah Progress Association (Proxy) ◆ Mt Pleasant Recreation Ground Management Committee

COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p>Councillor Tony Bisdee OAM</p>	<ul style="list-style-type: none"> ◆ MMPHC Community Advisory Committee ◆ TasWater Corporation – Owners Representatives & Board Committee ◆ Southern Midlands Audit Panel ◆ Mangalore Recreation Ground Management Committee (Proxy) ◆ Southern Midlands Memorial Trees Committee (Proxy) ◆ Melton Mowbray Park Advisory Group ◆ Campania Recreation Ground 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 Fraser Miller</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)
<p>Councillor Donna Blackwell</p>	<ul style="list-style-type: none"> ◆ Mangalore Recreation Ground Management Committee (Chair) ◆ Southern Midlands Audit Panel (Proxy) ◆ Campania Halls Management Committee (Proxy) ◆ Chauncy Vale Management Committee (Chair) ◆ Southern Midlands Facilities & Recreation Committee (Proxy) ◆ Arts Advisory Committee (Proxy) ◆ Heritage Highway Tourism Region Association (Proxy)

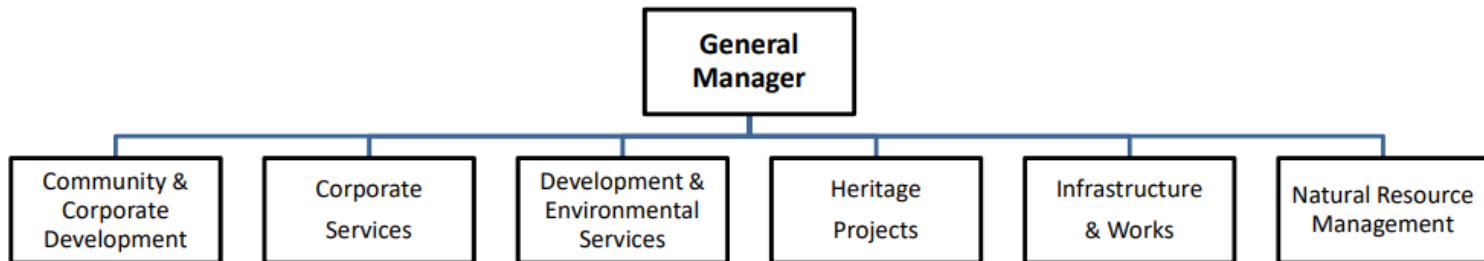
COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<p>Councillor Bob Campbell (October 2023 – June 2024)</p>	<ul style="list-style-type: none"> ◆ Chauncy Vale Management Committee (Proxy) ◆ Oatlands Community Hall Management Committee (Proxy) ◆ Parattah Progress Association (Council Representative) ◆ Tunnack Recreation Ground Management Committee
<p>Councillor Rowena McDougall (July 2023 – October 2023)</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 Emergency Management Planning Committee

ORGANISATION STRUCTURE

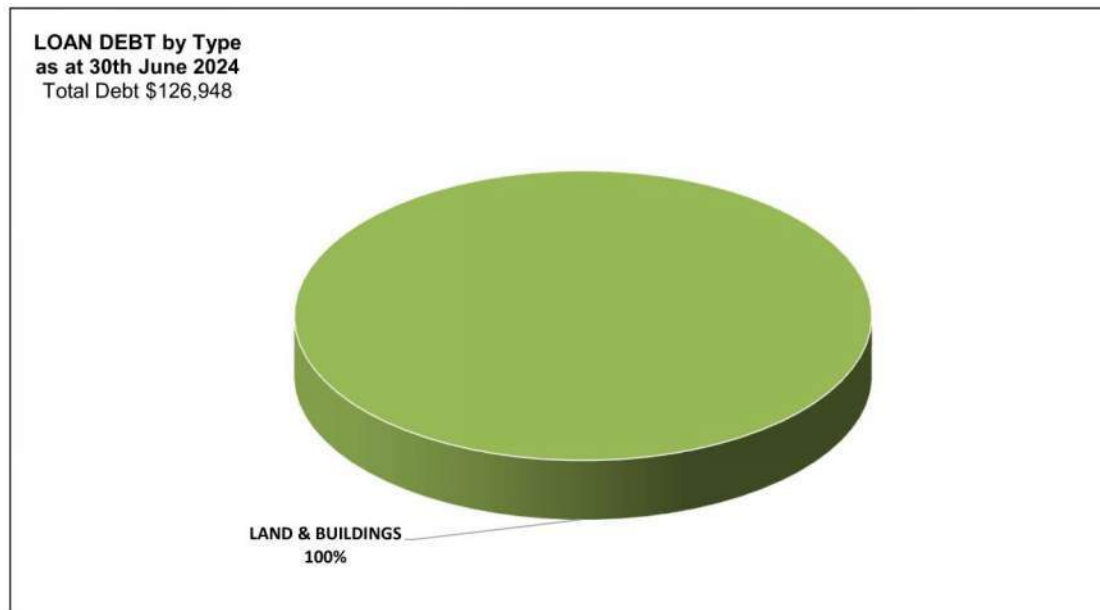
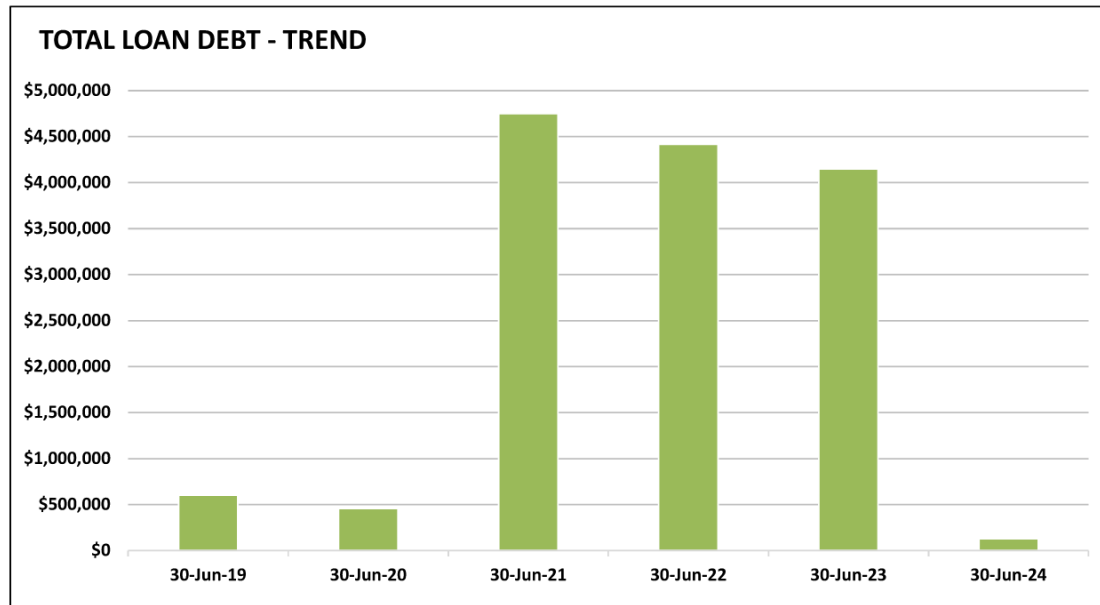
Organisation Structure by Function

Southern Midlands Community

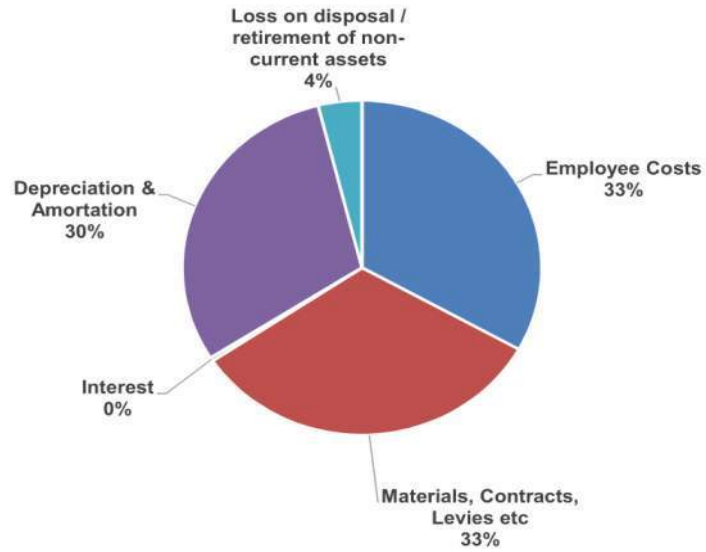
Southern Midlands Council



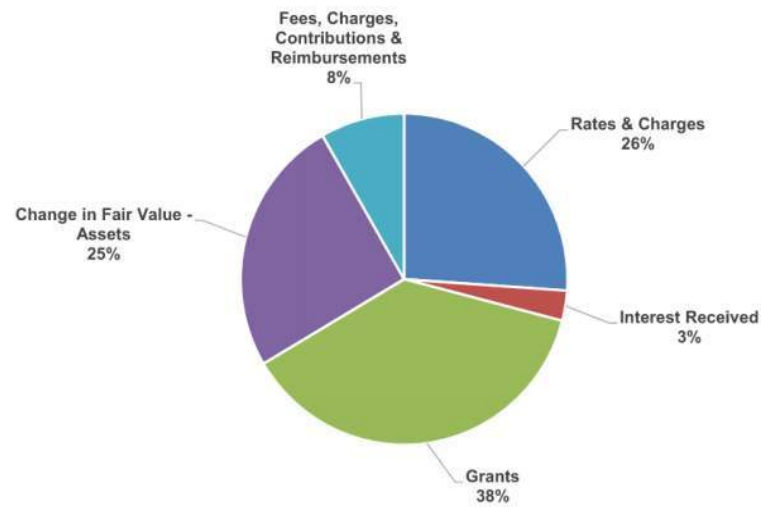
STATISTICS 2023/24



ANALYSIS OF EXPENSES

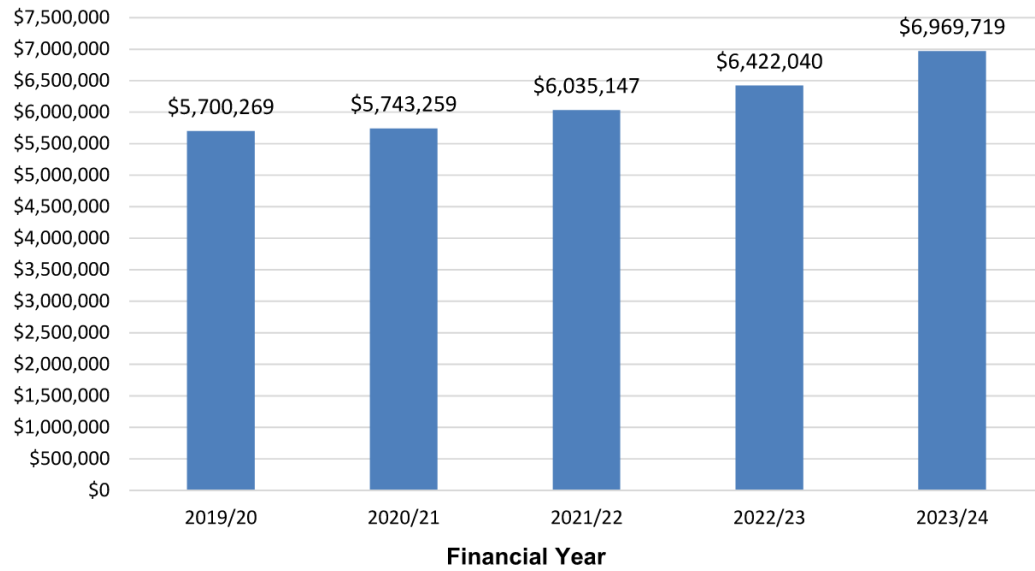


ANALYSIS OF REVENUE

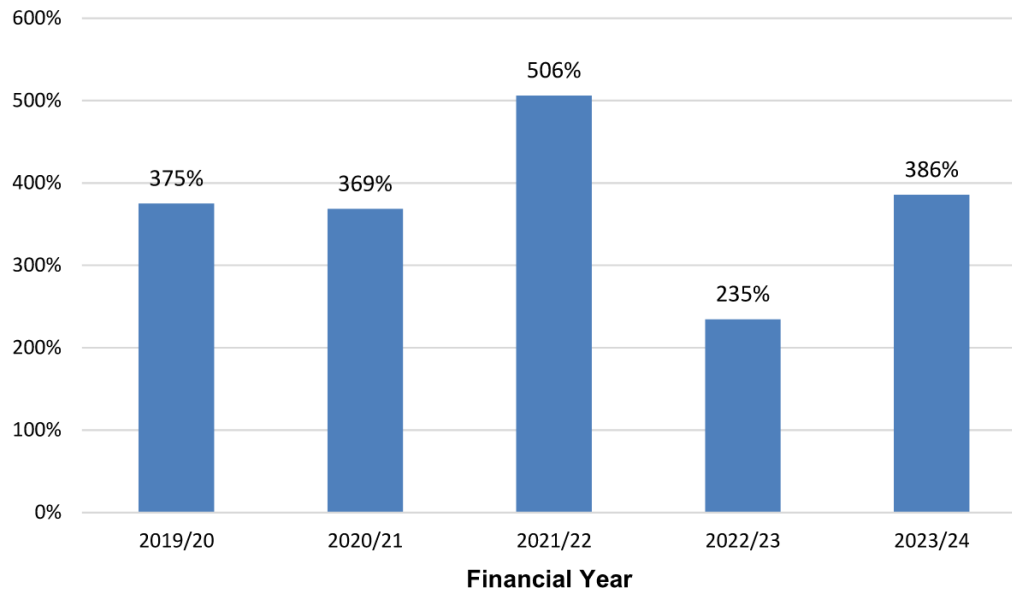


Note - Change in Fair Value of Assets - includes increased equity in Taswater (\$759K), and increased value following revaluation of Land Under Roads (\$3.208M) and Bridges (\$2.76M)

TOTAL RATES LEVIED - TREND



LIQUIDITY RATIO



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

2023-24 Achievements

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

- 34 kilometres – Urban Sealed
- 183 kilometres – Rural Sealed
- 597 kilometres – Rural Unsealed

Road projects, totaling \$3.176 million were capitalised at the end of the 2023-24 financial year. These included:

- \$841k on re-sheeting unsealed roads;
- \$250k on drainage on our rural roads;
- \$1.173m on reconstruction and resealing roads – sections of Climie, Lee and Union Streets in Campania, Arthur Street Colebrook, Church Lane, Dysart Drive and Ely Street Dysart, Pelham Road Elderslie, Blackbrush Road Mangalore, Barrack Street and High Streets Oatlands, Inglewood Road, York Plains Road and Woodsdale Road;
- \$252k on new seal – Yarlington Road Colebrook and Tin Pot Marsh Road Stonehenge;
- \$660k 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 has received a total of \$3,327,655 Roads to Recovery Funding, of which \$665,531 was received in 2023-24.

