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ANNUAL REPORT

2020/2021

SOUTHERN
MIDLANDS
COUNCIL





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

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

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

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

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

Council offices are located in Oatlands and Kempton.



Front Cover Photo: Lake Dulverton (Courtesy of Denise Smith)

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Our Vision

A community spirit based on friendliness, co-operation and self-help;

An environment which encourages local creativity, enterprise and self-help;

A diversified local economy creating employment opportunities through sustainable agriculture, heritage tourism, forestry, and viable historic villages/service centres;

Development based on the sustainable use of local resources and the physical environment;

A range and standard of services within the Southern Midlands t are affordable and efficient.

Our Mission

Work for the benefit of the community;

Be progressive and provide leadership;

Operate as a team of Councillors and Employees focused upon performance;

Be financially responsible.

Our Guiding Principles

Consult and listen to our customers and employees by maintaining open communication;

Treat people with respect and courtesy;

Give advice to the best of our professional ability;

Be sensitive to the needs of residents and visitors;

Respond promptly to customers concerns and requests;

Be fair, equitable and consistent in decisions and conduct;

Fully utilise the expertise and resources available to Council within the organisation and the community;

Develop the full potential of Councillors and all Employees;

Operate in accordance with the "Codes of Conduct" adopted by Council.

Introduction



The Year in Review

It is with pleasure that I present the 2020-21 Annual Report on behalf of the Southern Midlands Council.

It goes without saying that the ongoing challenges associated with the management of COVID-19 were the main focus of the period.

Despite the limitations and restrictions associated with the pandemic, Council were able to advance a number of key strategic projects. In relation to physical works, in excess of \$6 million worth of capital projects were completed during the financial year and they are detailed throughout this report.

Following many years of planning, the engagement of VOS Construction as the preferred Contractor to build the Oatlands Aquatic Centre was certainly a highlight for Council. The project is advancing in accordance with the anticipated timeframe, with a completion date of March 2022.

Council also completed a review of its Waste Management Strategy during the reporting period with the desired overarching outcomes of the Strategy being to achieve progress according to the underlying principle of waste management in Australia, the 'waste management hierarchy', which is to: maximise the useful life of materials; reduce, reuse and recycle waste; recover as much energy out of what is left, and dispose of the remainder sensibly. Waste management is certainly a major issue in terms of escalating costs, and this will continue to raise challenges going forward.

Oatlands Accommodation Facility - following a robust expression of interest process, Council has identified a preferred proponent to advance negotiations. This negotiation process is focussed on achieving the best outcome that will see the advancement of this project.

Council continued to support a number of local clubs and organisations through Council's Community Small Grants Program. It is interesting to note that since the inception of the Small Grants Program in 2007, Council have paid out an amount of \$337,697 which has supported \$1,157,942.00 worth of Community Projects.

In regard to planning and development, the 2020-21 period saw further growth with significant developments taking place across the entire municipal area. As with previous years, there was considerable growth in residential development particularly in the Bagdad and Campania areas. I also acknowledge the ongoing capital investment in the agricultural sector which is focussed on maximising the potential and availability of irrigation water.

An intense rain event in October 2020 caused considerable damage and trauma for residents, primarily in the Bagdad, Mangalore and Broadmarsh areas. Council has since been proactive in identifying the scope of projects to mitigate these risks going forward, and I am pleased to report that a number of the major projects have since been allocated funding. They include Roberts Road and Blackbrush Road, Mangalore; Hal Lane, Bagdad and Elderslie Road in Broadmarsh township.

In terms of elected members, it would remiss not to acknowledge the passing of Mr Desmond Manning who was a highly valued and respected member of the Municipality of Oatlands from 1971 to 1993 and the Southern Midlands Council from 1993 to 2005.

I would also like to recognise and congratulate Cllr Tony Bisdee OAM who received a Local Government Association of Tasmania Life Membership Award in July 2020. This was awarded in recognition of his long and outstanding service to the whole of Local Government. His involvement with Local Government extends back to April 1972 when he was first elected to the Green Ponds Council (part of the present Southern Midlands Council area).

In closing, I acknowledge my fellow elected members who continue to work tirelessly on behalf of the community, and I commend the outstanding efforts and commitment of all staff, where in partnership, we have still been able to deliver great outcomes.

I recommend this Annual Report to you.

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

Clr Alex Green
MAYOR

Overview

Update from the General Manager

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

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

All of these documents are available to the public.

The Local Government Act 1993 requires Council to provide a summary of the Operational Plan for the year including performance in respect of targets set for the period. The following section of the Annual Report details the key achievements during the 2020/21 reporting period. The format of the Annual Report is consistent with the respective strategic themes contained in Council's Strategic Plan - Infrastructure; Growth; Landscapes; Lifestyle; Community; and Organisation.

This Annual Report provides an informative overview of Councils' operations for the 2020-21 period and highlights the achievements in meeting the objectives and activities identified in the Strategic Plan.

Financial Performance

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

Council has reported an underlying deficit of \$35K for the year ended 30 June 2021 (\$135K surplus for the year ended 30 June 2021). This is consistent with Council's Long-term Financial Plan. The Underlying Surplus is lower than the 'Result from continuing operations' surplus of \$1.978 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 \$2,045K.

An unqualified Audit Opinion was received from the Tasmanian Audit Office on the 30th September 2021.

Other highlights for the past year include:

- Capital expenditure in excess of \$2.2 million on roads and bridges (detail presented within the report);
- Completion of the Destination Playground in Callington Park, Oatlands (\$500K);
- Significant capital spending on recreation grounds and community halls (\$461K), all aimed at maintaining serviceability and to meet the needs of the community; and
- The Australian Government allocating in excess of \$2 million for a range of road and community infrastructure.

The performance and highlights this year also need to recognise the challenges presented by Coronavirus (COVID -19). The uncertainty surrounding the virus and the restrictions put in place to restrict it not only had a significant impact on the community but also Councils' operations.

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



Tim Kirkwood
GENERAL MANAGER

Council

November 2018 to October 2022



Mayor
Alex Green



Deputy Mayor
Edwin Batt



Councillor
Anthony (Tony) Bantick



Councillor
Anthony (Tony) Bisdee OAM



Councillor
Karen Dudgeon



Councillor
Donald Fish



Councillor
Rowena McDougall

Council Committee Structure

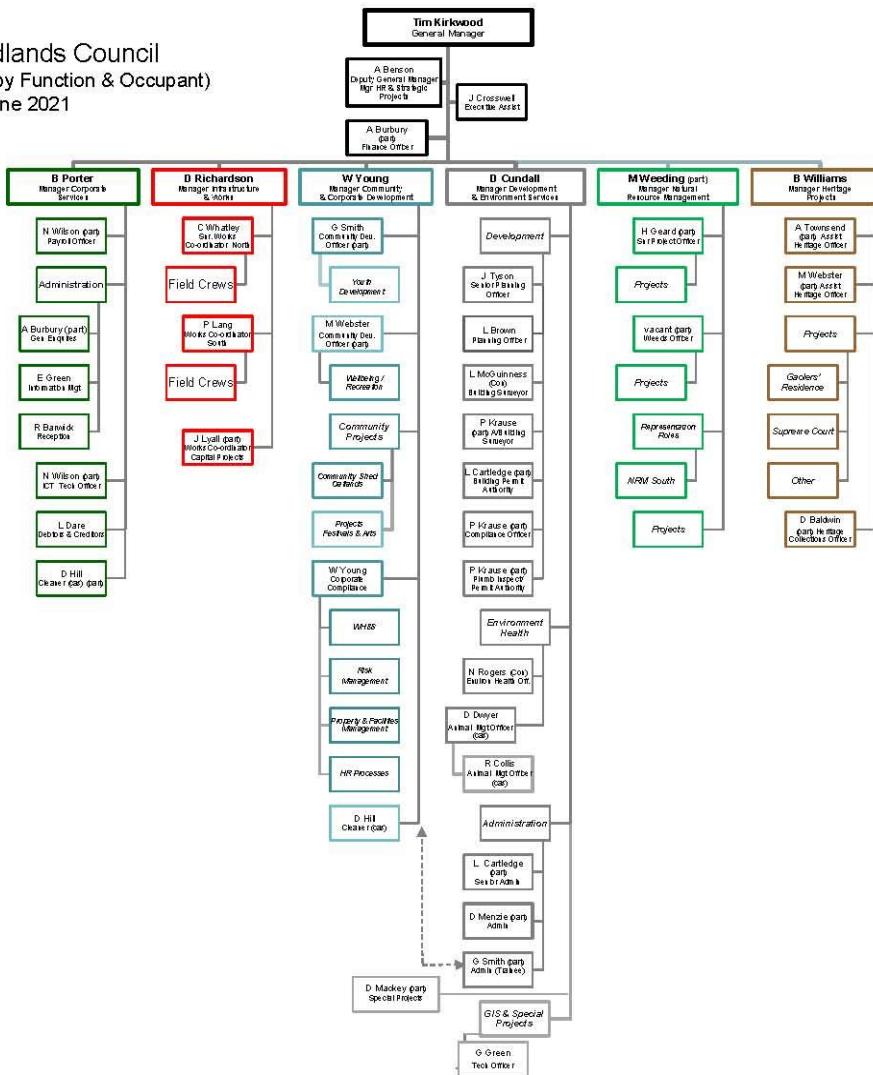
COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
Mayor ALEX GREEN	<ul style="list-style-type: none"> ◆ Australia Day Awards Committee (Chair) ◆ Enterprise Bargaining/Award Consultative Committee (Chair) ◆ Campania Halls Management Committee ◆ Colebrook Memorial Hall Management Committee (Chair) ◆ Woodsdale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