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 towards the reconstruction and sealing of 12km of Interlaken Road. The tender submitted by Andrew Walters Construction won the contract, with a value of \$4,949,977.80 following negotiations. The construction phase of this project commenced in January 2024 and the project is now well underway, with completion anticipated in December 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 2024 was \$60.062 million (total replacement value of \$131.27 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 \$891,426.28 (Exc. GST).

Major works included in this contract were Blackbrush Road, Yarlinton Road, Pelham road, York Plains Road and Woodsdale Road.

Road Reseal Tenders

Awarded to Roadways for an amount of \$163,824.55 (Exc. GST).

Resealing works included in this contract were Lee and Union Streets in Campania, Dysart Drive and Ely Streets in Dysart, Barrack, High Streets and Esplanade in Oatlands, and Inglewood Road.



Specific Purpose Grants



In 2022-23 Council were also successful with two Tasmanian Government grant applications under the Safer Rural Roads Program, funding Guard Rail and Line Marking in Green Valley Road, Bagdad, and Guard Rail on Woodsdale Road. Both of these projects were completed in 2023-24.

The Southern Midlands Council were successful with a grant application for Australian Government funding of \$5.346m under the Remote Roads Upgrade Pilot Program towards the reconstruction and sealing of 12km of Interlaken Road. Council accepted the tender submitted by Andrew Walters Construction for a value of \$4,949,977.80. The construction phase of this project commenced in January 2024 and the project is now well underway, with completion anticipated in December 2024. Council's contribution to this project is \$400,000.



Bridges

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

2023-24 Achievements

There are 171 bridges and major culverts within the municipal area, with a total deck area of 8,383m². \$23,285 (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.

The written down value of Council's bridges as at 30 June 2024 was \$22.83 million (total replacement value of \$36.093m).

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.



Before



New 2.5m wide Footbridge under construction

Shareway Footbridge Replacement at Bagdad

Walkways, Cycleways & Trails

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

2023-24 Achievements

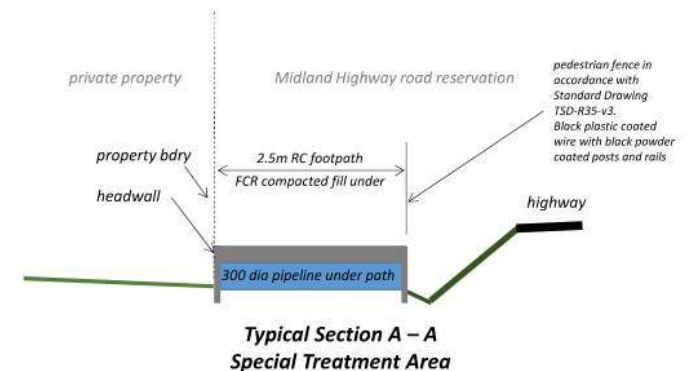
\$237,421 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area. Walkway renewal / replacements projects, totalling \$475k were capitalised at the end of the 2023-24 financial year.

The Southern Midlands Community Infrastructure Plan (March 2024) details a greater emphasis on shareways and walkways in an effort to create linkages between nodes in Southern Midlands and it scoped out to 2042 with a range of recommendations.



Council Officers were asked to contribute to the State Governments draft *Tasmanian Walk, Wheel, Ride Guidance* documentation. Often the 'rural' perspective is sometimes lost in the development of these type of guidelines, as opposed to an urban environment.

The Bagdad Shareway (2.5m wide concrete pathway) running parallel to the Midland Highway from Hall Lane to Chauncy Vale Road and ultimately to Iden Road has seen a large number of community members using this pathway as part of their health and wellbeing regime. The need to upgrade this 1.5m wide gravel pathway has been seen as crucial in supporting community activities. This project will be completed by the end of December 2024 and has been a joint venture by Council and the Department of State Growth. Over a number of years the pathway between Gangells Lane and Hall Lane has been closed following major flooding events and the proposal is to provide an elevated section of shareway that will be flood free into the future, through what we are calling a Special Treatment Area.



Lighting

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

2023-24 Achievements

An amount of \$96,965 was paid to Aurora Energy in 2023-24 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.

Electricity for Public Lighting

LGAT Procurement helps Tasmanian councils undertake best practice procurement and deliver value for money for their communities by leveraging the combined purchasing power of councils around the country whilst buying locally.

[About LGAT Procurement.](#)



Electricity for Public Lighting

Contract expiry: 30 June 2024

Active: No (refreshed at end of term)

Extensions available: No

Supplier: Aurora Energy

Procurement method: LGAT provides project management services to support the shared procurement of electricity for public lighting. LGAT will contact councils prior to the expiry of the contract to gauge interest in future combined tenders for electricity.

Buildings

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

2023-24 Achievements

Kempton Town War Memorial Clock

The Kempton Town War Memorial clock (c1920) was converted in February 2024 to have a fully automated mechanism to control the clock hands. The system includes programming for making adjustments for day light saving time changes as required - twice a year. Before the change, an appraisal of the clock mechanism was undertaken by Ingrams Time Systems. The report (September 2023) concluded that the already heavily modified time movement system in the clock tower was of not of any great historical significance. Even though the change has occurred, all the old mechanism pieces remain in the clock tower. The new system has vastly improved the reliability of the clock after many years of the clock being unable to maintain the correct time.



Callington Park – Single Unisex Toilet

In June 2024, the final approval was obtained to enable the construction of a single unisex toilet. It had taken just over two years to get the approvals through the numerous agencies and that were involved in various sections of the proposed works. Detailed plans and engineering designs were required to ensure the overall system would work given the flat foreshore section. The new sewer line goes from inside Callington Park boundary, across the road onto Crown Land (managed by Parks & Wildlife) and terminates at a pump station managed by TasWater, located on the foreshore of Lake Dulverton. On site works are scheduled to commence in August 2024.

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

INCREASE THE CAPACITY OF ACCESS TO RETICULATED ENERGY SERVICES

2023-24 Achievements

At 30 June 2024, Council held a 0.67% 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 \$758,550 to \$12.673 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 since 2021-22 in addition to our \$152k per annum.

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

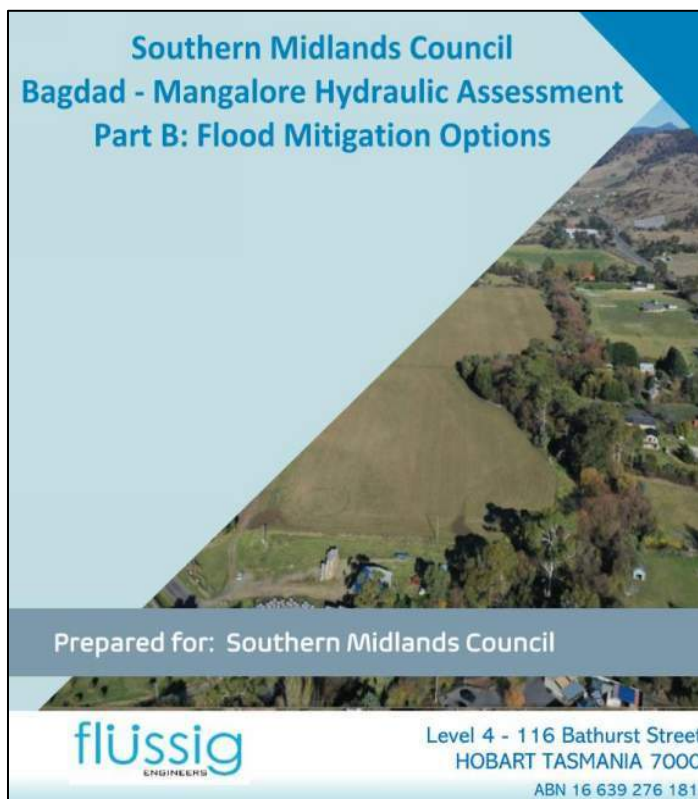
MAINTENANCE AND IMPROVEMENT OF THE TOWN STORM-WATER DRAINAGE SYSTEMS

2023-24 Achievements

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. The 'Bagdad – Mangalore Hydraulic Assessment Study', undertaken by Flussig Engineers, was completed in February 2024. It provides Council with a number of recommendations and highlights some priority issues that need to be addressed. These works will form part of an ongoing forward Capital Works Program. 1% AEP means that there is a 1% chance of a one in 100 year flood impacting on the area. CC @2100 refers to Climate Change in the year 2100, so this is certainly a worst case scenario that we are planning on mitigating.



Figure 8. 1% AEP Pre-Mitigation Option Area 23-003



In 2023-24 Council capitalised projects totalling \$176,795, including upgrades to stormwater infrastructure in Erskine Street Kempton and Glenelg Street Oatlands.

The total replacement value of our drainage assets is assessed at \$6.01 million, with a current written down value of \$4.26 million.

Waste

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

2022-23 Achievements

Southern Tasmanian Regional Waste Authority – Council is a member of the Southern Tasmanian Regional Waste Authority, being an authority with participation by all twelve southern Councils. The Authority is 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.



KAB Target Areas

WASTE PREVENTION AND REDUCTION - A project that focuses on minimising what goes into landfill and assists in creating a circular economy.

LITTER - A project that takes action to address local litter issues.

In November 2023 Oatlands Hosted the Tasmanian Keep Australian Beautiful Awards, as it was the previous State Award Winner

Information, Communication and Technology

IMPROVE ACCESS TO MODERN COMMUNICATIONS INFRASTRUCTURE

2023-24 Achievements

In October 2023, Council met with representatives from Telstra as part of preparing a Digital Connectivity Plan for the municipal area. The workshop type discussion focused on areas such as:

- Digital literacy
- Connectivity (e.g. mobile coverage) and investment
- 3g Network closure and its impact
- Solutions
- Telstra Emergency Services
- Telstra Cyber Security

As an outcome of these discussions, a number of actions were identified and allocated to relevant personnel. Council also agreed to provide a co-contribution for a project proposal to be submitted by Telstra for an upgrade of mobile service infrastructure at Colebrook under the Australian Government's *Regional Connectivity Program*.



GROWTH

The need to increase the population in the municipality to a long term sustainable level and to grow the level of agricultural/horticulture, timber, 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

2023-24 Achievements

Council continues to work to ensure a sufficient supply of residential land in the Southern Midlands for the next 15-25 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 modest level of residential growth this year, with the southern areas continuing to have the highest residential approvals. 66 new dwellings were approved in the 2023/2024 year, which represents a marked increase on the number approved in 2022/2023. Overall development approvals however were down for the year.

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 Bagdad, Campania and Oatlands 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 37 days (from 42 days) and the average time for a Permitted Development Application is 14 days (from 28 days).

Development approval times have remained comparable with the preceding years 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, a planning appeal and a number of other renewable energy projects (wind & solar farm) also forecast.

In August 2023, Council approved an application to rezone the land at 1844 Midland Highway, Bagdad (3.822 hectares) from the Future Urban Zone to the Village Zone under the Local Provisions Schedule of the *Tasmanian Planning Scheme – Southern Midlands* ("the Planning Scheme"). Currently, under the Future Urban Zone, the land cannot be subdivided and developed at a residential density nor can the land be used for the purposes outlined in the Village Zone. The proposed village zone will

increase the economic activity and further development of the Bagdad Township through significant construction, increased population and greater use and activation of the public open space network. Following a public notification period, the Scheme amendment was approved by the Tasmanian Planning Commission in June 2024.



Infill consolidation on South Parade at the rear of the new Oatlands Aquatic Centre

Tourism

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

2023-24 Achievements

Southern Midlands is a substantial partner along with the Northern Midlands Council, in the Heritage Highway Tourism Region Association. This is the organisation that undertakes regional marketing for the two local government areas that share the Heritage Highway region.

OATLANDS
Year ending June 2024
Visitor Numbers – 112,788
Nights Spent – 28,592



Destination Southern Tasmania (DST) is a not-for-profit organisation funded by 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. They work with local businesses, councils and other stakeholders to promote the destination's diversity to domestic and international visitors, the tourism trade and the media.

Business

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

2023-24 Achievements

Tasmanian distillery recognised at 2024 Icons of Whisky Awards

Tasmanian distillery Callington Mill Distillery have been honoured with the prestigious Best Visitor Attraction of the Year award at the 2024 Icons of Whisky Awards.

This accolade came from the distillery's visitor experience which highlighted the Callington Mill team's commitment to sharing the art and craft of whisky making with a global audience.

"The international award is a testament to their efforts in creating a destination that offers more than just a taste of fine whisky; it's an immersive journey into the heart of whisky craftsmanship," Callington Mill Distillery said in a media release.

"It's a recognition of our work in blending rich heritage with cutting-edge innovation, providing a captivating and educational experience for every visitor.

"The accolade not only celebrates the unique visitor experience we provide but also affirms the global appeal of our approach to whisky tourism."

The award also recognised the important role Callington Mill Distillery plays in the international whisky community, where its commitment to quality, education, and innovation positions it as one of the world's leaders.

In light of the prestigious recognition, the Callington Mill Distillery has extended a warm invitation to whisky enthusiasts and travellers from around the world to discover why we have been named the Best Visitor Attraction of the Year.



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

2023-24 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



Campania circa 1900. Tasmanian Archive and Heritage Office

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

2023-24 Achievements

- Ensuring that Council upholds its responsibilities as a Planning Authority under the Land Use Planning and Approvals Act by providing statutory heritage assessments in the development process. This has particularly included revised process to align with the changeover to the Tasmanian Planning Scheme Southern Midlands.
- 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.
- Continued promotion of a full program of artists through the AiRSpace program at 79 High Street Oatlands, which results in community engagement and building of Council's art collection. A 'retrospective' exhibition was held in April.
- Planning for a 'Performing Residencies in Southern Midlands' (PRISM) project in Roche Hall. Preparatory works to the building to commence in 2025.
- Acquisition of 9 Barrack Street (former police house) to provide for improved setting/curtilage to the Oatlands Gaoler's Residence, as well as implementing a works program to that building and leasing to a community organisation.
- Increased promotion and usage of Oatlands heritage buildings for private events through a 'for hire' system.
- Upgrades to the Gay Street Hall consistent with its heritage values.
- Preparation for demolition of the old Oatlands Pool ahead of reactivation of the goal yard for public purposes.
- Ongoing management of Council's heritage and archaeology collections including: an expanded 'temporary' collection store and ongoing planning for a new purpose-built store, completion of the upgraded collections catalogue system and preparation for online go-live, continuing location audit, provenance and condition checks, continuing collection, conservation and curation of historic surface finishes.
- 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.



Jan Liesfield, printmaker –
Artist in Residence October 2023

- Supervision of an active volunteer program.
- 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, Heritage Tasmania Built Heritage Sector Local Government Working Group, Heritage Highway Regional Tourism Association etc.) to promote the heritage of the region in a range of initiatives.
- Providing assistance with a community desire to rename Brodribbs Road at Campania.
- Upgrade of Kempton heritage signage.
- Development of a 'Colonial True Crime' YouTube series.
- Support of and participation in a Grand Designs Transformations episode at Oatlands.
- Various staff up-skilling opportunities undertaken where opportunities arose.



Gothic wallpaper –
former hotel at Broadmarsh



Panorama of Oatlands from Burburys Hill, c1911. Tasmanian Archive and Heritage Office

Natural

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

2023-24 Achievements

The Natural Resources Management (NRM) business 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 1500 trees, paid by Committee held funds. The plants were made available to landholders who had expressed interest in undertaking some native tree establishment works. Ratepayers also sought advice on weed matters, with 68 site visits recorded in 12 months to June 2024.

NRM staff have participated in forums relating to the Australian Government's plan to produce Regional Drought Resilience Plans for 66 regions across Australia. There will be three plans produced for Tasmania – north west, north and south. Southern Midlands Council has one staff member from the Council's NRM unit officially on the Regional Drought Resilience Plan Project Advisory Group. Matters relating to better community resilience under drought conditions is a key area of focus. Resilient Landscapes is one of four themes of the Plan being developed. The final Plan should be completed by March 2025.

Weeds

Working in conjunction with Council's weeds spraying contractor, the priorities for treatment are gorse, broom, and some thistle species on Council roadsides and Council managed / owned properties. There continues to be small infestations of Spanish Heath and Chilean Needle grass on roadsides, which are also being actively managed. The two highest priorities for private land areas are Stemless thistle and Serrated tussock. Council has managed to receive Weeds Action Fund grants to assist the relevant landowners to manage the isolated Stemless thistle and Serrated tussock infestations.

Council staff continue to monitor boneseed infestations and remove any boneseed found. There are only two areas where isolated boneseed plants have been found, and the numbers being found each year have been diminishing. Council is aware of only three sites of pampas grass on private land, and the owners at each site have been actively working to eradicate the plants. It appears that two of the three sites have successfully eradicated the plants.

Council's part time Weeds Officer continues to be busy with many ratepayers seeking information and advice on identification and control of weed species. A Quik Spray dual reel spray unit was purchased. This has enabled the Weeds Officer, working with other NRM Unit staff, to target and control isolated weeds in areas under Council control. Roadside woody weed surveys were completed in March

2023 and recorded weed location data on 1014 Kilometres of Council roads. The data continues to be used by the weed spray contractor to locate infestations and is updated when the contractor has done control works.

Information about weeds is regularly sent to the monthly Southern Regional News publication and the Ratepayer Newsletter. The information helps raise awareness of weed issues and informs ratepayers how to control the plants in timely and efficient way. A real life sample of a weed species continues to be displayed at the Oatlands Council office each week. This 'weed of the week' commenced in October 2022. In the 2023 – 2024 year 40 weed species were displayed together with information on how to deal with the actual weed being displayed.

Lake Dulverton

The *Lake Dulverton Management Plan 1980*, combined with 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. Control works have been undertaken over many years and there was a declining number of plants being found each year. In 2023-2024, unfortunately there was an unexpected rise in the number of plants found. An intensive search was conducted of the perimeter of the Lake and Mary's Island. Removal of the plant heads and control works were undertaken. It is concerning that the number of cumbungi infestations continues to increase throughout the municipality, making Lake Dulverton increasingly vulnerable to this plant becoming established.

Work on the Dulverton Walking Track (Lake Dulverton Esplanade to Parattah township) continues to occur with minor improvements and maintenance continuing, particularly in relation to weeds and the native vegetation that has been planted along the route. In early 2024, Rail Trails Australia sought to list the track on the 'Rail Trails' web site, given that the track follows the old Parattah to Oatlands rail line spur. Photos and information was provided to Rail Trails Australia and the track is now one of 187 rail trails listed on their web site.



The Midlands Water Scheme (MWS) winter water take over 1 March – 30 September 2023 saw Council place 158.41 ML of water into the Lake. Council has an allocation of 215ML. The water level is monitored weekly in the 51 Hectare area of the Lake (incorporates the Recreation and Conservation Zones). There is a water level marker in place, which gives an average depth reading in these zones of the Lake. When the reading is at 1.7M, it means that water will be starting to flow over a section of the large bund wall into the back part of the Lake. In 2023 the MWS water outlet was turned off approximately 8

weeks prior to the end of the winter water take period as the 1.7M depth had been reached. There is not a Midlands Water Scheme water right for Lake Dulverton through the summer take period.



Chauncy Vale Reserve Management

Chauncy Vale is a significant natural and cultural asset that Council manages through a Management Committee comprising the local community, Chauncy family, and lead reserve management organisations. Chauncy Vale receives approximately 5000 visitors per year and Council resources are allocated to visitor services, management of natural and cultural values, and control of threats such as weeds.

In 2023/24 a project proving popular with young people, the Wombat Woodland Walk, was completed.

The Chauncy Vale Management Committee have secured funds to upgrade the toilet facilities at the Reserve, a project that will be implemented over the next year.

Web site: www.chauncyvale.com



Photo: Rope Bridge on the Wombat Woodland Walk

Cultural

ENSURE THAT THE CULTURAL DIVERSITY OF THE SOUTHERN MIDLANDS IS MAXIMISED

2023-24 Achievements

Heritage & Bullock Festival

The Heritage & Bullock Festival held in Oatlands on the 12th & 13th August, 2023. The Festival attracted approximately 6,000 people during the two day event and celebrates our shared heritage and Brian Fish and his bullocks and the important role they played in agriculture before the widespread use of modern machinery. A highlight of this year's event was also the History & Heritage Guest Speaker Series, Street Parade, and Collector's Roadshow.



Regulatory

A REGULATORY ENVIRONMENT THAT IS SUPPORTIVE OF AND ENABLES APPROPRIATE DEVELOPMENT

2023-24 Achievements

Development & Environmental Services

The Development and Environmental Services incorporates the key regulatory functions of Planning services, Building and Plumbing, Environmental Health, Animal Control and Compliance.

PLANNING SERVICES

All individuals, communities and developers who undertake a development or project within the Southern Midlands Municipality will need to comply with the Tasmanian Planning Scheme and associated policies and procedures. The Planning unit was staffed by a Senior Planner, a Planning Officer and an Administration Officer. The unit's role is to manage the assessment process for Planning Applications across the municipal area in line with the Planning Scheme. This unit has an extensive interface with the community in order to provide information, and where possible guidance to potential developers within our area.

Development and investment in Southern Midlands is continuing to grow, with Council approving 106 planning applications in the 2023/2024 financial year, worth more than \$42 million. This figure signals slowing but continued growth and confidence in the region and its economy.

10 applications were also received for subdivisions, illustrating a considerable decrease 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 and that market conditions are impacting also.

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).

Further to the above, the TPC approved the rezoning of land at 1844 Midland Highway, Bagdad from Future Urban to Village that will facilitate an additional 26 residential allotments.

Some key work undertaken during the 2023/2024 year included:

Planning Reform - Regional Strategic Planning

Since 2022/2023, Council has been involved in a regional strategic planning project called the *Outer Hobart Councils – Residential Demand & Supply Study (RDSS)* which provides a comprehensive regional assessment of residential supply and demand that will help to inform both regional and local settlement planning.

The residential demand and supply studies alone are not intended to inform the settlement strategies, growth policies or other outcomes that will arise as a result of the comprehensive review of the Southern Tasmanian Regional Land Use Strategy (STRLUS).

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 given the unaffordability elsewhere 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.

The final report by *RemPlan* was released in May 2024.

Southern Tasmanian Regional Land Use Strategy (STRLUS)

As detailed above, Council is involved with the Tasmanian Governments settlement strategy. This comprehensive review includes long-term planning directions for the Southern Tasmania region, influencing land use and development and providing a critical link between State and local strategic planning within the region. It will assist with the management of residential growth and where necessary support future growth objectives.

Southern Tasmania encompasses the twelve local government areas of: Brigh Valley, Glamorgan Spring-Bay, Glenorchy, Hobart, Huon Valley, Kingborough, Sc



The legislative requirements for Local Government emanate from State Parliament

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.

To date the review has resulted in a *State of Play* document that summarises available data and information on a range of issues to understand the key issues and influences in the Region and the causes of growth and change. It addresses what we know from past experience, what is currently happening, and (for some issues) projections of what may occur over the next 25-30 years.

This document forms a substantial input into the current review. This key document was noted at the council meeting on Wednesday 24 July 2024.

This project is underway and expected to conclude in late 2025.

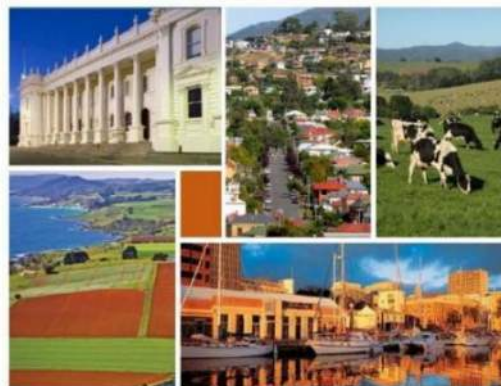
Preparation of Tasmanian Planning Policies (TPP)

The Tasmanian Government is seeking to establish Tasmanian Planning Policies (TPPs) as a comprehensive, high-level policy framework for the planning system.

The TPPs will shape the future for Tasmania through informing strategic land use planning and the planning rules in the Tasmanian Planning Scheme.

The TPPs will also guide the comprehensive review of the three regional land use strategies (including STRLUS) in line with the recommendations from the Premier's Economic and Social Recovery Advisory Council (PESRAC) Report released in March 2021.

Tasmanian Planning Scheme



State Planning Provisions

The State Planning Office (SPO) has prepared the draft TPPs, which included extensive consultation with the Tasmanian community and key stakeholders. The public exhibition of the draft TPPs was from 28 March to 26 June 2023. Hearings were held in Burnie, Launceston and Hobart between 16 October 2023 and 24 January 2024.

After completion of the hearings, and consideration of all the matters raised in the representations, the Tasmanian Planning Commission provided a report to the Minister. The report:

-
- summarises the issues raised in representations
 - provides an assessment against the TPP criteria
 - provides a statement as to whether there are any matters of a technical nature that might be relevant to the application of the TPPs.

If the Minister decides to make the policies, a notice is published in Tasmanian newspapers, stating they have been made and when they will become effective.

Rezoning of Future Urban Zone.

The draft amendment proposes to rezone land at 1844 Midland Highway, Bagdad from Future Urban to Village. The site includes two separate titles, folios of the Register 184820/1 and 184820/2.

The draft amendment was certified by the Council on 26 July 2023 and was put on public notification until 11 September 2023.

Three representations were received:

- no objection or formal comment from TasWater,
- no further comment from the Department of State Growth, and
- the adjoining owners at 1842 Midland Highway supporting the draft amendment.

Tasmanian Planning Commission held a hearing on 15 March 2024. Council and the applicant (MC Planners) attended.

The decision of the Tasmanian Planning Commission was received on 4 June 2024, approving the draft amendment with the modification to remove the priority vegetation overlay from part of the 1844 Midland Highway, Bagdad (folio of the Register 184820/2).

Regulatory – Plumbing & Building

Council operates as a Building Permit Authority with all applicants providing self-certification of building plans. The role of this unit is primarily a regulatory one, to ensure compliance with legislative requirements in relation to building applications and enforcement. The primary aim is to undertake this role in a cost effective manner, while ensuring the appropriate standards of service are maintained. This division was staffed by Executive Officer (Building Permit Authority, and a Plumbing Inspector (Plumbing Permit Authority). A total of 62 building applications were received and approved for the financial year. This represents a significant drop (62%) from 101 the preceding year

Building, Plumbing and Development Applications

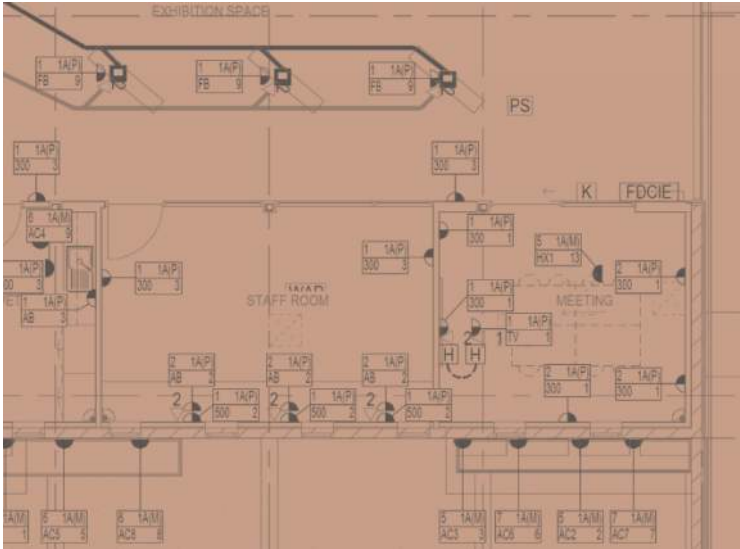
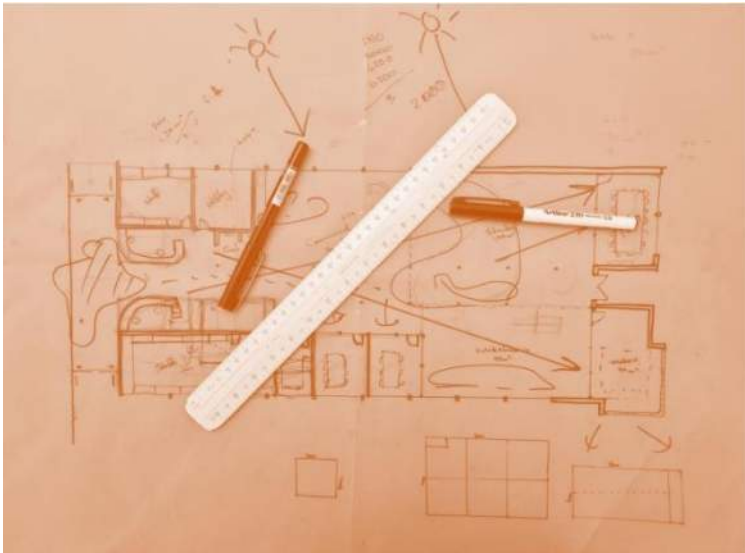
The following table provides an overview of the number and type of Building, Plumbing and Development Applications (including Subdivision Applications and any certificates or amendments to sealed plans under the *Local Government Building and Miscellaneous Provisions Act 1993*).