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

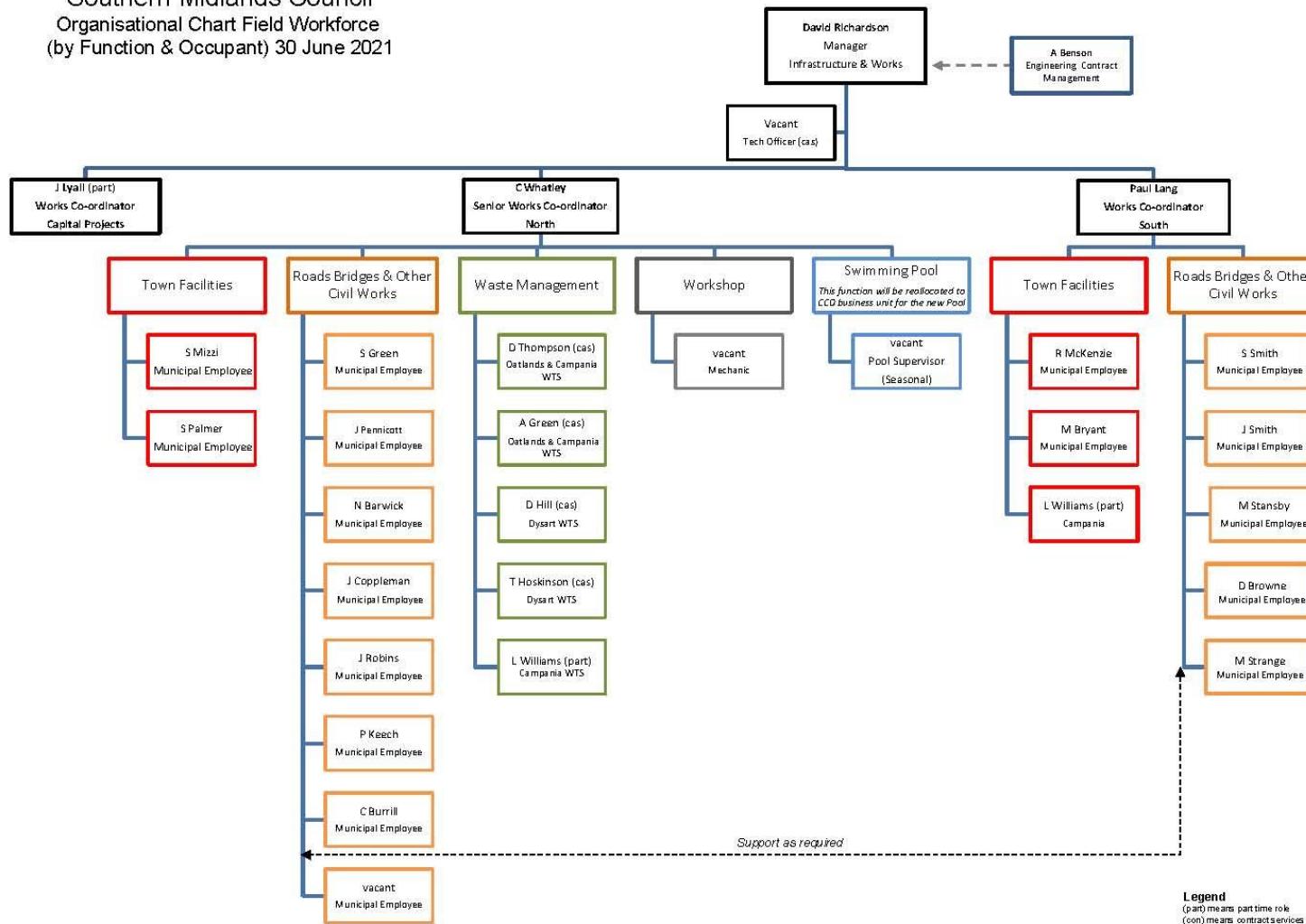
COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
Councillor ROWENA McDOUGALL	<ul style="list-style-type: none"> ◆ Parattah Railway Restoration Management Committee ◆ Tunnack Recreation Ground Management Committee ◆ Chauncy Vale Management Committee (Proxy) ◆ Oatlands Community Hall Management Committee (Proxy)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

Organisational Charts

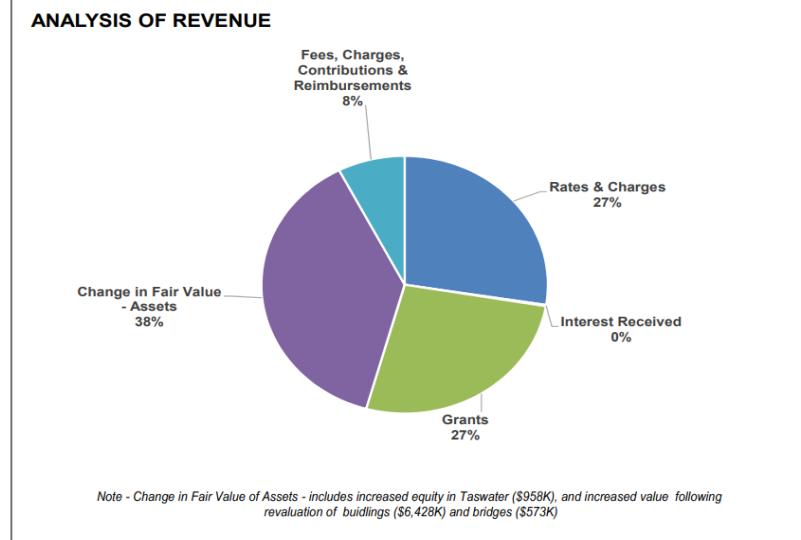
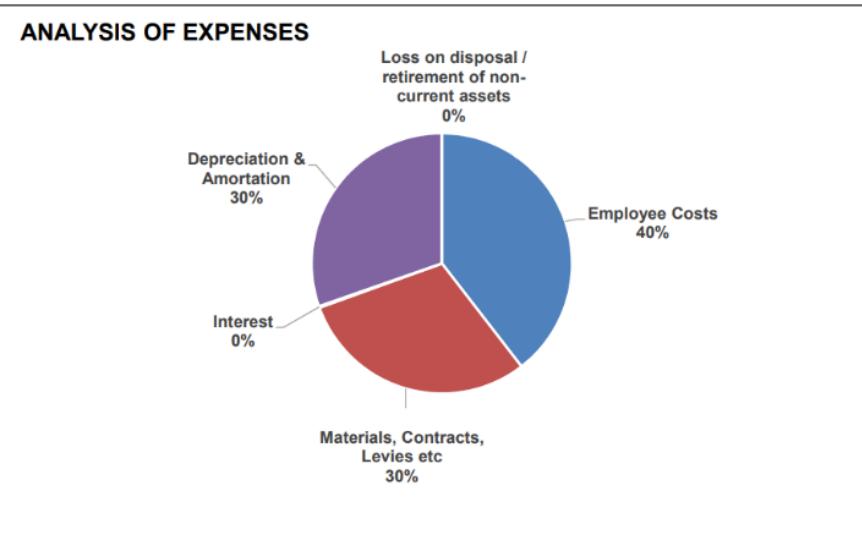
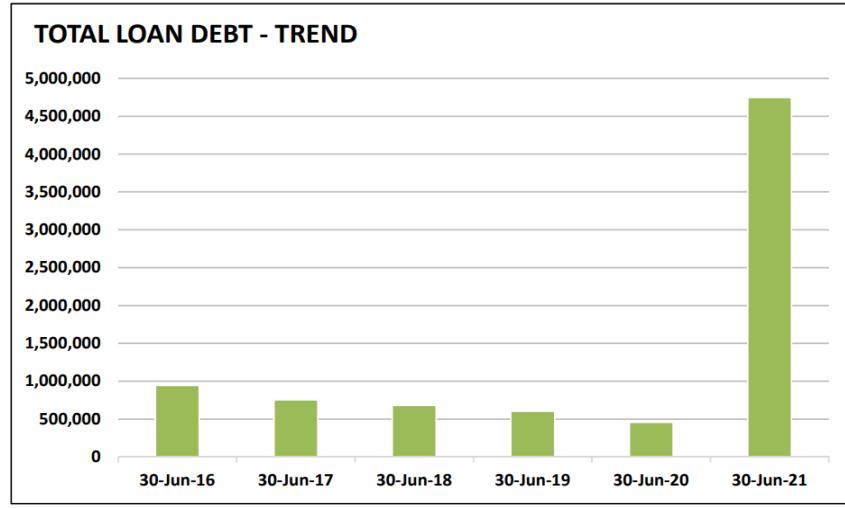
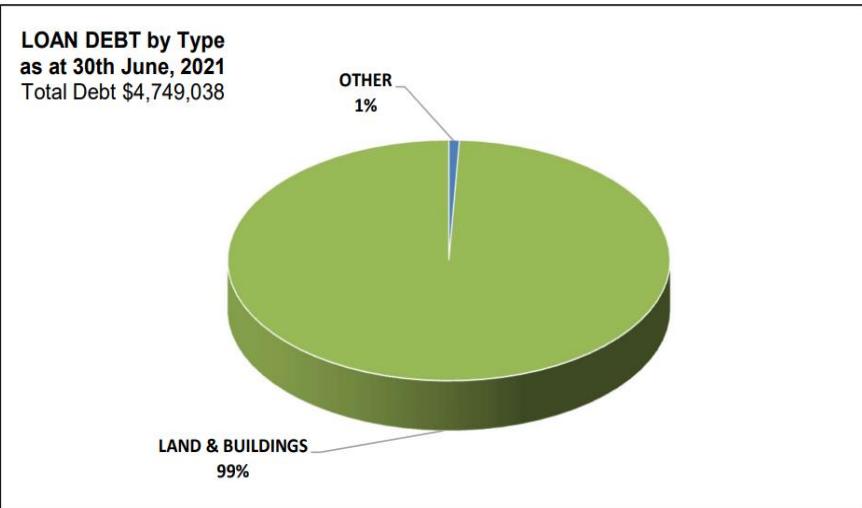
Southern Midlands Council
Organisational Chart (by Function & Occupant)
30th June 2021

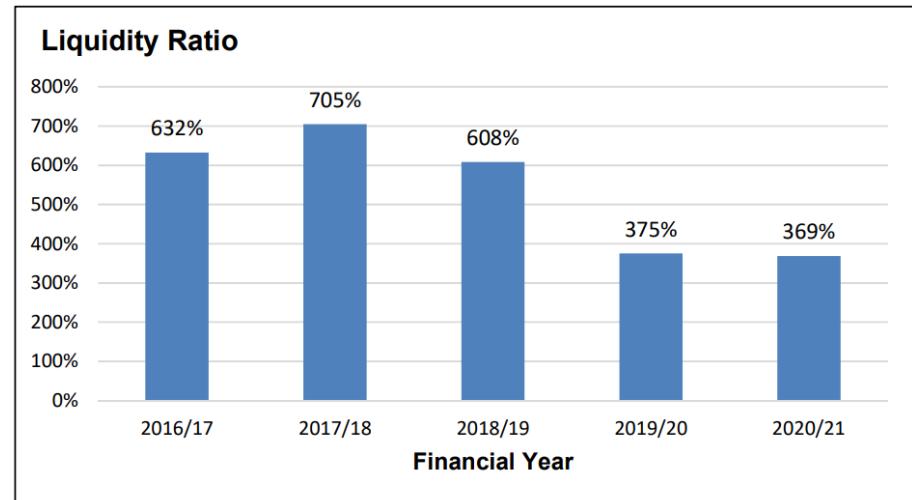
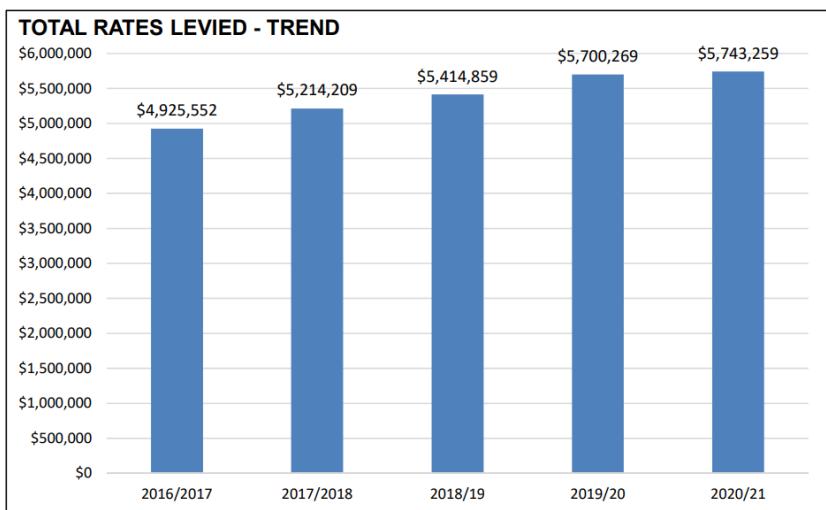


Southern Midlands Council
Organisational Chart Field Workforce
(b) by Function & Occupant 30 June 2021



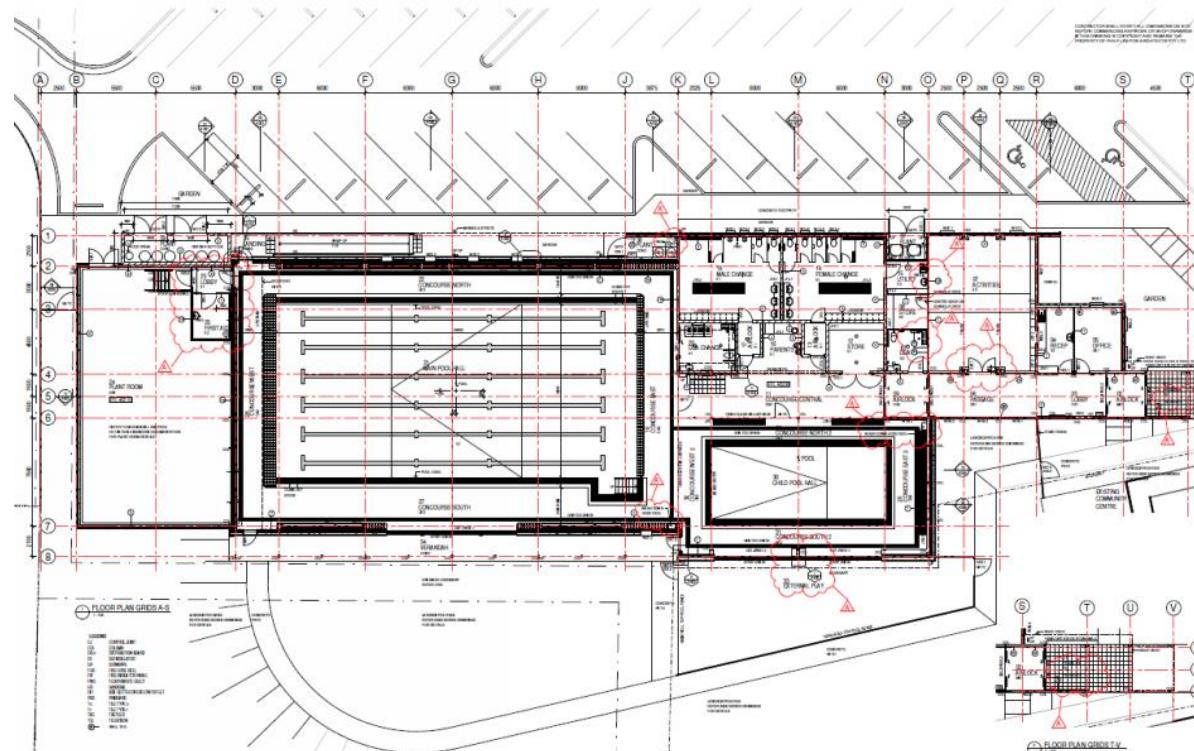
Statistics 2020/21





INFRASTRUCTURE

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



Oatlands Aquatic Centre Plans

Roads

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

2020-21 Achievements

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

- 32 kilometres – Urban Sealed
- 175 kilometres – Rural Sealed
- 605 kilometres – Rural Unsealed

Road projects, totaling \$1.921 million were capitalised at the end of the 2020/21 financial year. These included:

- \$487k on re-sheeting unsealed roads;
- \$690k on reconstruction and resealing roads – Chauncy Vale Road, Huntingdon Tier Road, Cliftonvale Road, Lower Marshes Road, Old Main Road (Jericho), Goodwins Road, Rhyndaston Road, Native Corners Road and Woodsdale Road;
- \$689k on new seal – Huntingdon Tier Road, Native Corners Road, Ballyhooly Road, Rhyndaston Road, Eldon Road and dust suppressants on Cornish's Road, York Plains Road, Brown Mountain Road and Blackgate Road;
- \$55k on other road safety improvements, including corner widening, kerb and gutter, carparks and installation of safety railing.

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

From 2019-20 to 2023-24, the Southern Midlands Council will receive a total of \$3,327,655 Roads to Recovery Funding, of which \$665,531 was received in 2020-21.

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 has been implemented in three phases. The Southern Midlands Council received \$665,531 for Phase 1 and \$609,032 for Phase 2. Most of the projects nominated under this program for Phase 1 and Phase 2 have been for road, footpath and drainage projects. We will receive a further \$1,331,062 under Phase 3 of the program in 2021/22 and 2022/23.

Roads

Road Traffic Counter

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

Finalisation of the road condition assessment and associated revaluation of road assets was deferred in 2020/21 due to COVID -19. The road condition assessment and revaluation will be completed in the 2021/22 financial year.

Road Reconstruction (including reseal works) Tenders

Awarded to Stabilised Pavements of Australia (SPA) for an amount of \$514,754 (GST excl.)

Major roads to be reconstructed and resealed included Native Corners Road, Eldon Road, Rhyndaston Road and Woodsdale Road.

Rhyndaston Road Re-Construction and Seal



Roads

Road Reseal Tenders

Awarded to Fulton Hogan for an amount of \$299,843 (GST excl.)

Major roads for reseal included:- Chauncy Vale Road, Huntingdon Tier Road, Rhyndaston Road, Clifton Vale Road, Ballyhooly Road, Goodwins Road, Native Corners Road, Old Main Road (Jericho), Stonehenge Road and Woodsdale Road.

Specific Purpose Grants

Council secured a grant through the Department of State Growth under the Black Spot Programme for an amount of \$150,000 to remodel and improve the Elderslie Road / Bluff Road junction.

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

Australian Government Local Roads and Community Infrastructure Program

In May 2020, the Australian Government announced a new \$500 million Local Roads and Community Infrastructure Program (LRCI Program). Through the 2020–21 Budget, the Australian Government announced a \$1 billion extension of the LRCI Program, following strong community and local government support.

This program supports local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.

Councils will be able to access funding under the extension to the LRCI Program Extension from 1 January 2021.

Under the LRCI Program Extension, Southern Midlands Council will receive an additional funding allocation of \$609,032. This funding will be available from 1 January 2021, with the Program being extended until the end of 2021.

Bridges

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

2020-21 Achievements

There are 167 bridges and major culverts within the municipal area, with a total deck area of 8,221m². \$54,388 (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.

No bridge renewal / replacements projects were completed and capitalised at the end of the 2020/21 financial year, however there were works in progress on the Woodsdale Road (Nutting Garden Rivulet) Bridge and the York Plains Road (Kitty's Rivulet) Bridge.

The written down value of Council's bridges as at 30 June 2021 was \$18.729 million (total replacement value of \$28,263,318).

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

Walkways, Cycleways & Trails

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

2020-21 Achievements

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

\$237,002 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area.

Walkway renewal / replacements projects, totalling \$234k were capitalised at the end of the 2020/21 financial year.

A section of footpath on Louisa Street, Kempton, was upgraded, providing easier and safer access to the school.

The Caves Loop and Sanctuary Bridge was completed at Chauncy Vale, and a dual purpose walkway/cycleway was completed in the Campania Bush Reserve.