The table provides data from the 2023/2024 year measured against the previous four (4) financial years to provide a succinct five (5) year comparison.

Application Type	2023/2024	2022/2023	2021/2022	2019/2020	2019/2020
Building Applications <i>This is inclusive of all applications for permits, Certificates or notifiable works under the Building Act 2016</i>	62	101	116	117	109
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>	84	75	68	75	66
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>	116* *includes 10 Development Applications for Subdivision	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

A total of \$42.53 million worth of development was approved in the Southern Midlands during the 2023/2024 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. Council continues to remain at the forefront of modern day best practice in the processing of building, plumbing and planning applications through the electronic submission and assessment of applications for permits. Council Officers have a strong focus on customer service and value the relationship with Applicants.



Regulatory – Public Health

Public Health Statement

Section 72(1) (ab) of the *Local Government Act 1993* requires Council to prepare a statement that describes the extent to which Council has carried out its functions under the *Public Health Act 1997* and the *Food Act 2003* during the financial year.

The statement must also outline the resources allocated to public health by Council and the extent to which its goals, objectives, policies and programs in relation to public health meet the needs of people within our municipal area.

Council's Public and Environmental Health program is managed by the Environmental Health team within the Development and Environmental Services. The program includes actions to support the Public Health Goals and Objectives in the 2023/2024 Annual Plan.

In 2023/2024 the Environmental Health Services were managed on a weekly basis by the Glenorchy City Council Environmental Health team which is composed of the positions of: Coordinator Environmental Health Services, Senior Environmental Health Officer, three full-time Environmental Health Officers, one part-time Environmental Health Officer, one Environmental Health Technical Officer, and four casual Authorised Nurse Immunisers. Council's public and school-based immunisation programs are also overseen by the Environmental Health team.

Environmental Health Services' expenditure for the 2023/2024 financial year was \$62000. The section also generated \$12000 in income, with majority of this income being generated from licencing requirements.

The Environmental Health Section administers the following key pieces of legislation (and their associated regulations):

1. *Public Health Act 1997*
2. *Food Act 2003*
3. *Local Government Act 1993*
4. *Litter Act 2007*
5. *Environmental Management and Pollution Control Act 1994*

The key regulatory areas under these Acts include:

- Food safety
- Notifiable diseases (food borne illnesses)
- Immunisations
- Places of Assembly
- Public Health Risk Activities
- Unhealthy Premises
- Public health and environmental nuisances
- Disease prevention and control
- Public health education and promotion
- Water quality monitoring
- On site wastewater management; and
- Pollution events.

Throughout the year, the Environmental Health Officers undertook a number of food business inspections and assessments for new food businesses. Officers also undertook assessments for onsite wastewater management

Introduction of a New Food Safety Standard

Food Safety Standard – 3.2.2A Food Safety Management Tools commenced in Australia on the 8 December 2023. Council, in collaboration with the Department of Health, ran a program to educate affected businesses on the changes. The Standard introduced new requirements for food service, catering, and retail businesses that handle unpackaged, ready-to-eat, potentially hazardous foods. Businesses in these sectors must implement either two or three new food safety management tools depending on the risk posed by their food handling activities.

Affected businesses were notified by mail, and the changes were also discussed in person during routine food business inspections. The tools ensure all food handlers undergo appropriate food handler training, the employment of at least one certified food safety supervisor and the substantiation of key safe food handling practices (record keeping).

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.

Woodsdale Cemetery – Whilst Council has entered into an Agreement with the Crown to transfer ownership of the Woodsdale Cemetery to Council, it is conditional upon a number of matters being addressed. Primarily these matters relate to the Minister needing to comply with the requirements of the *Burial and Cremation Act 2019* in regards to the sale of a cemetery. Following this, Council must apply and been appointed as the Cemetery Manager. It is expected that the transfer will be finalised in the latter part of the 2024 calendar year.

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 2023/2024 financial year, the section was staffed with the Animal Management/Compliance Officer. Some key outcomes during the year were the following:

- 1774 Dogs registered
- 60 Kennel Licenses
- 8 Fire Abatements
- 18 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 2023-24 financial year, 1774 dogs were registered and 60 Kennel Licenses issued.

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

Council has experienced some difficulties with the provisions of the *Dog Control Act 2000* and this is something it will escalate with the Local Government Association Tasmania (LGAT)

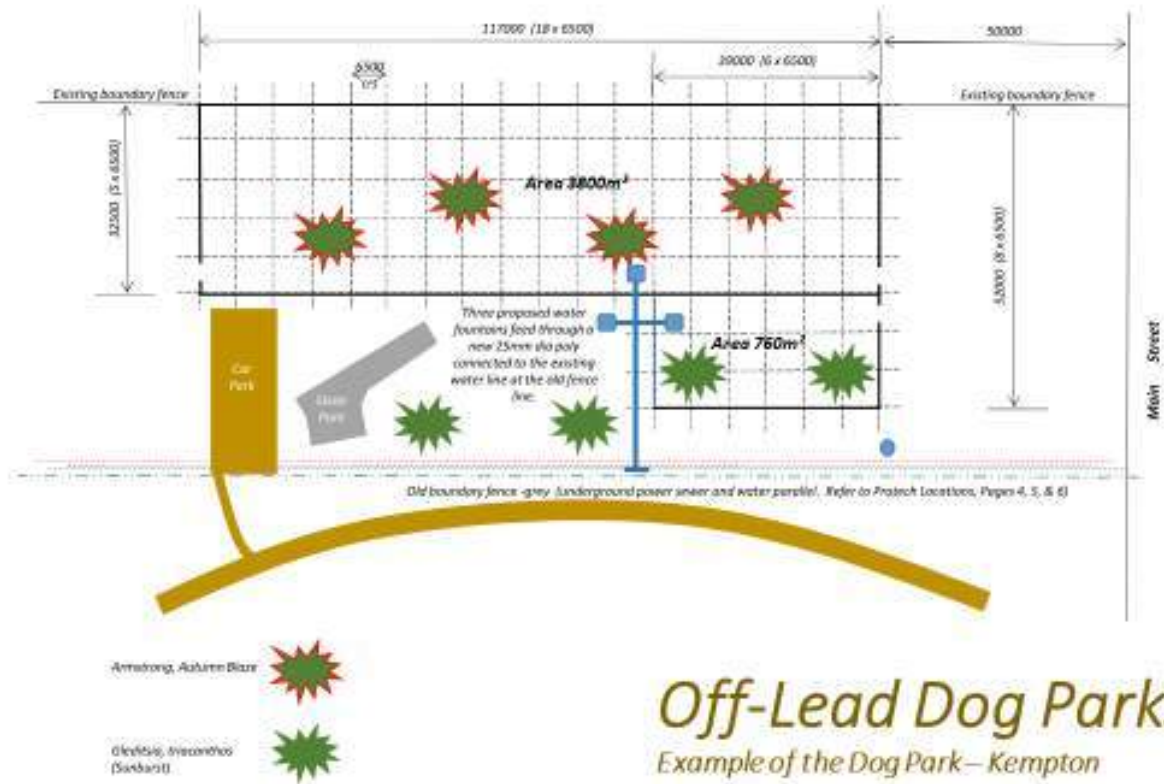
Dog “Off Lead” Areas

Council is currently investigating the establishment of an “off Lead” area in the Oatlands village.

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

Council developed a similar park in Kempton and the Oatlands Community Association is making enquiries for the establishment of a suitable yet to be identified site. Whilst a number of sites have been mooted, Council is consulting with a

number of stakeholders including the Dept. Natural Resources & Environment (Parks & Wildlife Service) over an appropriate site within proximity of the town centre.



Off-Lead Dog Parks

Example of the Dog Park – Kempton



Environmental Sustainability

IMPLEMENT STRATEGIES TO ADDRESS THE ISSUES OF ENVIRONMENTAL SUSTAINABILITY IN RELATION TO ITS IMPACT ON COUNCILS CORPORATE FUNCTIONS AND ON THE COMMUNITY.

Updated Climate Change Adaption Plan

The Southern Midlands Council Climate Change Adaptation Plan was reviewed and updated in 2023. Climate change adaptation is defined as *action taken to prepare for actual or expected changes in the climate in order to minimise harm and to cope with consequences*. Climate change is affecting council's service delivery and the infrastructure that the community depends upon by exacerbating the threats that existing extreme weather events pose.

Key climate change vulnerabilities identified in the Plan include: detrimental impact on stormwater assets and road surfaces due to heavier rainfall events; increasing call on council resources for response and recovery during floods and fires; increasing likelihood of unprecedented flooding having implications for planning decision making if developments are approved in vulnerable locations; natural resource management challenges due to changing conditions favouring invasive weeds and impacting local biodiversity; and inadequacy of some roads in areas vulnerable to bushfire, in terms of access, evacuation and ability to pass.

For all the risks defined in the Plan adaptation actions were proposed. A major initiative was to commission a flood modelling project (incorporating projected rainfall data under climate change) for Bagdad and Mangalore. As heavy rainfall events are now intensifying the flood model will help to accurately define where there are vulnerabilities to existing infrastructure and property, and assist in guiding future development decisions.

https://www.southernmidlands.tas.gov.au/assets/Climate_Change_Adaption_Plan_2023.pdf

COMMUNITY

The need to increase the opportunities for improved health and well-being, including retaining then building on the strong sense of Community and resilience that exists in the Southern Midlands



Southern Midlands Community Infrastructure Plan



MARCH 2024

Community Health & Wellbeing

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

2023-24 Achievements

Council approved a three-year rental agreement for Hobart City Mission to occupy the property at 9 Barrack Street, Oatlands (former Police House). The property is provided at a reduced rental to acknowledge that Hobart City Mission provide and support a range of programs that benefit the community.

Accommodation Units – Church Street, Oatlands – Council commenced the construction of two Accommodation Units that will accommodate Locum General Practitioners; visiting Specialists and Medical Staff. The total cost of the project is estimated at \$500,000. The Tasmanian Government granted \$200,000, conditional upon the Units being made available for use by Department of Health and Tasmanian Health Service staff when not in use by locum GP's. The Midlands Multi-Purpose Health Centre Community Advisory Committee donated \$100,000 from its Community Donations Account and the MMPHC Auxilliary contributed \$100,000. The Southern Midlands Council funded the balance of \$100,000 plus the value of the land. The Units will be Council owned and the MMPHC will take responsibility for the operational arrangements through a Heads of Agreement and Licence.

Festivals and Events are the life blood of rural communities, such

Kempton Festival 2024

The annual Kempton Festival is organised each year by the Kempton Festival Committee, a committee under the Green Ponds Progress Association. Over the last few years, the Festival has grown to be a popular event in the area. The Sheep Racing is a unique event and a lot of fun - you can even place a bet on your sheep! The day offers a lot of fun entertainment, activities and displays for the whole family. The Kempton Festival is proudly sponsored by the Council.



Heritage & Bullock Festival

The annual Heritage & Bullock Festival has been in existence since 2018 and it continues to draw large crowds, in the order of 5,000 to 6,000 people, over the two day weekend in August. The heritage offerings are wide and varied, from boat building, rope making, leather work, weaving, theatrical performances as well as having all of the Council buildings opened for Community access. Of course the street parade on each day led by Scottish pipe band and also including Brian Fish and his wonderful Bullocks, is a heart thumping piece of theatre and fun for all, both participants



Recreation

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

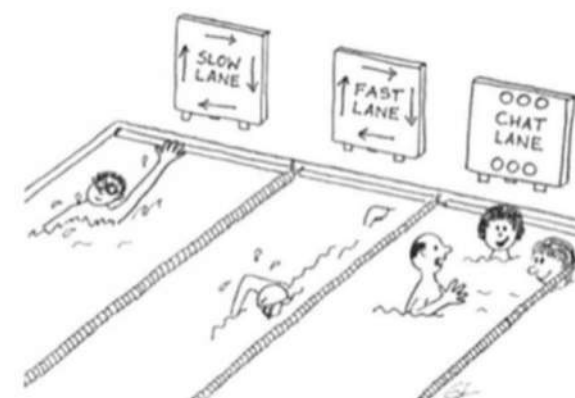
2023-24 Achievements

Levendale Community Centre (formerly Levendale Primary School) – Area for Community Purposes - As part of transferring ownership of the Levendale Community Centre back to the State Government, Council did negotiate an agreement to retain an area that incorporates the netball/basketball court and the adjoining playground. This area will be subdivided off and purchase by Council for community recreational use. The subdivision and acquisition will be finalised in 2024-25.

Oatlands Aquatic Centre (OAC) – after 8 months of operation Council did undertake an initial review of the Centre's operations in July 2023. As an outcome of this review, the opening hours were altered to reflect demand and usage patterns. Whilst the opening hours for weekdays were not changed (i.e. 7.00 a.m. to 4.00 p.m.), the Centre will now be opened on weekends from 10.00 a.m. to 4.00 p.m. for the period of May through to October, and 10.00 a.m. to 5.00 p.m. between November to April.

The Centre has now completed a full year of operations with the Centre providing a service to the following:

- Casual Entry: 12,000+ visitors
- Learn to Swim Programs: 500+ students across School Term & Holiday Programs
- School Kinder to Grade 6 Learn to Swim Programs:
 - Bothwell District School
 - Oatlands District School
 - Kempton Primary
 - Bagdad Primary
 - Campania District School
- Group Bookings: 30+ group bookings
- Memberships & Visit Cards: 100 purchased
- Tasmanian Swimming State Team: 80 swimmers
- Masters Swimming Tasmania: 40 swimmers



Facility Improvements

Council & Centre staff have continued to look at ways to improve the Centre and its services with one of the target areas being new Learn to Swim equipment to be purchased regularly. The Southern Midlands Council were successful with a grant application for a local funding program with Commonwealth Bank for the sum of \$500. This money allowed the Centre to purchase 30 new pairs of flippers for visiting students.

Upgrades were also made to the GYM area at the Centre with the largest addition being a new Smith's Weights machine which was purchased and installed to offer a larger range of exercises. Other equipment added were:

- Battle Rope
- Industrial Fan
- Portable Music Speaker
- Free Hand Weights

Growing the Sport - Swimming

The Oatlands Aquatic Centre has been working with Swimming Tasmania to become a training venue for State Representative Teams to come together and prepare each year for National Race Meets against other states, with swimmers attending from all across Tasmania. This ongoing booking at the Centre allows local swimmers who are part of the Midlands Swimming Club and Learn to Swim Program the opportunity to understand and experience the next possibilities in swimming such as taking on competitive swimming or even another Aquatic Industry sport.