Work continues on upgrades to the Lake Dulverton Walkway.

The ongoing program of upgrading footpaths in the village of Kempton continued with work carried out on Main Street, in the vicinity of the Hall.

Work continued on the East Bagdad Road footpath and on the Broadmarsh and Tunnack Streetscape Projects.

Many of these projects are fully or partially funded by the Federal Government, including the Louisa Street footpath; the Sanctuary Bridge at Chauncy Vale; the walkway/cycleway at Campania; upgrades to Main Street footpaths in the vicinity of the Hall in Kempton; and the Broadmarsh Streetscape project.

Lighting

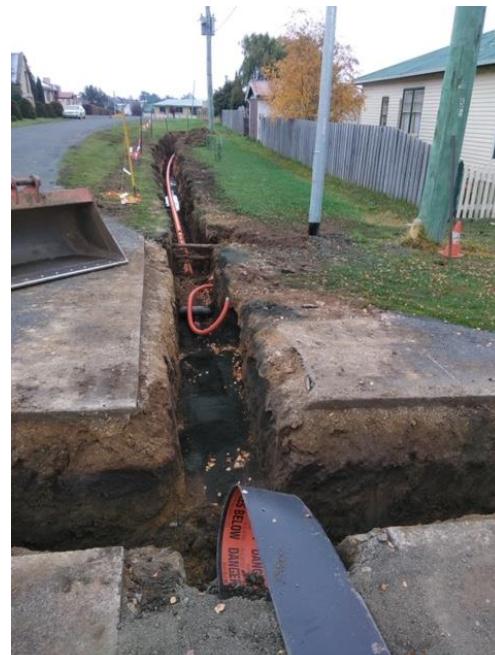
ENSURE ADEQUATE LIGHTING BASED ON DEMONSTRATED NEED AND CONTESTABILITY OF ENERGY SUPPLY

2020-21 Achievements

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

An amount of \$89,159 was paid to Aurora Energy in 2020/21 for street lighting. Council continues to receive the benefits associated with entering into a combined contract between Councils and Aurora Energy, facilitated and coordinated by the Local Government Association of Tasmania.

Council continued with the next stage of the Oatlands Underground Power Project between High Street and Barrack Street on the Northern end of Esplanade. This Project, in support of the gentrification of the street character in the Historic Precinct of Oatlands, is funded by a \$250k Federal Government grant. \$162k of the Project was carried out in 2020/21.



Buildings

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

2020-21 Achievements

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

In undertaking a revaluation of buildings in 2020/21, Council identified buildings and land which were not included in previous financial statements, comprising a fair value of \$1.5m for buildings and \$490k for land.

Following revaluation and inclusion of the additional assets, total replacement value of these buildings is assessed at \$46.9 million, with a current written down value of \$22.4 million. This compares to a total replacement value of buildings of \$24.5 million, with a written down value of \$13.9 million in 2019/20.

Building projects completed in 2020/21 include:

- Callington Mill (repainting and window repairs);
- Campania Recreation Ground (barrier net);
- Playgrounds improvements in Campania (Alexander Circle and Justitia Court);
- Runnymede Recreation Ground (resurfacing and watering system);
- Colebrook Hall (heating upgrade);
- Oatlands Destination Playground at Callington Park; and
- Mount Pleasant Recreation Ground Toilet Upgrade.

Whilst a total of \$4.6 million was expended in Capital Projects in 2020/21, some of these projects were recorded as Works in Progress as at 30th June 2021. They included:

- Kempton Community Health Centre;
- Kempton Memorial Hall (access and portico); and
- Oatlands Aquatic Centre.

Buildings

Heritage Hub

Heritage Hub evolving from Social Enterprise to that of an Artist in Residence Space. The buildings at 79 High Street, Oatlands were revitalized & restored using heritage & traditional skills & trades with funds from Economic Development Grants. They went on to become the home of heritage skills & trades, with the Commissariat being the home of Centre for Heritage & the shop front being the Heritage Hub social enterprise. The Heritage Hub was a cooperative of 17 local Artists & a small group of volunteers who successfully operated & used the space until the COVID -19 shut downs. The undertakings of this original project demonstrated the potential use of the building in housing permanent exhibits & space for working artists.

Since re-opening the space has since hosted Residencies, with Artists, Anna Mackrell & Mike Brady with exhibitions & sales of their works.



Sewers / Water

INCREASE THE CAPACITY TO ACCESS TO RETICULATED SEWERAGE SERVICES

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

2020-21 Achievements

At 30 June 2021, Council held a 0.72% ownership interest in TasWater, based on schedule 2 of the Corporation's constitution, which reflects Council's voting rights. The total value of Council's investment increased by \$958,000 to \$11.348 million.

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

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

Whilst Council's distribution entitlement of \$152K per annum was secured though to the end of the 2025/26 financial year under this new arrangement, due to the financial effects of Covid-19 on TasWater, there was only one dividend distribution in 2020/21 resulting in Council receiving half of our distribution entitlement.

Drainage

MAINTENANCE AND IMPROVEMENT OF THE TOWN STORM-WATER DRAINAGE SYSTEMS

2020-21 Achievements

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

Best Practice Design

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

Capital Works

Capital projects totalling \$8,178 were capitalised at the end of the 2020/21 financial year. Preparation work also began on two new drainage projects in Blackbrush Road and Hall Lane.

The total replacement value of our drainage assets is assessed at \$5.3 million, with a current written down value of \$3.8 million.

Drainage – October 2020 Inundation Event

An intense rain event in October 2020 caused considerable damage and trauma for residents in the Bagdad, Mangalore, Broadmarsh areas and Council have been proactive in identifying the scope of individual projects to mitigate the effect of such events in the future.

In responding to such events as significant inundation, it is a positive for the community and for Council in addressing legacy issues that have been in the area for many years with only interim solutions being undertaken in the past.

A significant emergency budget allocation was made available and Council Officers developed action plans to implement remedies to a number of these issues. Whilst not all issues could be dealt with, many were addressed. It has been evident over recent years that inundation events have intensified and there appears to be a greater frequency between events.

Drainage

Whilst Council is working through storm water issues, we are unable to future proof against intense rainfall events and property owners will have to be vigilant in trying to put mitigation measures in place and keep up a higher intensity maintenance regime to assist in protecting against property damage.



Waste

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

2020-21 Achievements

A review of the Southern Midlands Council Waste Management Strategy (developed in 2016) was completed in 2020.

The desired overarching outcomes of the Strategy are to achieve progress according to the underlying principle of waste management in Australia, the 'waste management hierarchy', which is to: maximise the useful life of materials; reduce, reuse and recycle waste; recover as much energy out of what is left, and dispose of the remainder sensibly.

Waste management is a significant logistics operation for Southern Midlands Council – an operation that manages in the order of 2360 tonnes of waste annually plus recyclables (around 360 tonnes/year). On a per-capita basis, Southern Midlands Council manages around 444 kg/person/year of municipal waste. These excludes scrap metals and green waste, which is stockpiled at each of the three waste transfer stations.

The cost of running the waste management operation is increasing steadily which is primarily due to; the increasing cost of waste disposal; increasing amount of waste; and increasing cost burden associated with managing recyclables. Combined waste and recyclables cost council in the order of \$423/tonne to manage.

Waste Transfer Stations - Council currently operates three WTSs (for waste and recyclables). These are located at Oatlands, Dysart and Campania. A number of operational changes have been made to improve the safety and efficiency of the stations.

Waste Transfer Station Contract

In October 2020, Council awarded the Contract for the collection, disposal and provision of bins at each of the three Waste Transfer Station(s) to Spectran. This followed a detailed Request for Tender process. The contract is for five (5) years with a possible one (1) year extension.

Information, Communication Technology

IMPROVE ACCESS TO MODERN COMMUNICATIONS INFRASTRUCTURE

2020-21 Achievements

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

GROWTH

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



Residential

INCREASE THE RESIDENT, RATE PAYING POPULATION IN THE MUNICIPALITY

2020-21 Achievements

Council continues to ensure a sufficient supply of residential land in the Southern Midlands for the next 10-15 years and beyond. This is achieved through monitoring the progress of past strategic plans, the development of the new Oatlands Structure Plan and reviewing the current residential zoning through the preparation of the Local Provisions Schedule of the Tasmanian Planning Scheme.

Overall the municipality has experienced a high level of residential growth this year, with the southern areas continuing to have the highest approvals. 62 new dwellings were approved in the 2020/2021 year, which is almost twice the number approved in 2019/2020.

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

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

Planning and Building approvals are always issued within the statutory timeframes and Council Officers provide advice and guidance to applicants where needed. The average time for assessment of a Discretionary Development Application is 37 days (from 42 days) and the average time for a Permitted Development Application is 16 days (from 28 days).

Tourism

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

2020-21 Achievements

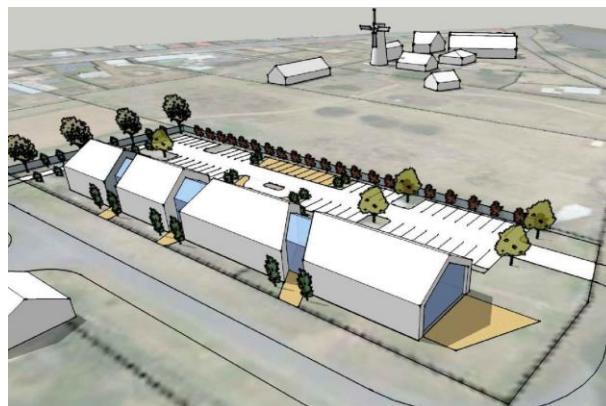
Destination Southern Tasmania

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

Proposed large scale tourism accommodation facility in Oatlands

The proposed large scale tourism accommodation facility in Oatlands, which was identified in the Midlands Economic Development and Land use Strategy project as being a key missing element in the area's tourism infrastructure, is an ongoing project for Council with the aim of attracting private investment in such a facility. At the same time, Council continues to negotiate with Tasmania Police with the aim of securing ownership of the property in Barrack Street, Oatlands (as this borders the preferred development site).