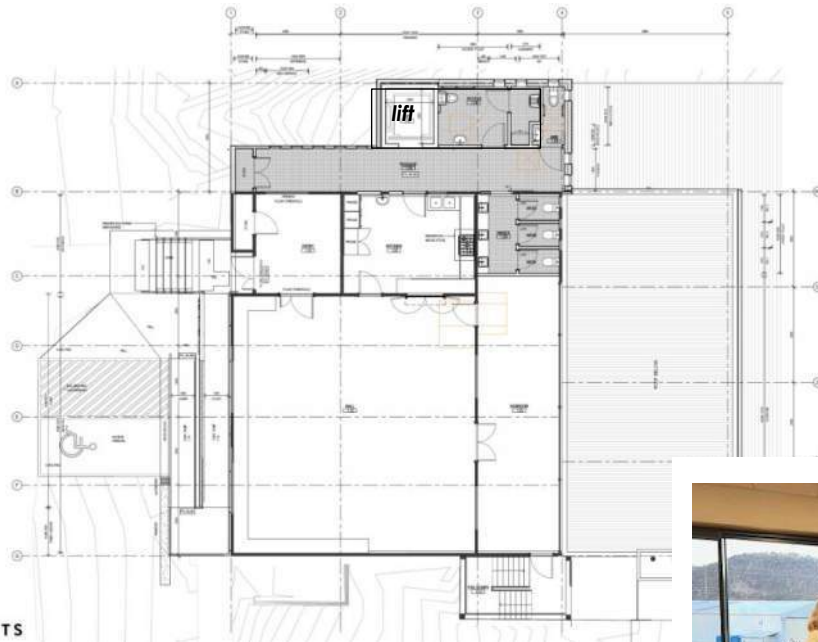


Access

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

2023-24 Achievements

Council partnered with the Broadmarsh Elderslie Progress Association Inc. in the redevelopment of the Broadmarsh Community Hall which was called the 'Haven Project'. The original sketch plans did not include a lift, but being a multi-story structure the Building Surveyor recommended that a lift should be a core part of the redesign to meet the *Disability Discrimination Act 1992*. It was at significant additional cost to the original sketch plans, however for an emergency management Community Recovery building, it was a must have. The Haven Project, was funded under the Australian Government's Black Summer Bushfire Program. The Building was officially opened on the 7th June 2024.



Volunteers

ENCOURAGE COMMUNITY MEMBERS TO VOLUNTEER

2023-24 Achievements

Community Small Grants Program

Once again, Council conducted its annual Community Small Grants program in September 2023. This program commenced in 2007 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 the Southern Midlands Community Small Grants – Round 1 2023/24 were as follows:

Southern Midlands Community Small Grants Program 2023 - Round 1							
Group/Club	Auspiced by	Project	Project Cost	Grant Sought	Will Accept	Recommend to Council	Score
Bagdad Cricket Club	BCC	Club rooms building refurbishment	\$ 3,500.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	
Bagdad Ladies Friendship Group	BCC	Craft Sessions	\$ 3,154.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	
Families Tasmania		Creative expression sessions	\$ 3,550.00	\$ 2,450.00	\$ 1,700.00	\$ 2,450.00	
Oatlands Community Assn		Wicker Planting System Kits	\$ 3,947.00	\$ 2,947.00	\$ 2,017.00	\$ 2,947.00	
ReGeneration	OCA	Furniture for group sessions	\$ 2,543.00	\$ 2,543.00	\$ 2,393.00	\$ 2,543.00	
Tunnack Community Club		Upgrade staff work area	\$ 9,463.00	\$ 3,000.00	\$ 2,500.00	\$ 3,000.00	
Tunnack Volunteer Fire Brigade	SFC	Water tank on site	\$ 2,671.00	\$ 2,671.00	\$ 2,245.00	\$ 2,671.00	
Woodsdale Hall Committee	SMC	Hall maintenance	\$ 3,920.00	\$ 3,000.00	\$ 2,000.00	\$ 3,000.00	
			\$ 32,748.00	\$ 22,611.00	\$ 18,855.00	\$ 22,611.00	
		<i>Budgetted Funding for 2023 Rd 1</i>		\$ 36,000.00	\$ 36,000.00		
		<i>Carry forward to next year</i>		\$ 13,389.00	\$ 17,145.00		

The SMC Community Grants Program 2023 was undersubscribed in September, therefore Council have resolved to undertake a Round Two and make the balance of the budgeted funding available for worthwhile projects through another application round in 2023.

Southern Midlands Community Small Grants Program 2023 - Round 2

Group/Club	Auspiced by	Project	Project Cost	Grant Sought	Will Accept	Recommend to Council	Score
Bagdad OAC	BCC	Furniture	\$ 3,150.00	\$ 3,000.00	\$ 3,000.00	\$ 2,727.27	5
Bagdad VFB	TFC	TV, Table and Chair	\$ 1,810.00	\$ 1,810.00	\$ 1,810.00	\$ -	12
Campania Football Club		Training aids	\$ 2,210.00	\$ 1,720.00	\$ 1,500.00	\$ -	11
Canine Club	TCA	Trailer mounted portable WC	\$ 4,023.50	\$ 3,000.00	\$ 3,000.00	\$ -	8
Kempton VFB	TFC	Two portable grinders and batteries	\$ 981.20	\$ 981.20	\$ 981.20	\$ 892.00	6
Mount Pleasant FC		Function Room Lighting	\$ 3,682.00	\$ 3,000.00	\$ 3,000.00	\$ -	7
Navigate Family Services		Children's Community Mural	\$ 2,584.00	\$ 2,575.00	\$ 2,500.00	\$ 2,575.00	4
Oatlands Bowls Club	OESCC	Seating at the Bowls Club	\$ 3,168.00	\$ 2,880.00	\$ 2,880.00	\$ 2,618.18	1
Oatlands VFB	TFC	IT Training equipment for the District	\$ 7,330.00	\$ 3,000.00	\$ 3,000.00	\$ -	10
Runnymede CC		Shade Structure	\$ 5,653.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	2
St Marys Community Kempton		Painting at and Repairs to St Mary's	\$ 3,960.00	\$ 2,772.00	\$ 2,762.00	\$ 2,520.00	3
Woodsdale FC		Two door Refrigerator	\$ 3,277.00	\$ 2,979.00	\$ 2,879.00	\$ -	9
			\$ 41,828.70	\$ 30,717.20	\$ 30,312.20	\$ 14,332.45	
		<i>Budgetted Funding for 2023 Rd 2</i>		\$ 13,389.00	\$ 13,389.00		

The Facilities & Recreation Committee received twelve applications identifying \$41,828.00 worth of projects to be undertaken in the Southern Midlands for the benefit of the Community, Council had allocated \$36,000.00 in its 2023/24 budget for the Program and had allocated \$22,611.00 in its first round, leaving a relatively small amount for the Round 2. A rigorous and transparent assessment was undertaken with the available funds being allocated in priority order as detailed in the Assessment Results Report in the Analysis Summary page (as shown in the Recommend to Council column above).

Unfortunately not all projects could be funded, however from an historical perspective it is interesting to note that since the inception of the Southern Midlands Community Small Grants Program in 2007, Council have paid out to Community Groups through this Program \$460,980.00, supporting \$1,244,114.00 worth of Community Projects.

Families

ENSURE THAT APPROPRIATE CHILDCARE SERVICES, AS WELL AS OTHER FAMILY RELATED SERVICES, ARE FACILITATED WITHIN THE COMMUNITY, INCREASE THE RETENTION OF YOUNG PEOPLE IN THE MUNICIPALITY, IMPROVE THE ABILITY OF SENIORS TO STAY IN THEIR COMMUNITIES

2023-24 Achievements

Childcare Services

Council funded the construction of a 'modular' type building adjacent to the existing Bagdad Child Care Centre. This additional building provides an extra 20 child care places at the Centre. Funding of the building addition followed negotiation of an Agreements with the Bagdad Community Club Inc. (as the property owner) to locate the facility; and secondly, a Rental Agreement with Kidbiz Pty Ltd (t/as Bagdad Education and Care) who are the service providers.

The Seniors Program – Social Inclusion Activities

The Seniors Program was hugely popular with trips booked to capacity. Social outings are a great way for seniors to be engaged, active and connected to their community. These activities reduce loneliness, boost mental well-being, and foster a sense of belonging.

The activities included a trip to Sheffield the town of murals, Crawleighwood Garden and Nursery, Waddamana Power Station and Lunch at the Great Lake Hotel.



Neighbors Day

Council was successful in securing a grant for this event. The *Neighbours Every Day* was an initiative of Relationships Australia and Healthy Tasmania, the grant was for grassroots activities/events that foster neighbourly connections, belongings and respectful relationships. The Bagdad Neighbours Day was held at Chauncy Vale Wildlife Sanctuary, the day included a BBQ, face painting and a walk through the sanctuary, and also the wombat walk and a tour of Day Dawn Cottage.



The School Holiday Program

The School Holiday Program saw a significant increase in participation. The program aim is to provide participants with a structured, encourage learning through fun and engaging activities whilst promoting physical activity, mental well-being, fostering social interaction, teamwork and building new connections.

The program was open to participants from age 5 to 17, and participants were grouped by age to ensure age appropriate activities. This year's program focused on a diverse range of activities including Elemental at the Cinemas, Zone Bowling, Tolosa Street Park, Toffeemont Alpacas Farm Tours, Launceston Leisure & Aquatic Centre, Hastings Caves and Thermal Springs, Easter bushcraft at Chauncy Vale Wildlife Sanctuary, Port Arthur Historic Site, and Skateboarding at Kempton Skate Park.

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

2023-24 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. The SWN jobs Hub continues to provide valuable connections in the school to work transition

Minister for Police, Fire and Emergency Management
Minister for Housing and Planning
Minister for Skills and Training

Level 5, 4 Salamanca Place, Parliament Square Building HOBART TAS 7001 Australia
GPO Box 123 HOBART TAS 7001 Australia
Ph: +61 3 6165 7770
Email: minister.ellis@tas.gov.au



Mr Andrew Benson
Chair
Southcentral Workforce Network
Email: abenson@southernmidlands.tas.gov.au

Dear Andrew

The Regional Jobs Hub Network has been instrumental in supporting employers and job seekers connect over the last three years, largely as a result of the commitment given by you and your advisory board, and the expertise and dedication of Jobs Hub staff.

The recently completed independent evaluation of the Regional Jobs Hub Network only reinforces the impact on the community and economy the Jobs Hub approach is having, and which is now garnering significant national interest.

As part of the 2024-25 State Budget, I am pleased to confirm the Government will commit additional funding for the Regional Jobs Hub operations through to the end of the 2026-27 financial year. This is strong recognition of the crucial role Jobs Tasmania and the Job Hubs have in the State Government's plan to increase labour market participation and productivity.

While the specific details will be resolved in due course, I encourage you to reach out to Stuart Hollingsworth, Director Jobs Tasmania if you have any questions in the meantime.


Again, I thank you for your support to date and look forward to hearing of the ongoing evolution of the Jobs Hub, and of the continued support you provide for your community.

Yours sincerely



Hon Felix Ellis MP
Minister for Skills and Training
9/5/2024

"Increase the workforce participation of local people through access to meaningful support, educated guidance and appropriate qualifications"



2024 YTD

- The project has had 244 new jobseeker registrations from the 1st January to the 21st May 2024 (1876 overall)
- Assisted 83 local people into employment (476 overall)
- 71 participants took part in SWN training programs since the 1st of January (1183 overall)
- Currently recruiting for 22 roles across the following sectors:
 - Office & Administration
 - Trades & Services
 - Manufacturing
 - Tourism & Hospitality
 - Transport & Logistics
 - Community Services
 - Retail
 - Accounting & Finance

Capacity, Sustainability and Resilience

BUILD, MAINTAIN AND STRENGTHEN THE CAPACITY OF THE COMMUNITY TO HELP ITSELF WHILST EMBRACING SOCIAL INCLUSION TO ACHIEVE SUSTAINABILITY

2023-24 Achievements

Governors Visit – 15 September 2023

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 Edwin Batt at Bagdad Community Club on 26th January 2024.

- Citizens of the Year: Anne Brown and Carolyn Bassett
- Young Citizen of the Year: Erin Rowlands
- Community Event of the Year: Broadmarsh Elderslie Progress Association Events



Citizenship Ceremonies

Council conducted 1 (one) Citizenship Ceremony in 2023/24, welcoming two new Australian citizens.

Safety

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

2023-24 Achievements

The Southern Midlands Municipal Emergency Management Committee met once during the reporting period (September 2023).

Road Safety Event

To coincide with National Road Safety Week, Southern Midlands Council in conjunction with Tasmania Police, Local SES and Transport Safety & Investigation personnel conducted a large-scale combined traffic operation at Mood Food, Kempton. This area is a high-accident stretch of the Midland Highway. Southern Midlands Council staff cooked a BBQ and handed out hot food, coffee vouchers and cold drinks that were all kindly donated by Mood Food.



Consultation & Communication

IMPROVE THE EFFECTIVENESS OF CONSULTATION AND COMMUNICATION WITH THE COMMUNITY

2023-24 Achievements

Five (5) Ordinary Meetings of Council were held in the following areas within the municipality during 2023/24.

- January 2024 – Woodsdale Community Memorial Hall
- February 2024 – Tunbridge Hall
- March 2024 – Colebrook Hall
- May 2024 – Levendale Community Hall
- June 2024 – Broadmarsh Community Hall

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.



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 ASSET MANAGEMENT SYSTEM; INCREASE THE EFFECTIVENESS, EFFICIENCY AND USE-ABILITY OF COUNCIL ICT SYSTEMS; MAINTAIN THE BUSINESS PROCESS IMPROVEMENT FOCUS AND CONTINUOUS IMPROVEMENT FRAMEWORK

2023-24 Achievements

Local Government Board Review – The Local Government Board released the ‘The Future of Local Government Review – Stage 2 Report’ in July 2023. This report was accompanied by the ‘Central and Midlands Community Catchment Information Pack’. The ‘Central and Midlands Community Catchment’ was defined as the existing Council areas of the Central Highlands; Northern Midlands; Southern Midlands; Meander Valley; Derwent Valley and Brighton.

The Local Government Board identified four potential boundary scenarios. These options were presented to public meetings convened by Council in the latter part of July 2023. As an outcome of the public meetings, every attendee voted to retain the status quo, with the exception of one person who was of the opinion that there would be benefits associated with structural reform. This feedback formed the basis of Council's submission to the Local Government Board.

During the Stage 2 Report consultation period, the Tasmanian Government publicly announced that it would not be forcing any Council boundary adjustments as part of its response to the recommendations of the Future of Local Government Review. The Government has made this commitment in response to growing community concerns about the potential impacts of mandated council mergers on local jobs, local services, and the voice of local communities.

The Local Government Board provided its final report to the Government in October 2023. It contained 37 recommendations and Council responded to each recommendation in February 2024. In respect to the amalgamation



issue, whilst the Board identified 'alternative future design' options for some areas within the State, the Board suggested that a new Local Government Board be established to undertake detailed assessment of formal council amalgamation proposals. None of the recommendations have yet to be substantially progressed.

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

- Fraud Control & Corrupt Conduct Prevention Policy
- Performing Residencies in Southern Midlands (Prism) Policy
- Remote & Isolated Worker Policy
- Work Health and Safety Policy
- Fire Abatement Policy
- Goods and Services Purchasing Policy
- Public Art Commissioning Guidelines
- Children Safety & Wellbeing Policy
- Closed Circuit Television (CCTV) Policy
- Donations and Community Support Policy
- Cemeteries Management Policy
- Employees Code of Conduct Policy
- Code of Conduct – Workers Policy
- Development & Environmental Services – Fees Refund & Remission Policy
- Dog Management Policy (Clarification/Minor Amendment)
- Reporting & Investigating Reportable Conduct Policy & Procedure

The Southern Midlands Council's Audit Panel held four meetings during the 2023/24 financial year.

Sustainability

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

2023-24 Achievements

Election by Recount

An election by recount was held in November 2023 following the resignation of Councillor Rowena McDougall effective from 31 October 2023. To fill this casual vacancy, the Tasmanian Electoral Commission was required to do a recount of the most recent election held in October 2022 and Councillor Bob Campbell was subsequently elected.

Visit by State Government Cabinet

A State Government Cabinet meeting was held in Oatlands on 28th November 2023. This provided an opportunity for Council to address State Cabinet and provide an overview of what is happening within the Southern Midlands Council area. It also gave an opportunity to raise a number of discussion points in

- Concern regarding the proposed fire and emergency services levy which would have a severe financial impact on rural and rural residential ratepayers;
- Drought relief measure and grants
- Telecommunication infrastructure and services
- Jobs Tasmania – Jobs Hubs
- Local Government review
- Irrigation in the Southern Midlands
- Callington Mill – Future Maintenance and Asset Renewal
- Tasmanian Planning Scheme – Local Historic Heritage Code



Enterprise Bargaining

In recognition that the existing Enterprise Bargaining Agreement concludes as at 30 June 2024, the internal Enterprise Bargaining Committee met on a number of occasions to negotiate the development of a new Agreement. It is expected that this process and a new Agreement will be finalised in the early part of the 2024-25 financial year.

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

2023-24 Achievements

The 2023-24 Financial Statements form part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity increased by \$12.333 million. This is due to the following:

- a net asset revaluation increment of \$5.968 million;
- an increase of \$759K in the value of Council's investment in TasWater;
- an overall 'Net result from continuing operations for the year' surplus of \$5.606 million; and
- movements in other assets and liabilities which are shown in the Balance Sheet and detailed in the Notes to the Financial Report.

Whilst Council's 'Cash and cash equivalent assets' decreased by \$2.898 million, this was largely due to the payout of a maturing loan. The total Loan debt as at 30 June 2024 is \$127K, being a reduction of \$4.023 million from the previous year.

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 2023/24 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances	\$ 123,916
Expenses	\$ 34,676

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 2023/24 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 2023/24 reporting period.

Public Interest Disclosure

(Under the *Public Interest Disclosure Act 2002*)

There were no public interest disclosures made during the year.

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

Attendance at Council and Council Committee Meetings Statement

(Under the *Local Government Act 1993*)

- Twelve (12) ordinary Council meetings were held during the year.
- One (1) Annual General Meeting was held on the 13th December 2023.
- One (1) Southern Midlands Facilities & Recreation Committee meeting was held on the 13th September 2023.

COUNCILLOR ATTENDANCE	Ordinary Council Meetings	Annual General Meeting	Southern Midlands Recreation Committee
	x 12 meetings	x 1 meeting	x 1 meeting
Mayor E Batt	11/12	1/1	1/1
Deputy Mayor K Dudgeon	12/12	1/1	1/1
Clr A Bisdee OAM	10/12	0/1	N/A
Clr D Blackwell	12/12	1/1	N/A
Clr B Campbell	7/8	1/1	N/A
Clr D Fish	11/12	1/1	1/1
Clr R McDougall	3/4	N/A	N/A
Clr F Miller	10/12	1/1	N/A

Donation of Land Statement

(Under the Local Government Act 1993)

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

Remuneration Statement

(Under the Local Government Act 1993)

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

Remuneration Band	No. of Positions
\$60,001 -- \$80,000	1
\$80,001 - \$100,000	1 (part-year)
\$160,001 - \$180,000	1
\$180,001 - \$200,000	1
\$260,001 - \$280,000	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 29th November 2023; 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	\$891,426.28	
Komatsu	Supply of Komatsu WA270-8 Wheel Loader	\$259,740.00	

JF Machinery	Supply of 2 JCB3CX Pro T5 Backhoe Loaders	\$444,960.00	
Andrew Walter Construction	Construct and Seal Interlaken Road, Oatlands	\$4,949,977.80	Jan 24 to Dec 24

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 guaranteed 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 Building Solutions Pty Ltd was effectively wound-up from 30th June 2024 with all remaining assets and cash balances totaling \$9,940 being transferred to Council.

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
Alexander Coleman	Donation to attend Paris Paralympics	\$ 200.00
Mia Barwick	Donation to attend U15 Football & U15 Cricket Competitions	\$ 400.00
Immune Deficiency Foundation	Donation	\$ 70.00
Rural Alive & Well	Donation for Guest Speaker Get Active Program	100.00
Oatlands Christmas Pageant	Annual Donation	\$ 100.00
Oatlands District Football Association	Sponsorship of ODFA Best & Fairest (Mayors Trophy)	\$ 150.00
Currawong Community Choir	Donation for Public Liability & Volunteer Insurance	\$ 200.00
Tunnack Hall & Progress Assoc.	Contribution Public Liability Insurance	\$ 320.18
Tunbridge Hall Committee	Contribution Public Liability Insurance	\$ 294.24
Broadmarsh/Elderslie Progress Assoc.	Contribution Public Liability Insurance	\$ 280.91
Broadmarsh/Elderslie Progress Assoc.	Building Fund Donation	\$ 5,000.00
Green Ponds Progress Association	Contribution to Kempton Festival	\$ 1,500.00
Bagdad Community Club	Operational Grant MOU	\$ 10,000.00
Brighton Green Ponds RSL Sub Branch Inc.	Community Small Grant	\$ 1,500.00

Bagdad Online Access Centre	Community Small Grant	\$ 2,727.27
Bagdad Cricket Club	Community Small Grant	\$ 3,000.00
Bagdad Ladies Friendship Group	Community Small Grant	\$ 3,000.00
Jericho Volunteer Fire Brigade	Community Small Grant (2022)	\$ 3,000.00
Kempton Volunteer Fire Brigade	Community Small Grant	\$ 891.82
Navigate Family Services	Community Small Grant	\$ 2,575.00
Oatlands Bowls Club	Community Small Grant	\$ 2,880.00
ReGeneration	Community Small Grant	\$ 2,543.00
Runnymede Cricket Club	Community Small Grant	\$ 3,000.00
St. Mary's Community Cemetery Kempton Inc.	Community Small Grant	\$ 2,520.00
Tunnack Community Club	Community Small Grant	\$3,000.00
Tunnack Volunteer Fire Brigade	Community Small Grant	\$2,671.00
GRANTS & DONATIONS TOTAL		\$ 67,814.44

**2023/2024
FINANCIAL
STATEMENTS**

SOUTHERN
MIDLANDS
COUNCIL



Southern Midlands Council

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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 2024 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 2024 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 2.6f, to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for

inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

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.

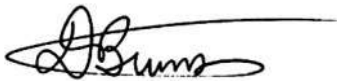
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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.



Derek Burns
Director – Financial Audit Services
Delegate of the Auditor-General
Tasmanian Audit Office

30 October 2024
Hobart

SOUTHERN MIDLANDS COUNCIL



COMPLETE SET OF FINANCIAL STATEMENTS

2023 | 24 FINANCIAL YEAR

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

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General Manager's Declaration

The financial report presents fairly the financial position of the Southern Midlands Council as at 30 June 2024 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: 29 October 2024

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2024

(Amounts shown in \$000)	Note	Budget 2024	Actual 2024	Actual 2023
Income from continuing operations				
Recurrent Income				
Rates and charges	2.2a	6,972	6,970	6,422
User fees	2.2b	1,333	1,643	1,991
Grants - Recurrent	2.2c	4,206	4,329	5,460
Interest	2.2d	435	783	476
Contract income	2.2e	-	-	110
Other income	2.2f	107	396	134
Investment revenue from water corporation	2.2g	182	182	182
		13,235	14,303	14,775
Net Capital Income				
Grants - capital	2.2h	3,201	5,669	3,033
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	2.2i	-	(565)	(24)
		3,201	5,104	3,009
Total income from continuing operations		16,436	19,407	17,784
Expenses from continuing operations				
Employee benefits	2.3a	(5,534)	(4,755)	(4,577)
Materials and contracts	2.3b	(3,711)	(3,787)	(3,815)
Depreciation and amortisation	2.3c	(3,723)	(4,325)	(4,068)
Contributions	2.3d	(272)	(272)	(258)
Finance costs	2.3e	(53)	(51)	(56)
Other expenses	2.3f	(170)	(611)	(724)
Total expenses from continuing operations		(13,463)	(13,801)	(13,498)
Net result from continuing operations for the year		2,973	5,606	4,286
Other comprehensive income				
Items that will not be reclassified to net result				
Fair value adjustments on equity investment asset	3.6	-	759	328
Net asset revaluation increment/(decrement)	3.7	-	5,968	4,979
Total other comprehensive income		-	6,727	5,307
Total Comprehensive Result		2,973	12,333	9,593

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

Consolidated Statement of Financial Position

as at 30 June 2024

(Amounts shown in \$000)	Note	Actual 2024	Actual 2023
Assets			
Current assets			
Cash and cash equivalents	3.1	14,553	17,451
Trade and other receivables	3.2	993	1,033
Contract assets	3.3	-	500
Assets held for sale	3.4	155	155
Other assets	3.5	358	201
Total current assets		16,059	19,340
Non-current assets			
Investment in water corporation	3.6	12,673	11,914
Property, plant, equipment, infrastructure and intangibles	3.7	145,055	134,190
Total non-current assets		157,728	146,104
Total assets		173,787	165,444
Liabilities			
Current liabilities			
Trade and other payables	3.9	1,573	1,026
Trust funds and deposits	3.10	264	268
Contract liabilities	3.11	593	1,044
Employee provisions	4.1	1,715	1,874
Interest-bearing loans and borrowings	5.1	17	4,023
Total current liabilities		4,162	8,235
Non-current liabilities			
Employee provisions	4.1	133	33
Interest-bearing loans and borrowings	5.1	110	127
Total non-current liabilities		243	160
Total liabilities		4,405	8,395
Net Assets		169,382	157,049
Equity			
Accumulated surplus		71,774	65,795
Reserves	6.1	97,608	91,254
Total Equity		169,382	157,049

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

(Amounts shown in \$000)	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves
Balance as at 1 July 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
Net result from continuing operations for the year		5,606	5,606	-	-	-
Fair value adjustment on equity investment asset	3.6	759	-	-	759	-
Net revaluation reserve increment/(decrement)	3.7	5,968	-	5,968	-	-
Transfers between reserves	6.1	-	373	(373)	-	-
Balance as at 30 June 2024		169,382	71,774	95,022	(1,065)	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 2024

(Amounts shown in \$000)	Note	Actual 2024	Actual 2023
Cash flows from operating activities			
Rates and charges		7,039	6,286
User fees		1,750	2,255
Grants - Recurrent		4,329	5,460
Interest		783	476
Investment revenue from water corporation		182	182
Other receipts		406	254
Net GST refund/(payment)		638	831
Payments to suppliers		(5,704)	(5,641)
Payments to employees		(4,632)	(4,325)
Finance costs paid		(51)	(56)
Net cash provided by (used in) operating activities	2.4	4,740	5,722
Cash flows from investing activities			
Payments for property, plant, equipment, infrastructure and intangibles		(10,230)	(8,330)
Proceeds from sale of property, plant, equipment, infrastructure and intangibles		443	562
Capital grants		6,176	5,058
Net cash provided by (used in) investing activities		(3,611)	(2,710)
Cash flows from financing activities			
Trust funds and deposits		(4)	68
Proceeds from interest bearing loans and borrowings		-	-
Repayment of interest bearing loans and borrowings		(4,023)	(265)
Net cash provided by (used in) financing activities	2.5	(4,027)	(197)
Net increase (decrease) in cash and cash equivalents		(2,898)	2,815
Cash and cash equivalents at the beginning of the financial year		17,451	14,636
Cash and cash equivalents at the end of the financial year	3.1	14,553	17,451

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

Notes to the Financial Report

for the year ended 30 June 2024

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

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 2024

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 2024

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	
	2024	2023	2024	2023	2024	2023	2024	2023
Roads and bridges	3,727	848	5,361	5,605	(1,634)	(4,757)	96,192	86,789
Stormwater	41	-	132	126	(91)	(126)	4,384	4,183
Waste management	1,405	1,220	1,477	1,338	(72)	(118)	511	527
Economic development	196	112	1,284	1,430	(1,088)	(1,318)	9,400	10,285
Environmental management	40	55	459	445	(419)	(390)	1,682	732
Development services	446	527	1,152	1,030	(706)	(503)	1,574	1,451
Community services	383	85	560	789	(177)	(704)	1,480	2,286
Recreational facilities	1,708	1,178	2,169	1,665	(461)	(487)	25,571	24,720
Governance and administration	314	462	935	811	(621)	(349)	4,217	3,212
Other - non attributable	11,147	13,297	272	259	10,875	13,038	28,776	31,259
	19,407	17,784	13,801	13,498	5,606	4,286	173,787	165,444

Grants included in Income from continuing operations:

	2024	2023
Roads and bridges	3,697	815
Stormwater	41	-
Waste management	-	-
Economic development	30	-
Environmental management	5	49
Development services	-	-
Community services	183	35
Recreational facilities	1,368	949
Governance and administration	-	-
Other - non attributable	4,674	6,645
	9,998	8,493

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

	2024	2023
Current assets	16,059	19,340
Non-current assets	157,728	146,104
	173,787	165,444