Following an 'expression of interest' process, Council has identified a preferred proponent for the development and negotiations are continuing.



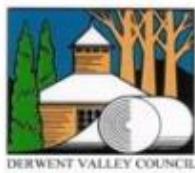
Proof of concept sketch plans for the development of the Barrack Street site.



Business

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

2020-21 Achievements



Southern Central Subregion Workforce Development Project

Southern Midlands Council is a key player in bringing together this initiative.

'Local Jobs for Local People'

The Workforce Development Project provides a crucial platform for working together on the complex challenges that are not effectively being dealt with separately across the labour market. This Project is a collaborative effort, being driven by Anthony McConnon and his very able assistant Gemma Winton, with diverse industries/businesses and initiatives contributing to the shared strategic agenda across our four local government areas.

Our SCS Workforce Development Project, is premised on:

- The region's economic prosperity being dependent on the specialisations and competitiveness within and across key sectors that need to be underpinned by a workforce equipped with the skills to support such growth; and
- An effective response to these challenges spans many sectors, organisations and responsibilities, suggesting a more networked and collaborative effort is now working to ensure businesses, often in competition with each other, have a new / better way of working together in understanding the labour market and getting great value out of our Project Team.

The outcomes to date have been amazing. The target employment to be achieved by the Team was set at 40 people in work by the end of the first twelve months, the table below shows that in only nine months there has been 119 roles filled across our four local government areas. Wow!! Thanks to the Tasmanian Community Fund for their support in funding this Project over the three years, plus Workskills in also providing funding for the support role filled by Gemma.

Outcomes Since September 2020

Activity	Target	June 21	YTD	Remarks
Industry & Employer Meetings	30/mth	31	393	
Roles Filled During June	3.4/mth	8	119	
Referrals to Partner Organisations		1	11	Candidate to Bell Bay Advanced Manufacturing Zone
Traineeships & Apprenticeships- New Workers		2	17	
Industry, Career Awareness and/or Employer Tours		5	28	x 3 Colony 47 sessions x 1 CVGT x 1 Impact Communities
Training Courses:		4	21	Confirmed
Resumes sent out to employers		29	249	

Business

Centre for Heritage

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

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

Achievements of those entities for the year include:

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

Industry

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

2020-21 Achievements

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

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

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

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

LANDSCAPES

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



Natural

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

2020-21 Achievements

The NRM Unit continues to provide best practice landcare information and assistance with weeds matters. Advice on native tree species suitable for varying locations continues to be sought by ratepayers. The Midlands Tree Committee purchased 1190 trees, which were made available to landholders that had expressed an interest in undertaking some native tree establishment works.

Weeds

Working in conjunction with the Works & Services Department, the priorities for treatment continue to be gorse, broome, blackberry, Paterson's Curse, Chilean Needle Grass and some thistle species. There are also very small amounts of Spanish heath, pampas grass, serrated tussock and boneseed that are targeted. The Council's Web site was updated to include pictures of the various weeds. This enabled easier identification for ratepayers in regard to the priority weeds identified for Southern Midlands.

Cumbungi in Lake Dulverton continues to be monitored and any plant sighted is dealt with. In the 19/20 year only 20 plants were found and no plants in 20/21.

Cotton and saffron thistle works occurred at Woodbury via helicopter spraying targeting hard to access areas. This work was funded by the State Government. Chilean Needle grass works occurred in the Coal Valley as a result of the State Government funded 'Action Fund Drought and Weed Management' program.

Natural

Lake Dulverton

The *Lake Dulverton Management Strategy 2002*, and the *Lake Dulverton Action Plan 2017* continue to provide guidance for work around the lake. Works planned for the area known as the 'pine tree' area near Mahers Point were completed in September 2020.

The water levels in the Recreation Zone of the Lake continue to be monitored with readings taken on a weekly basis. The Midlands Water Scheme winter water take over 2020 saw Council place 215.0 ML of water into the lake. The current declining water level trend continues to be of concern in respect to being able to maintain water in the Mary Island section of the lake, being the area adjacent to the Oatlands Township. Council continues to look at long term options to address this concern.

Pathway works on the Lake foreshore commenced in June 2021 after several delays had occurred. Cold weather conditions caused the path works to halt due to the nature of the product needing better drying conditions. The balance of the works have been postponed to late 2021. Funding for the work has been made available through the Australian Government.

Campania Bush Reserve

Funding from the Australian Government of \$100,000 was used for upgrading the pathway at the Campania Bush Reserve. Works on an all-weather concrete pathway of 600metres commenced in February 2021. The path replaced the existing dirt track and was opened in May 2021.



Natural

Chauncy Vale Wildlife Sanctuary

The financial year 2020/21 was a period of continued infrastructure upgrades, and environmental management at Chauncy Vale. This work included:

Environmental

- Rivulet rehabilitation work, primarily at Day Dawn Creek. This grant funded project was commenced in June 2020 and involved revegetation and erosion control work. The project was completed in June 2021 and to date has been very successful with erosion control measures working, and greater than 95% survival rate in trees planted (approximately 1000 trees).
- Additional tree planting was undertaken at Jacks Flat.
- A large cleanup effort was required after a freak low level snowfall brought down hundreds of small trees and saplings across the track network.
- Thistle control work has continued, the aim of which is to reduce the size of infestations and minimize the likelihood of further spread. Other potential weed incursions into the reserve are being monitored closely, for example cape weed which is prolific in the farmland to the west of Chauncy Vale.

Infrastructure Upgrades

- The pedestrian bridges project was completed and was a great success. The popular Caves Loop Track may now be undertaken regardless of water level in Browns Caves Rivulet.
- Four new picnic tables were made and installed on the deck of the meeting room.
- A new picket fence around the garden at Day Dawn Cottage was commenced and has been completed on the NE and NW sides of the garden.
- The Caves Loop Track was upgraded and improved on the rocky, steep section where it passes Brown's Caves. John Hughes and his team undertook this work and it is of typically high standard and has made the track safer and easier to follow. The use of locally sourced stone means that the track work blends in well with the natural environment of the reserve.



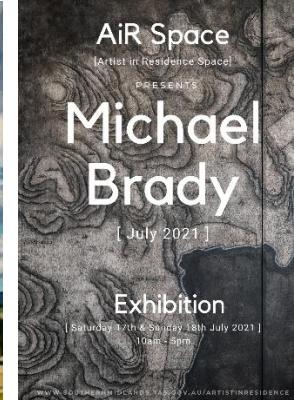
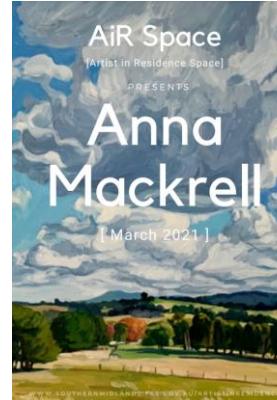
Revegetation work at Chauncy Vale

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

2020-21 Achievements

- Continued implementation of the Southern Midlands Historic Heritage Strategy 2019-23.
- Current direct heritage staff 2.6 fte (noting that some of that time is charged-out to other organisations on a fee for service basis).
- Continued public use of the Oatlands Supreme Court House, Gaol, Commissariat and Green Ponds Watch House, including exhibitions, Artist in Residence program and regular use for community events.
- Establishment and continued operation of the Oatlands AiR Space (Artist in Residence Space – formerly Heritage Hub) with exhibitions from Hunter Island Press Group (Printing Oatlands) & Residencies by Artists Anna Mackrell & Mike Brady.



- Promotion of collection material, heritage projects and events through social media including Facebook and Instagram as well as regular tours and industry engagement. Staff manage 5 heritage project team social media pages with almost daily engagement, particularly during the COVID-19 closures of services with staff working in isolation & social media engagement became the focus for community participation & promotion of cultural resources.

Heritage

- Monitoring the Oatlands Key system and seeking to promote and improve where possible along with annual updates to all heritage & heritage tourism related publications.
- Undertaking essential structural repair works to the Oatlands Supreme Court House.
- Planning works for the forthcoming demolition of the Oatlands Swimming Pool once the new centre is established.
- Continuing a close working relationship with the University of Tasmania through collaborative student projects via the School of Architecture and Earth Sciences (geophysical investigations of archaeological sites).
- Management of Council's heritage collections, including ongoing audit, curatorial inputs and improvement of storage and displays.
- Ongoing promotion of Southern Midlands heritage through talks, presentations, media events, Enlighten Oatlands Event and the Heritage and Bullock Festival. Exhibitions have included The Weeding Letters, Traditional Place Names and installation of volunteer designed and curated exhibit at the Oatlands Commissariat.



- Supervision of an active volunteer program which engages community groups where possible.
- Liaison with Government departments such as the Department of State Growth to ensure appropriate recognition and protection of historic heritage assets in major projects processes.

Heritage

- Heritage Projects Program staff continue to have a role in a range of Council committees (e.g. Arts Advisory Group, Heritage and Bullock Festival, Memorial Avenues, Heritage Highway Regional Tourism Association etc.) to promote the heritage of the region in a range of initiatives.
- Input into the statutory planning process to promote best-practice heritage outcomes consistent with Planning Authority responsibilities under the Land Use Planning and Approvals Act 1993.
- Resource sharing of SMC Heritage staff has occurred with neighbouring Councils on a fee-for-service basis.
- Heritage input into the Oatlands Structure Plan process.
- The huge task of collection auditing began in May focusing on catalogue records, condition and location of all SMC Heritage and Archaeology collection items, with volunteer assistance. To support this, we have been scoping a collection management system which can make the collection more discoverable and accessible through the internet.
- The purpose-built heritage collection store project has progressed canvassing potential architectural designers through to selection of Duo Designs, initial consultation and conceptual design approval to Stage 2: Planning documentation.

Cultural

ENSURE THAT THE CULTURAL DIVERSITY OF THE SOUTHERN MIDLANDS IS MAXIMISED

2020-21 Achievements

Southern Midlands Arts Advisory Committee

The Committee continued to support the Lower Midlands Art Group “**Artlands Exhibition**” held at Dysart House, which again drew an amazing crowd over the viewing time. The Exhibition theme is usually “Celebrating the Southern Midlands” however it was decided that this year’s theme would be “Open” as the Artists would have been creating during the COVID -19 Lockdown and unable to venture out into our Region. The result was an astounding colour and diversity of subject within the exhibition and the three “feature artists” sculptures were truly wonderful.

The Lower Midlands Collection is a project that supports artists of all disciplines who have lived or worked in the Southern Midlands, or artists who have created artworks that celebrate or describe it. The group acquiring beautiful pieces for the Collection including the purchase of one artwork annually from the **ARTLands** Exhibition. Each work of art is registered and has a sign on it indicating that it is part of the Lower Midlands Collection. The Collection is then made available on an annual leasing arrangement for local residents and business to “hire” a piece of artwork to display in their homes or work places.

The group has traditionally launched the annual event in the past by hosting a celebration luncheon and Lease Exhibition in Kempton during July. Given the COVID -19 gathering restrictions of 2020 at the time however, an alternative means of provide public access to this exhibition was sought. Council assisted the group to digitise the Lower Midlands Collection and to develop a social media strategy to enable them to deliver the 2020 leasing program



Cultural

Heritage & Bullock Festival

The previously very successful Heritage & Bullock Festivals of 2018 and 2019 in Oatlands was unable to be held during 2020 due to the COVID -19 restrictions.



Regulatory

A REGULATORY ENVIRONMENT THAT IS SUPPORTIVE OF AND ENABLES APPROPRIATE DEVELOPMENT

2019-20 Achievements

Planning Reform

The Southern Midlands Draft Local Provisions Schedule (LPS) has now been prepared and exhibited for public comment. It is expected that the adoption of the LPS as part of the Tasmanian Planning Scheme (TPS) will be completed early in 2022. Council staff continue to work with the Tasmanian Planning Commission (TPC) and other Council's in the Southern Region towards finalising this project.

The preparation of the LPS, and a single statewide planning scheme (TPS) is an objective of the State Government's Phase 1 of Planning Reform. Southern Midlands have worked to ensure the draft LPS aligns with Council's Strategic Plan, the Southern Regional Land Use Planning Strategy, Local Planning Objectives and Strategy and overall is consistent with the Resource Management and Planning System in Tasmania (and the statutory requirements of the *Land Use Planning and Approvals Act 1993*). The LPS contains local content that recognise the unique settlements, natural values, farming values and heritage values.

In 2021 the State Government announced the Phase 2 Planning Reforms which are expected to take place over a 2-3 year period. Phase 2 includes the following key components:

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

As these reforms progress Council staff will engage with the State Government to ensure that matters relevant to our municipality are fully considered.

In the meantime the Planning Policy Unit will be working with councils and the regions to identify opportunities for planning studies and analysis that can occur now to contribute to:

- short-term updates to the three regional land use strategies to ensure they remain fit for purpose; and
- the longer-term comprehensive reviews of the three regional land use strategies.

Regulatory

Council staff are working with the TPC and other municipalities in the region to identify strategic projects that could fit into this reform program, such as new and updated structure plans for our towns in order to accommodate residential growth and economic development.

Together, these reforms will significantly advance the level of strategic planning in Tasmania at a state and regional level, providing essential guidance for Councils, property owners and developers considering future land use and development. The draft LPS effectively implements many aspects of Council's Strategic Plan including but not limited to:

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

Strategic Planning and Key Development in the Southern Midlands

The following list of key development and strategic planning was considered by Council in 2020/2021 year – those developments and strategic planning changes directly and/or indirectly further the objectives and desired outcomes contained in Council's Strategic Plan:

Regulatory

Oatlands Structure Plan

The 'Oatlands Structure Plan' project commenced in July 2020 with the appointment of a Steering Committee consisting of two elected members and a number of Council officers. A Consultant, JMG Engineering and Planning was then engaged to prepare the Structure Plan and the Phase 1 Public Consultation commenced in August 2020. The consultation process included:

- a session with the students of the Oatlands District High School and captured their thoughts, aspirations and vision for Oatlands.
- A stall was setup in the High Street next to the IGA to promote the Structure Plan and gather early feedback. Approximately 30 people stopped and participated.
- A public workshop and information session was held at the Gay Street Hall. Approximately 30 people attended for the 2 hour session with Council Officers and JMG.
- Online Survey
- Written submissions to the General Manager.

In total, around 100 people provided feedback on the formation of the Structure Plan.

Phase 2 of the community consultation commenced in January 2021 with a 6 week exhibition period which included a second public workshop and information session held at the Gay Street Hall on the 20th January 2021. 17 members of the community attended the session with further Council Officers and Councillors. A total of 11 written submissions were then received during the exhibition. These submissions were tabled by the steering committee and individually considered.

Parking and traffic management remain central to the objectives of the structure plan and are clearly matters important to the community and visitors to the town. This was strongly communicated to Council and JMG during the two (2) phases of consultation.

The strong interest in the traffic and parking matters culminated in a standalone appendix in the Structure Plan. This was a clear instruction from the steering committee.

Regulatory

Overall the objectives of the structure plan and themes of the structure plan are supported by stakeholders and those whom have participated in the public consultation. Many of the ideas presented by the community have been furthered through the plan.

The objectives of the project were:

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

Many of these objectives should be realised through the implementation of the structure plan.

The Oatlands Structure Plan will be finalised in the early part of the 2021/22 period.

Approval of the Jerusalem Estate Specific Area Plan

In October 2020 the Tasmanian Planning Commission approved the amendment of the Southern Midlands Interim Planning Scheme to include the Jerusalem Estate Specific Area Plan.

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

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

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

Regulatory

Building, Plumbing and Development Applications

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

The table provides data from the 2020/2021 year measured against the previous four (4) financial years to provide a succinct five (5) year comparison.

Application Type	2020/	2019/	2018/	2017/	2016/
	2021	2020	2019	2018	2017
Building Applications This is inclusive of all applications for permits, Certificates or notifiable works under the Building Act 2016	117	109	87	99	72
Plumbing Applications 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).	75	66	60	52	46
Development Applications 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	197*	141*	141*	126*	130*

*includes 19 Development Applications for Subdivision & certificates
 *includes 18 Development Applications for Subdivision & certificates
 *includes 15 Development Applications for Subdivision & certificates
 *includes 12 Development Applications for Subdivision & certificates
 *includes 16 Development Applications for Subdivision & certificates

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

Regulatory

A total of \$38.78 million worth of development was approved in the Southern Midlands during the 2020/2021 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).

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

Climate Change

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

2020-21 Achievements

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

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

Council's Climate Change Action Plan has three areas of focus:

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

The primary energy efficiency project undertaken in 2020/21 was installation of a 16 kW solar PV system at Council's depot in Oatlands. The environmental outcome of this project is estimated to be equivalent to saving the burning of 7 tonnes of coal per annum – which is the energy equivalent the imported energy that is offset by the project. It is estimated that the annual financial return to council from the project is equivalent to around \$2500 in offset energy use and energy exported to the grid.

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

LIFESTYLE

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



Community Health & Wellbeing

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

2020-21 Achievements

Kokedama Workshop

Due to the impact of COVID -19 on our communities there was a focus on activities that encouraged people out of isolation. We held a Kokedama workshop in Colebrook as a fun way to encourage community members to try something new to maybe break down new barriers in getting out & about again. A great time was had by all with the participants learning a new skill & eager to try it at home as an inexpensive Christmas gift idea.