Notes to the Financial Report for the year ended 30 June 2024

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 2024

2.2 Income from continuing operations

(Amounts shown in \$000)	2024	2023
Recurrent income		
2.2a Rates and charges		
General	5,279	4,876
Fire levy	277	260
Waste & garbage management	1,355	1,189
Interest and penalties	59	97
<i>Total rates and charges</i>	6,970	6,422
2.2b User fees		
Community safety	-	1
Growth tourism	6	4
Growth business	467	795
Landscapes regulatory	309	341
Landscapes natural	8	5
Lifestyle recreation	250	174
Lifestyle animals	77	47
Organisation sustainability	295	460
Organisation finances	18	12
Volunteers program	132	128
Other fees and charges	81	24
<i>Total user fees</i>	1,643	1,991
2.2c Grants - Recurrent		
Australian Government Financial Assistance Grants	412	1,217
Australian Government Financial Assistance Grants (in advance)	3,868	4,206
Australian Government - Communities for Children	9	9
Tasmanian Government - Lifeguard Accreditation Program	30	-
Tasmanian Government - Other	10	28
<i>Total recurrent grants</i>	4,329	5,460
2.2d Interest		
Interest on financial assets	-	53
Interest on cash and cash equivalents	783	423
<i>Total interest</i>	783	476
2.2e Contract income		
Contracted works	-	110
<i>Total contract income</i>	-	110
2.2f Other income		
Government subsidies	57	59
Developer contributions	115	-
Donations	100	-
Special Committee contributions	77	8
Insurance recoveries	14	13
Sundry	33	54
<i>Total other income</i>	396	134

Notes to the Financial Report

for the year ended 30 June 2024

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)

	2024	2023
2.2g Investment revenue from water corporation		
Dividends, tax equivalent and guarantee fees received	182	182
<i>Total investment revenue from water corporation</i>	182	182
Total recurrent income	14,303	14,775
2.2h Net capital income		
Grants - capital		
Australian Government - Black Summer Bushfire Grant	1,302	332
Australian Government - Charge Smart	-	45
Australian Government - Local Roads and Community Infrastructure	459	1,285
Australian Government - Oatlands Aquatic Centre	-	500
Australian Government - Roads	666	666
Australian Government - Rural and Remote Roads Program	2,673	-
Tasmanian Government - Active Living in Public Spaces	20	-
Tasmanian Government - Better Active Transport	8	-
Tasmanian Government - Black Spot	150	150
Tasmanian Government - Natural Disaster Risk Reduction	41	-
Tasmanian Government - Oatlands Medical Accommodation	150	-
Tasmanian Government - Splash-in Good Fun	-	50
Tasmanian Government - Vulnerable Road User Program	200	-
Tasmanian Government - Wombat Walk	-	5
<i>Total grants - capital</i>	5,669	3,033
2.2i Net gain/(loss) on disposal of property, plant, equipment and infrastructure		
Proceeds of sale of non-current assets	443	562
Written down value of non-current assets disposed	(1,008)	(586)
<i>Total gain/(loss)</i>	(565)	(24)
Total net capital income	5,104	3,009
Total income from continuing operations	19,407	17,784

Notes to the Financial Report

for the year ended 30 June 2024

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)

	2024	2023
2.2j Grants received by funding source and conditions attached		
Funding source		
Australian Government	9,389	8,260
Other	609	233
Total	9,998	8,493
Timing of revenue recognition		
Grants recognised at a point in time	4,329	5,460
Grants recognised over time	5,669	3,033
Total	9,998	8,493

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 2023-24 by \$3,868,000 (2022-23 by \$4,026,000). This has impacted the Statement of Comprehensive Income resulting in the result from continuing operations being higher by the same amount. Financial Assistance Grants are general grants and do not have sufficiently specific performance obligations. As a result, they are recognised as income when received.

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	1,044	474
Add: Funds received and not recognised as revenue in the year	446	1,044
Less: Funds received in prior year but revenue recognised and funds spent in the year	(897)	(474)
Balance of unspent funds held as a contract liability at 30 June	593	1,044

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 at a point in time 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 2024

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 at a point in time 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 2024

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 2024

2.3 Expenses from continuing operations

(Amounts shown in \$000)	2024	2023
2.3a Employee benefits		
Wages and salaries	3,519	3,215
Other employee costs	1,854	1,846
	5,373	5,061
Less amounts capitalised	(618)	(484)
<i>Total employee benefits</i>	4,755	4,577
2.3b Materials and contracts		
Advertising	54	35
Bank charges and commissions	19	17
Callington Mill	11	7
Computer system operation	201	183
Consultancies	110	146
Contractor labour and services	405	304
Council plant & machinery	276	296
Donations and grants	56	53
Gravel purchases	75	25
Household garbage and recycling collection contract	319	299
Insurance premiums	209	177
Legal expenses	18	17
Office expenses	132	95
Plant and machinery hire (external)	203	291
Power costs (including street lighting)	269	230
Repairs and maintenance	224	208
Subscriptions and publications	60	54
Telecommunications	24	27
Waste transfer, transport and disposal contracts	593	532
Water purchases	47	35
Valuation fees (supplementary valuations)	16	25
Volunteer services	132	129
Other materials and contracts	334	630
<i>Total materials and contracts</i>	3,787	3,815
2.3c Depreciation and amortisation		
Property		
Buildings	889	803
Plant and equipment		
Plant and machinery	386	314
Furniture and fixtures	43	37
Minor plant	17	16
Infrastructure		
Roads	2,340	2,324
Bridges	471	415
Stormwater	64	62
Waste management	25	23
<i>Total depreciation</i>	4,235	3,994
Amortisation of intangibles	90	74
<i>Total depreciation and amortisation</i>	4,325	4,068

Notes to the Financial Report

for the year ended 30 June 2024

2.3 Expenses from continuing operations (continued)

(Amounts shown in \$000)	2024	2023
2.3d Contributions		
Fire service levy	272	258
<i>Total contributions</i>	272	258
2.3e Finance costs		
Interest - Borrowings	51	56
<i>Total finance costs</i>	51	56
2.3f Other expenses		
Councillors allowances	124	143
Election costs	4	42
External auditors' remuneration	42	53
Bad & doubtful debts	-	3
Private works	354	437
Other	87	46
<i>Total other expenses</i>	611	724
Total expenses from continuing operations	13,801	13,498

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 2024

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)	2024	2023
Net result from continuing operations for the year	5,606	4,286
Depreciation and amortisation	4,325	4,068
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	565	24
Bad & doubtful debts	-	-
Grants - capital	(6,176)	(5,058)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	40	129
Decrease/(increase) in contract assets	500	1,355
Decrease/(increase) in other assets	(157)	35
Increase/(decrease) in contract liabilities	(451)	570
Increase/(decrease) in trade and other payables	547	61
Increase/(decrease) in employee provisions	(59)	252
Net cash provided by/(used in) operating activities	4,740	5,722
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	14,553	17,451
Total reconciliation of cash and cash equivalents	14,553	17,451

Notes to the Financial Report

for the year ended 30 June 2024

2.5 Reconciliation of liabilities arising from financing activities

(Amounts shown in \$000)	2024	2023
Trust funds and deposits		
Balance at the beginning of the financial year	268	200
Net movements	(4)	68
Balance at the end of the financial year	264	268
Interest-bearing loans and borrowings		
Balance at the beginning of the financial year	4,150	4,415
New borrowings	-	-
Cash repayments	(4,023)	(265)
Balance at the end of the financial year	127	4,150

2.6 Management indicators

(Amounts shown in \$000)	Benchmark	2024	2023	2022	2021
2.6a Underlying surplus or deficit					
Recurrent income* less		14,076	13,397	11,968	10,913
recurrent expenditure		13,801	13,498	12,058	10,948
Underlying surplus/deficit	> \$0	275	(101)	(90)	(35)

* 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	19,407	17,784
Less non-operating income		
Financial Assistance Grant in advance - prior year	4,206	2,852
Financial Assistance Grant in advance - current year	(3,868)	(4,206)
Grants - Capital	(5,669)	(3,033)
Recurrent income	14,076	13,397
Expenses from continuing operations	13,801	13,498
Recurrent expenditure	13,801	13,498

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 surplus in the current year, which is slightly higher than the benchmark of breakeven and an improvement on prior years.

2.6b Underlying surplus or deficit ratio

Underlying surplus or deficit		275	(101)	(90)	(35)
Recurrent income*		14,076	13,397	11,968	10,913
Underlying surplus or deficit ratio %	> 0%	2.0%	-0.8%	-0.8%	-0.3%

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

Notes to the Financial Report

for the year ended 30 June 2024

2.6 Management indicators (continued)

(Amounts shown in \$000)	Benchmark	2024	2023	2022	2021
2.6c Net financial liabilities					
Liquid assets less		15,546	18,484	15,798	19,624
total liabilities		4,405	8,395	7,709	9,916
Net financial liabilities	> \$0	11,141	10,089	8,089	9,708

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		11,141	10,089	8,089	9,708
Recurrent income*		14,076	13,397	11,968	10,913
Net financial liabilities ratio %	0% - (50%)	79.1%	75.3%	67.6%	89.0%

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)		82,892	79,291	78,330	61,295
Current replacement cost (Gross)		167,363	159,867	156,212	122,666
Asset consumption ratio %	> 60%	49.5%	49.6%	50.1%	50.0%

Buildings

Fair value (Carrying amount)		32,460	32,292	22,685	22,389
Current replacement cost (Gross)		57,562	57,908	47,810	46,855
Asset consumption ratio %	> 60%	56.4%	55.8%	47.4%	47.8%

Drainage

Fair value (Carrying amount)		4,256	4,143	4,148	3,732
Current replacement cost (Gross)		6,009	5,833	5,776	5,303
Asset consumption ratio %	> 60%	70.8%	71.0%	71.8%	70.4%

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 2024

2.6 Management indicators (continued)

(Amounts shown in \$000)

	Benchmark	2024	2023	2022	2021
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**		26,959	25,044	23,866	22,300
Projected capital expenditure funding***		27,934	26,240	24,205	19,881
Asset renewal funding ratio %	90-100%	96.5%	95.4%	98.6%	112.2%
Buildings					
Projected capital funding outlays**		7,549	6,743	6,861	3,600
Projected capital expenditure funding***		7,900	6,550	6,270	3,375
Asset renewal funding ratio %	90-100%	95.6%	102.9%	109.4%	106.7%
Stormwater					
Projected capital funding outlays**		500	486	526	486
Projected capital expenditure funding***		578	558	468	486
Asset renewal funding ratio %	90-100%	86.5%	87.1%	112.4%	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		5,851	4,324	4,034	2,530
Annual depreciation and amortisation expense		4,325	4,068	3,697	3,322
Asset sustainability ratio %	100.0%	135.3%	106.3%	109.1%	76.2%

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 2024

2.6 Management indicators (continued)

(Amounts shown in \$000)

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
2024			
By asset class (including work in progress)			
Land	-	-	-
Buildings	1,634	997	2,631
Plant and machinery	1,141	-	1,141
Furniture and fixtures	20	-	20
Minor plant	104	-	104
Roads	2,795	3,330	6,125
Bridges	-	-	-
Stormwater	127	50	177
Waste management	14	2	16
Intangibles	16	-	16
Total	5,851	4,379	10,230
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

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 2024

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)	2024	2023
Cash at bank and on hand	8,557	6,496
Term deposits (3 months or less)	5,996	10,955
<i>Total cash and cash equivalents</i>	14,553	17,451

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)	264	268
- Unspent grant funds with conditions (notes 2.2j)	593	1,044
	857	1,312

Internally committed funds

- Special committees of Council	106	89
- Heritage Building Solutions Pty Ltd (note 3.13)	-	32
- Heritage Education and Skills Centre Ltd (note 3.13)	6	10
	112	131

Restricted and internally committed funds	969	1,443
Total unrestricted and uncommitted cash and cash equivalents	13,584	16,008

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)	2024	2023
Rates debtors	737	842
Other debtors	256	191
<i>Total trade and other receivables</i>	993	1,033

Notes to the Financial Report

for the year ended 30 June 2024

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)

2024

2023

Contract assets for work in progress	-	500
<i>Total contract assets</i>	<u>-</u>	<u>500</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 in the prior year. This project was completed and funds received in full in the current year.

3.4 Assets held for sale

(Amounts shown in \$000)

2024

2023

Land held for resale	155	155
<i>Total assets held for sale</i>	<u>155</u>	<u>155</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 2024

3.5 Other assets

(Amounts shown in \$000)	2024	2023
Stores and materials	358	201
<i>Total other assets</i>	358	201

Recognition and measurement

Stores and materials are held for use by Council and are measured at cost.

3.6 Investment in water corporation

(Amounts shown in \$000)	2024	2023
Opening Balance	11,914	11,586
Fair Value adjustments on equity investment assets	759	328
<i>Total investment in water corporation</i>	12,673	11,914

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 2024, Council held a 0.67% ownership interest in TasWater (2023: 0.68%) 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 2024

3.7 Property, plant, equipment, infrastructure and intangibles

(Amounts shown in \$000)	Gross book value		Accumulated depreciation		Total	
	2024	2023	2024	2023	2024	2023
Property						
At fair value						
Land	8,893	8,978	-	-	8,893	8,978
Land under roads	6,682	3,474	-	-	6,682	3,474
Buildings	57,562	57,908	(25,102)	(25,616)	32,460	32,292
Total property	73,137	70,360	(25,102)	(25,616)	48,035	44,744
Plant and equipment						
At cost						
Plant and machinery	4,933	4,671	(1,566)	(1,627)	3,367	3,044
Furniture and fixtures	774	754	(542)	(499)	232	255
Minor plant	470	366	(324)	(307)	146	59
Total plant and equipment	6,177	5,791	(2,432)	(2,433)	3,745	3,358
Infrastructure						
At fair value						
Roads	131,270	127,618	(71,208)	(68,868)	60,062	58,750
Bridges	36,093	32,249	(13,263)	(11,708)	22,830	20,541
Stormwater	6,009	5,833	(1,753)	(1,690)	4,256	4,143
Waste management	384	369	(194)	(169)	190	200
Total infrastructure	173,756	166,069	(86,418)	(82,435)	87,338	83,634
Work in progress	5,718	2,161	-	-	5,718	2,161
Intangibles	780	765	(561)	(472)	219	293
Total property, plant, equipment, infrastructure and intangibles	259,568	245,146	(114,513)	(110,956)	145,055	134,190

Notes to the Financial Report

for the year ended 30 June 2024

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
2024								
Property								
Land	8,978	-	-	-	(85)	-	-	8,893
Land under roads	3,474	-	3,208	-	-	-	-	6,682
Buildings	32,292	1,548	-	(889)	(491)	-	-	32,460
Total property	44,744	1,548	3,208	(889)	(576)	-	-	48,035
Plant and equipment								
Plant and machinery	3,044	1,141	-	(386)	(432)	-	-	3,367
Furniture and fixtures	255	20	-	(43)	-	-	-	232
Minor plant	59	104	-	(17)	-	-	-	146
Total plant and equipment	3,358	1,265	-	(446)	(432)	-	-	3,745
Infrastructure								
Roads	58,750	3,652	-	(2,340)	-	-	-	60,062
Bridges	20,541	-	2,760	(471)	-	-	-	22,830
Stormwater	4,143	177	-	(64)	-	-	-	4,256
Waste management	200	15	-	(25)	-	-	-	190
Total infrastructure	83,634	3,844	2,760	(2,900)	-	-	-	87,338
Work in progress	2,161	3,557	-	-	-	-	-	5,718
Intangibles	293	16	-	(90)	-	-	-	219
Total property, plant, equipment, infrastructure and intangibles	134,190	10,230	5,968	(4,325)	(1,008)	-	-	145,055