Community Health & Wellbeing

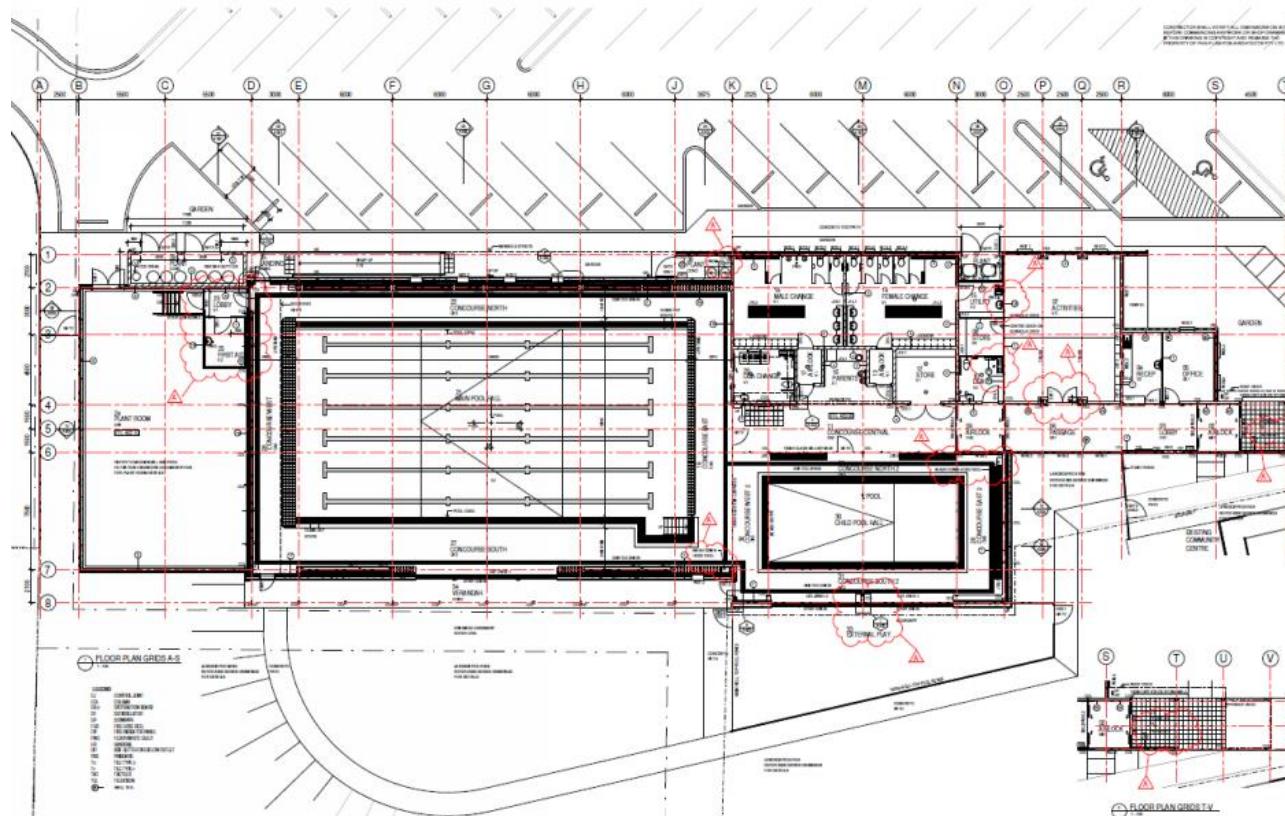
Oatlands Aquatic Centre

In May 2020 Council appointed a new Project Manager, Patrick Stanton and a new Architect, Peter Gaggin from Philip Lighten Architects to 're-start' the development of the Oatlands Aquatic Centre after the stalled efforts of the previous Architect. They quickly moved with Community Consultation and in June 2020 they lodged the Development Application for the project, following Council's sign off on the design. A Planning Permit was issued in July 2020. A further Community Consultation was undertaken.



Proposed Oatlands Aquatic Centre – Street View

Community Health & Wellbeing



Proposed Oatlands Aquatic Centre – Plan View

Community Health & Wellbeing

Oatlands Aquatic Centre – Tender Documents

The Tender Documents comprised:

- 120 x A1 drawings
 - 32 x Architectural drawings
 - 49 x civil and structural engineers' drawings
 - 21 x building services engineers drawings - electrical, data & comms, mechanical, fire and hydraulic services
 - 18 x aquatic engineer's drawings (pool systems)
- 2 x Volumes of Project Specifications

The documents addressed all requirements, including all *Planning Permit* conditions.

Oatlands Aquatic Centre – Tender Inclusions

The Tender Documents included:

- The building, car-parking, infrastructure and landscaping
- Roof top solar panel array (40% saving on electrical pool heating running cost)
- Redesigned steel roof structure to support the solar panels
- Fully sound attenuated (acoustically designed) enclosed Plant Room (*Planning Permit* requirements)
- Tiled pool surfaces
- Gas boiler back-up for emergency pool heating / boost should power fail
- Specialty high density acoustic sandwich panels over the pool area that acoustically treated the pool area, were resistant to the pool environment, and met the *Planning Permit* requirements for zincalume finish "galvanised" finished roof
- Concrete wall panels to support the natural sandstone panel finishes (*Planning Permit* requirement)
- Decorative marine plywood finishes to the internal pool hall
- Higher perimeter fences (2100mm in lieu of 1800mm)

Community Health & Wellbeing

Oatlands Aquatic Centre – Tender

Tenders were publically advertised and seven (7) Contractors responded through Tenderlink. A site inspection was held 18 October 2020 with 4 tendering contractors participating and some sub-contractors

Three tenders were received by the close of the tender period:

- Vos Constructions Launceston \$ 8,099,545 + GST
- JMK Constructions Hobart \$ 8,917,000 + GST
- GLB Constructions Westbury \$ 9,837,882 + GST

Council chose to undertake negotiations with Vos Constructions and arrived at a price of \$7,741,604.00.

Works have proceeded through this 2020/21 period at a steady pace towards a practical completion date on March 2022.



Senator Claire Chandler, representing the Australian Government (\$2 million contribution); Minister Jane Howlett, representing the Tasmanian Government (\$2 million contribution); Alli McShane, representing the former Station Child Care Centre (\$80,000 contribution) and Southern Midlands' Mayor Alex Green.

Community Health & Wellbeing

Kempton Health Centre

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



Youth

INCREASE THE RETENTION OF YOUNG PEOPLE IN THE MUNICIPALITY

2020-21 Achievements

The very successful Southern Midlands Youth School Holiday continued, with a total of 8 separate activity days across four term breaks were held between July 2020 and June 2021. The program provided opportunities for children aged between 9 and 16 years to increase physical activity, improve social connectedness and engage in new and challenging experiences.

Due to COVID -19 restrictions during July 2020 the YAY! Team joined up with Oatlands Rural Youth to facilitate a "Youth Photography Comp" for 12–16 year old residents. We had a fabulous response to the activity with 19 entrants submitting some 50 brilliant photos under the theme "Nature".

Rural Youth invited photographer Denise Smith of Oatlands to judge the photos, selecting winning shots and her "favourites" from each age year. Each winning entrant received a \$25 voucher of their choice from either Village Cinemas, Zone 3, Barilla Putt & Play, Woody's Skate & Play or, Zone Bowling Moonah. Winners in the 15 & 16 age years also received a 1 year membership to the Oatlands Rural Youth group, valued at \$120 each.



Youth

Across the other 3 term breaks, we had a total of 167 children participate across 7 activities, representing 10 of the local Southern Midlands' townships. COVID -19 restrictions meant there were less places available due to capacity restrictions at venues & to allow for social distancing measures.

Activities included Zone 3, SUPA-World, Port Arthur Historic Site, Launceston & Hobart Aquatic Centre's, Village Cinemas, Laser Skirmish & playgrounds as Lindisfarne, Kingston & Bellerive.

Council was once again most fortunate to benefit from Communities for Children/Hobart City Mission partial funding of these activities. The holiday activity funding is allocated to assist families within our region for the benefit of children aged 9-12 years. Council provides for any budgetary short-falls and for the program costs associated with activities for the 12-16 year age group.



Seniors

INCREASE THE ABILITY OF SENIORS TO STAY IN THEIR COMMUNITY

2020-21 Achievements

Community Shed

The Community Shed at Oatlands continues to be a facility used by Seniors. It is been a place to come & learn new skills, engage Seniors in the Community who may become isolated & a wonderful outlet for their mental health in being a part of a group, keeping active & socialising. Membership at the Shed has steadily increased & operates three days a week. They raise funds for equipment by regularly creating objects for sale at the local Oatlands Community market & hold regular 'Come & Try' days to encourage the community to learn how to use power tools safely & open days over a bbq & a chat with guest speakers. Community Development staff assisted Shedders to apply for grant funding that they were successful with & now owners of new equipment & safety gear.



Seniors

Council of the Aged (COTA)

Council supported the education workshops with COTA (Council of the Aged) in the Southern Midlands. Regular workshops were held online & in person to keep Seniors informed at staying well at home, accessing aged care services, elder abuse, volunteer opportunities, managing medications, and link Seniors into nearby programs such as the free legal advice for Older Tasmanians, IT skills support, COVID -19 support & Living Longer, Living Stronger program. The main theme this year has been on the Vaccine rollout & access, eSafety along with keeping connected with each other.

Community Walks

Council supported Seniors by engaging them in monthly 'Community Walks' that were facilitated in partnership with Tasmanian Health Service staff & combining with Seniors from the Central Highlands. The physical & emotional support participants provided to each other whilst being able to get out & about were really evident this year as the walks started up again after COVID -19 restrictions eased, albeit social distanced. Community walk locations included Tungatinah Lagoon, Chauncy Vale, Curringa Farm, Great Lake, Botanic Gardens, Mt Field & Snug Falls.



Children & Families

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

2020-21 Achievements

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

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

There was a greater emphasis on making sure services for children & family came to the region rather than being based towards the City and to promote local services available to help families when necessary. Village based collection of food boxes, promoting additional transport services, a weekly fresh vegetables stall, Pop up play days & emergency relief services were all provided within the Southern Midlands.



Children & Families



business & event pages, encouraging people to 'shop local'

The Community Development Department also continued to administer the Southern Midlands Events community Facebook page and modified the usual content shared in order to keep the community informed as we have all learned to live alongside COVID -19. There was a greater emphasis on information sharing about how to move forward with support pages for local businesses adapting to re-opening with QR codes for checking in & COVID -19 safety information as we all go back to our daily lives. As the year progressed, the focus was on promoting local

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

Volunteers

ENCOURAGE COMMUNITY MEMBERS TO VOLUNTEER

2020-21 Achievements

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

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

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

Volunteers

Community Small Grants Program

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

Successful applicants in 2020/21 grant rounds were are as follows:-

Southern Midlands Council Community Small Grants Program 2020 - Allocation

ORGANISATION	PROJECT	GRANT AMOUNT REQUESTED	MINIMUM AMOUNT 'WILL ACCEPT'	TOTAL PROJECT COST	RANKING	ALLOCATION
Parattah Progress Association	Parattah Community BBQ	\$ 5,000.00	\$ 4,000.00	\$ 6,016.60	1	\$ 4,847.37
Campania Halls Management Committee	Purchase commercial dishwasher	\$ 2,404.00	\$ 2,404.00	\$ 4,808.00	2	\$ 2,404.00
Brighton Green Ponds RSL Sub-Branch Inc	Replace flooring in foyer and Install Blinds	\$ 4,089.00	\$ 3,089.00	\$ 4,089.00	3	\$ 3,936.37
Jericho Volunteer Fire Brigade	Re-roofing Jericho Hall	\$ 5,000.00	\$ 5,000.00	\$ 15,000.00	4	\$ 5,000.00
Green Ponds Progress Association	PA/Audio system	\$ 3,000.00	\$ 2,500.00	\$ 5,096.00	5	\$ 2,923.69
Tunnack Community Club Inc	Dining Room upgrade	\$ 5,000.00	\$ 5,000.00	\$ 7,135.00	6	\$ 5,000.00
Bagdad Community Golf Club	Purchase of Mower	\$ 5,000.00	\$ 3,000.00	\$ 10,000.00	7	\$ 4,694.74
Colebrook Volunteer Fire Brigade	Fencing/flood mitigation	\$ 4,745.64	\$ 4,000.00	\$ 9,491.28	8	\$ 4,631.83
Bagdad Cricket Club	Create a storage, canteen & scoring area	\$ 5,000.00	\$ 5,000.00	\$ 15,150.00	9	\$ 5,000.00
Campania Volunteer Fire Brigade	Install Raspberry PI, Bart	\$ 1,562.00	\$ 1,562.00	\$ 2,944.10	10	\$ 1,562.00
Canine Performance Association of Tasmania	Reduce event acoustics - no funding sought					
Oatlands and District Progress Association	Distribution of Waterbridge meals					

	\$ 40,800.64	\$ 35,555.00	\$ 79,729.98	\$ 40,000.00
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Access

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

2020-21 Achievements

Facilities & Recreation Committee

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

Public Health

MONITOR AND MAINTAIN A SAFE AND HEALTHY PUBLIC ENVIRONMENT

2020-21 Achievements

Council has a number of statutory responsibilities with respect to public and environmental health. The principal Acts for Council in the regulatory enforcement of public and environmental health include, *Public Health Act 1997*, *Food Act 2003*, *Local Government Act 1993*, *Environmental Management and Pollution Control Act 1994* and associated subordinate legislation such as regulations and guidelines.