Notes to the Financial Report

for the year ended 30 June 2024

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								
Property								
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
Total property	31,091	10,562	4,194	(803)	(300)	-	-	44,744
Plant and equipment								
Plant and machinery	2,941	669	-	(314)	(252)	-	-	3,044
Furniture and fixtures	219	73	-	(37)	-	-	-	255
Minor plant	50	25	-	(16)	-	-	-	59
Total plant and equipment	3,210	767	-	(367)	(252)	-	-	3,358
Infrastructure								
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
Total infrastructure	82,697	3,065	730	(2,824)	(34)	-	-	83,634
Work in progress	8,431	(6,270)	-	-	-	-	-	2,161
Intangibles	161	206	-	(74)	-	-	-	293
Total property, plant, equipment, infrastructure and intangibles	125,590	8,330	4,924	(4,068)	(586)	-	-	134,190

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 2024

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 2024

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 2024

3.9 Trade and other payables

(Amounts shown in \$000)	2024	2023
Payables and accruals	1,217	632
Rates and charges in advance	256	292
Payroll oncosts on employee entitlements	100	102
<i>Total trade and other payables</i>	1,573	1,026

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)	2024	2023
Tender deposits and funds held on trust	264	268
<i>Total trust funds and deposits</i>	264	268

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)	2024	2023
Grants received but unspent to construct Council controlled assets	593	1,044
<i>Total contract liabilities</i>	593	1,044

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	897	474
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Notes to the Financial Report

for the year ended 30 June 2024

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 2024

3.12 Fair value measurements (continued)

(Amounts shown in \$'000)	Level 1		Level 2		Level 3		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Fair value measurements								
Recurring								
Property								
Land	-	-	8,893	8,978	-	-	8,893	8,978
Land under roads	-	-	6,682	3,474	-	-	6,682	3,474
Buildings	-	-	-	-	32,460	32,292	32,460	32,292
Infrastructure								
Roads	-	-	-	-	60,062	58,750	60,062	58,750
Bridges	-	-	-	-	22,830	20,541	22,830	20,541
Stormwater	-	-	-	-	4,256	4,143	4,256	4,143
Waste management	-	-	-	-	190	200	190	200
Total recurring	-	-	15,575	12,452	119,798	115,926	135,373	128,378
Non-recurring								
Assets held for sale	155	155	-	-	-	-	155	155
Total non-recurring	155	155	-	-	-	-	155	155

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 2024

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

The value of the Land Under Road network at 30 June 2024 is based on valuation data determined by the Valuer-General. The valuation approach uses adjusted land values and areas for all properties within the municipality depending upon its classification and then applying a discount appropriate to the respective classification. This adjustment is an unobservable input in the valuation. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.28 and \$2.92 per square metre.

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.

Notes to the Financial Report

for the year ended 30 June 2024

3.12 Fair value measurements (continued)

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.

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 2024. 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.

Notes to the Financial Report

for the year ended 30 June 2024

3.12 Fair value measurements (continued)

(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).

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)	2024	2023
Heritage Building Solutions Pty Ltd		
Statement of Comprehensive Income		
Revenue	3	117
Expenses	(18)	(327)
Total Comprehensive Income for the year	(15)	(210)
Statement of Financial Position		
Assets	-	61
Liabilities	-	(46)
Total Equity	-	15
Heritage Education & Skills Centre Pty Ltd		
Statement of Comprehensive Income		
Revenue	-	50
Expenses	(4)	(5)
Total Comprehensive Income for the year	(4)	45
Statement of Financial Position		
Assets	6	10
Liabilities	-	-
Total Equity	6	10

Notes to the Financial Report

for the year ended 30 June 2024

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)

2024

2023

Current

Annual leave	656	832
Long service leave	732	727
Personal	327	315
Total current	1,715	1,874

Non-current

Long service leave	133	33
Total non-current	133	33

Total employee provisions

1,848 **1,907**

Movements in employee provisions during the financial year

(Amounts shown in \$000)

Annual leave

Long service leave

Personal

Total

	2024	2023	2024	2023	2024	2023	2024	2023
Balance at beginning of the year	832	571	760	803	315	281	1,907	1,655
Additional provisions	113	495	309	81	180	163	602	739
Amounts used	(289)	(234)	(204)	(124)	(168)	(129)	(661)	(487)
Balance at end of the year	656	832	865	760	327	315	1,848	1,907

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.

Notes to the Financial Report

for the year ended 30 June 2024

4.1 Employee Provisions (continued)

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.

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	1 July 2023 to 30 June 2024
	Deputy Mayor K Dudgeon	1 July 2023 to 30 June 2024
	Councillor A E Bisdee OAM	1 July 2023 to 30 June 2024
	Councillor D Blackwell	1 July 2023 to 30 June 2024
	Councillor R Campbell	17 November 2023 to 30 June 2024
	Councillor D F Fish	1 July 2023 to 30 June 2024
	Councillor R McDougall	1 July 2023 to 31 October 2023
	Councillor F Miller	1 July 2023 to 30 June 2024
	General Manager	Mr T F Kirkwood

Councillor remuneration

(Amounts shown in \$)

	Allowances	Compensation AA5B 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
2024						
E C Batt	41,640	41,640	3,969	1,100	-	46,709
K Dudgeon	23,730	23,730	4,477	354	-	28,561
A E Bisdee OAM	11,897	11,897	7,903	780	-	20,580
D Blackwell	11,897	11,897	6,263	1,356	-	19,516
R Campbell	7,041	7,041	595	325	-	7,961
D F Fish	11,897	11,897	-	780	-	12,677
R McDougall	3,917	3,917	3,483	120	-	7,520
F Miller	11,897	11,897	983	2,188	-	15,068
Total	123,916	123,916	27,673	7,003	-	158,592

Notes to the Financial Report

for the year ended 30 June 2024

4.2 Related party transactions (continued)

(Amounts shown in \$)

	Allowances	Compensation AASB 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
Total	121,215	121,215	15,616	5,705	-	142,536

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
2024								
Remuneration band	Employees							
\$ 60 001 - \$80 000	1	104,450	-	-	15,122	19,499	(77,895)	61,176
\$ 80 001 - \$100 000	1 (part year)	89,792	3,370	300	9,687	18,351	(32,473)	89,027
\$160 001 - \$180 000	1	143,037	4,966	300	20,742	-	9,083	178,128
\$180 001 - \$200 000	1	163,746	2,211	300	23,327	-	327	189,911
\$260 001 - \$280 000	1	215,903	8,760	300	31,299	-	18,172	274,434
		716,928	19,307	1,200	100,177	37,850	(82,786)	792,676

Notes to the Financial Report

for the year ended 30 June 2024

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	
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

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

Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd paid no director and management fees in the current year (2023: \$12,286).

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 2024

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

Defined benefit fund

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of 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 2024 Council contributed 0% (2023 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, Council is required to meet its share of the deficiency.

Notes to the Financial Report

for the year ended 30 June 2024

4.3 Post employment benefits (continued)

Deloitte Consulting Pty Ltd undertook the last actuarial review of the Fund at 30 June 2023. The review disclosed that at that time the net market value of assets available for funding member benefits was \$48,442,000, the value of vested benefits was \$39,789,000, the surplus over vested benefits was \$8,653,000, the value of total accrued benefits was \$39,479,000, and the number of members was 77. These amounts relate to all members of the Fund at the date of valuation and no asset or liability is recorded in the Spirit Super's financial statements for Council employees.

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

- Net Investment Return 4.50% p.a.
- Salary Inflation 3.00% 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 2023.
- 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 2023.
- 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 2028.

Given the strong financial position of the Fund, the Actuary recommended that Council continue their contribution holiday and contribute 0% of salaries towards the defined benefit arrangements in the Fund from 1 July 2024 until 1 July 2027. This contribution rate is subject to normal review processes which include reviewing the contribution rate if needed to respond to extreme movements in financial markets. In addition, employers pay contributions towards defined benefit members' accumulation accounts where required by agreements.

The Actuary will continue to undertake a brief review of the financial position of 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 2026 and is expected to be completed late in 2026.

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

- The 2023 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 2020.

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 2024

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.
- 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 on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2023. 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 2026.
- 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 2023, showed that the Fund had assets of \$48.44 million and members' Vested Benefits were \$39.79 million. These amounts represented 0.17% and 0.15% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2023 the Fund had 77 members and the total employer contributions and member contributions for the year ending 30 June 2023 were \$738,101 and \$190,798 respectively.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$nil (2022-23, \$5,501), and the amount paid to accumulation schemes was \$613,017 (2022-23, \$460,228).
- 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 \$632,020.

Notes to the Financial Report

for the year ended 30 June 2024

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)	2024	2023
Current		
Borrowings - secured	17	4,023
Non-current		
Borrowings - secured	110	127
<i>Total borrowings</i>	<u>127</u>	<u>4,150</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	17	4,023
Later than one year and not later than five years	110	127
Later than five years	-	-
<i>Total</i>	<u>127</u>	<u>4,150</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)	2024	2023
Bank overdraft limit	200	200
Direct debit facility	100	100
Business credit cards	50	50
Used facilities	(2)	(2)
<i>Unused facilities</i>	<u>348</u>	<u>348</u>

Notes to the Financial Report

for the year ended 30 June 2024

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 5.4% (2.4% in 2023). The interest rate at balance date was 4.5% (4.3% in 2023).
Trade and other receivables	See Note 3.2	<p>General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2023). 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 2.0%). 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 (2023: less than 2.5%).</p>

Notes to the Financial Report

for the year ended 30 June 2024

5.3 Financial Instruments (continued)

Managing financial risk

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

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk; and
- (d) Market risk.

The General Manager has overall responsibility for the establishment and oversight of Council's risk management framework.

Risk management policies are established to identify and analyse risks faced by Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(a) 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
2024						
<i>Financial assets</i>						
Cash and cash equivalents	8,557	5,996	-	-	-	14,553
Trade and other receivables	-	-	-	-	993	993
Investment in water corporation	-	-	-	-	12,673	12,673
Total financial assets	8,557	5,996	-	-	13,666	28,219
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	1,573	1,573
Trust funds and deposits	-	-	-	-	264	264
Interest-bearing loans and borrowings	-	17	110	-	-	127
Total financial liabilities	-	17	110	-	1,837	1,964
Net financial assets (liabilities)	8,557	5,979	(110)	-	11,829	26,255
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
Total financial assets	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
Total financial liabilities	-	4,023	127	-	1,294	5,444
Net financial assets (liabilities)	6,496	6,932	(127)	-	11,653	24,954

Notes to the Financial Report

for the year ended 30 June 2024

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	
	2024	2023	2024	2023
<i>Financial assets:</i>				
Cash and cash equivalents	14,553	17,451	14,553	17,451
Trade and other receivables	993	1,033	993	1,033
Investment in water corporation	12,673	11,914	12,673	11,914
<i>Total financial assets</i>	28,219	30,398	28,219	30,398
<i>Financial liabilities:</i>				
Trade and other payables	1,573	1,026	1,573	1,026
Trust funds and deposits	264	268	264	268
Interest-bearing loans and borrowings	127	4,150	127	4,150
<i>Total financial liabilities</i>	1,964	5,444	1,964	5,444

(b) Credit risk

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

Risks and mitigation

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

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 2024

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)	2024	2023
Current (not yet due)	210	91
Past due by up to 30 days	11	55
Past due between 31 and 60 days	1	1
Past due between 61 and 90 days	34	3
Past due by more than 90 days	-	41
<i>Total Trade & Other Receivables</i>	256	191
Rates receivable	737	842
Total receivables	993	1,033

Notes to the Financial Report

for the year ended 30 June 2024

5.3 Financial Instruments (continued)

(c) 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).

2024 (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	1,573	-	-	1,573	1,573
Trust funds and deposits	264	-	-	264	264
Interest-bearing loans and borrowings	17	110	-	127	127
Total financial liabilities	1,854	110	-	1,964	1,964

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

(d) 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.

Notes to the Financial Report

for the year ended 30 June 2024

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. (2023: -1% and +2%)

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.

2024		Interest rate risk			
		-1%		+1%	
(Amounts shown in \$000)		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	14,553	(146)	(146)	146	146
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	127	1	1	(1)	(1)
2023		Interest rate risk			
		-1%		+2%	
(Amounts shown in \$000)		-100 basis points		+200 basis points	
		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	17,451	(175)	(175)	349	349
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	4,150	42	42	(83)	(83)

Notes to the Financial Report

for the year ended 30 June 2024

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 2022	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2023	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2024
Asset revaluation reserve	84,448	4,979	-	89,427	5,968	(373)	95,022
Fair value reserve							
<i>Equity investment asset</i>							
Investment in water corporation	(2,152)	-	328	(1,824)	-	759	(1,065)
Total fair value reserve	(2,152)	-	328	(1,824)	-	759	(1,065)
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	85,947	4,979	328	91,254	5,968	386	97,608

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 2024

6.2 Commitments

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

(Amounts shown in \$000)	1 year or less	Over 1 year to 5 years	Total
2024			
Capital expenditure commitments			
Roads	2,800	-	2,800
Buildings	463	-	463
<i>Total capital expenditure commitments</i>	3,263	-	3,263
Other contractual commitments			
Household garbage and recycling collection	251	-	251
Waste transfer, transport and disposal	640	422	1,062
Cleaning services	72	-	72
<i>Total other contractual commitments</i>	963	422	1,385
<i>Total capital expenditure and other contractual commitments</i>	4,226	422	4,648
2023			
Capital expenditure commitments			
Buildings	463	-	463
<i>Total capital expenditure commitments</i>	463	-	463
Other contractual commitments			
Household garbage and recycling collection	238	238	476
Waste transfer, transport and disposal	489	812	1,301
Cleaning services	61	-	61
<i>Total other contractual commitments</i>	788	1,050	1,838
<i>Total capital expenditure and other contractual commitments</i>	1,251	1,050	2,301

6.3 Contingent liabilities and contingent assets

Council has no material contingent liabilities or contingent assets at balance date.

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 2024

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 2025, 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 2024 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 2024 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 2.6f, to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for

inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

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.



Derek Burns
Director – Financial Audit Services
Delegate of the Auditor-General
Tasmanian Audit Office

30 October 2024
Hobart