Council has continued to provide the community with authoritative information on all aspects of public and environmental health. This is facilitated by providing customers with informative and current information, and preparing and distributing documentation and fact sheets where necessary.

To ensure regulatory compliance, consistent onsite inspections in food businesses are undertaken, recreational waterways are sampled, and public and environmental complaints are responded to in a timely manner. Council continues to provide a school immunisation program in accordance with the National Health and Medical Research Council guidelines.

Recreation

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

2020-21 Achievements

Oatlands Aquatic Centre – see Community Health & Wellbeing Program

Runnymede Recreation Ground

The Runnymede Recreation Ground has been resurfaced with the aid of a grant from the Department of Communities and further investment by Council, along with the Runnymede Cricket Club and the Runnymede Volunteer Fire Brigade.

The Runnymede Recreation Ground (Cricket Ground) has suffered for many years because of successive drought conditions. The site surrounding the Recreation Ground in 2010 was planted out in a eucalyptus nitens hardwood plantation which drew wildlife into the Recreation Ground and eroded the surface. At that point in time the whole area including the Recreation Ground was owned by Gunns Ltd. The Runnymede Cricket Club was very keen to upgrade the ground but the barrier was that it was in private ownership. Southern Midlands Council were very keen to assist and entered into an arrangement with Gunns Ltd to transfer the site into Public Open Space in Council ownership. Part the way through the process Gunns Ltd went into liquidation, so the process had to be abandoned. The new owner's structure was formalised after many months and Council started talks with the new owners. After a couple of years negotiations, including a subdivision, the title of the Recreation Ground is now in Council ownership, formally designated Public Open Space.

Council has now, in partnership with the Runnymede Cricket Club completed the process of redevelopment of this ground for this historic cricket club. The achievements that we have collectively created comprises the following, which in total, we have brought this ground up to a high quality condition and drought proofing it for future generations.

1. Bore;
2. Onsite Water storage 100,000 litre storage tank;
3. Irrigation System: Sports ground irrigation has been installed;
4. Ground Surface: The renovation of the surface to create a high quality playing surface.



Recreation

Oatlands Destination Playground at Callington Park

An amount of \$500,000 was received from the Australian Government under the Community Development Grant Program. The total project costs was \$504,000.

The Playground has proven to be a drawcard with extremely positive feedback being received from far and wide in terms of the standard and quality of the playground.



Mount Pleasant Recreation Ground Toilet Upgrade

A total of \$122K was expended to upgrade the Toilet facilities at the Mount Pleasant Recreation Ground. The local Management Committee was successful in securing a Grant and together with its one funds, contributed \$29,336 towards the project. Council funded the balance of the project.



Animals

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

2020-21 Achievements

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

In the 2020-21 financial year, 1,681 dogs were registered and 17 kennels licenced. 57 Kennel licences in total.

Kempton Dog "Off Lead" Area

Council initiated a project to establish an "off Lead" area in the Kempton township. Council developed an initial concept plan and project plan for public consultation. A budget is to be allocated in the 2021/22 financial year to progress the establishment following further consultation in terms of location and specific design.

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

Regional Cat Management Strategy

In March 2021, Council endorsed the Southern Tasmania Regional Cat Management Strategy 2021-2026.

The preparation of a Cat Management Strategy dates back to March 2020 when the Southern Tasmanian Councils Authority provided in-principle support for the development of a Regional Strategy. This decision followed the allocation of funds by the State Government to employ three Regional Cat Management Coordinators to help progress cat management in Tasmania. The Southern Coordinator (Nikki Brockman) is hosted by Kingborough Council.

The Strategy is based on an 'opt-in' approach based on available resources, and taking into account the extent of the problem within each municipal area. The intent of the Strategy is to provide consistency of approach depending on the approach taken by individual Councils.

Education

INCREASE THE EDUCATIONAL AND EMPLOYMENT OPPORTUNITIES AVAILABLE WITHIN THE SOUTHERN MIDLANDS

2020-21 Achievements

The Local Community Strategic Alliance Charter, between Oatlands District High School and Southern Midlands Council which was signed at the June 2021 Council meeting. The document recognises the respective strengths of each other's organisation and they agree to enter into a mutually supportive strategic alliance framework as set out in this Charter.

- To jointly identify, develop then implement Community capacity building & special projects that add value for the two organisations and their respective Community roles.
- To support the people in the village and surrounding district to live in a sustainable community that is strong, healthy, active, safe and inclusive - where the well-being of people is improved and inequalities reduced, so that people feel a sense of belonging and can fully participate in community life and share in the village's success
- To support a sustainable community that is thriving, environmentally sensitive and an affordable place in which to live - where the growth of the village does not jeopardise the interests of current or future generations.



COMMUNITY

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



Capacity

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

2020-21 Achievements

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

Australia Day Awards

Congratulations to our very worthy Australia Day Award recipients who make such a positive contribution to the Southern Midlands. The Awards were presented by Mayor Alex Green at Callington Park, Oatlands on Thursday 21st January 2021.

- Citizen of the Year: Ms Kate Gillham
- Young Citizen of the Year: Mr Rohan Barwick
- Community Event of the Year: 2020 Kempton Festival

Citizenship Ceremonies

Council conducted five (3) Citizenship Ceremonies in 2020/21.



Safety

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

2020-21 Achievements

The Southern Midlands Road Rescue Unit had 52 call-outs (48 in 2019/20) involving 453 operational hours (534 in 2019/20) during the 2020/21 period. 50 call-outs were road crash rescue incidents and 2 were storm related. In addition to this, a total of 209 hours were spent on training and events (*training hours for 2020/21 significantly reduced due to COVID-19*).

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

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

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

Southern Midlands Municipal Emergency Management Plan

Section 34 of the *Emergency Management Act 2006* requires each Municipal Emergency Management Committee to prepare a plan for emergency management in the municipal area. This Plan is to be reviewed at least every two years.

A review of the Southern Midlands Emergency Management Plan was completed by the Municipal Emergency Management Committee in March 2021 and the Plan (as amended) was endorsed by the Southern Midlands Council and submitted for final approval

A Municipal Emergency Management Plan is to provide details of the arrangements and responsibilities for the governance and coordination of emergency management within the municipal area. The Plan is ultimately approved by the State Controller (i.e. Police Commissioner).

Consultation & Communication

IMPROVE THE EFFECTIVENESS OF CONSULTATION AND COMMUNICATION WITH THE COMMUNITY

2020-21 Achievements

Four (4) Ordinary Meetings of Council were held in the following areas within the municipality during 2020/21.

Bagdad, Tunbridge, Woodsdale and Campania

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. An example includes seeking public input into the commencement of Council meeting times which was undertaken by the newly elected Council prior to determining its forward meeting schedule.

ORGANISATION

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



Improvement

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

2020-21 Achievements

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

- Fraud Control and Corrupt Conduct Prevent Policy (including associated Investigation Procedure and Prevention Strategy)
- Development Assessment Committee Policy 2020
- Bullying, Harassment & Violence Policy
- Business Continuity Management Policy (including Business Continuity Plan and 'Establishment of Emergency Evacuation centre in Southern Midlands Action Document')
- Uniform and Protective Clothing Policy
- Communications Policy & Social Media Use
- Closed Circuit Television (CCTV) Policy
- Investment Policy
- Heritage Collections Policy
- Artist in Residence Policy
- Donations & Community Support Policy
- Procedures – Public Interest Disclosure Act 2000

A review of the Risk Register was completed in August 2020 and June 2021 with both reviews being endorsed by the Southern Midlands Council's Audit Panel.

The Southern Midlands Council's Audit Panel held four meetings during the 2020/21 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

2020-21 Achievements

Work, Health & Safety / Risk Management

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

Information, Communication & Technology Systems

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

In addition, the council-owned hardware is fast approaching end of life and will be due for replacement in the next 3-9 months. This will result in operational and system support issues, and will likely result in an increased cyber security risk to Council.

Council now finds itself in a position where investment in ICT is required to ensure business continuity and manage the current risk. Such an investment is also an opportunity to reduce ongoing costs and ICT complexity, and to set itself up for a modern operating environment for the future.

This project will be finalised in the 2021/22 financial year with the selection, configuration and implementation of a new solution.

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

2020-21 Achievements

The 2020-21 Financial Statements form part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity increased by \$9.937 million. This is largely due to a decrease of \$4.487 million in Cash and cash equivalents (with a corresponding increase in loan borrowings of \$4.292 million); an increase of \$958K in the value of Council's investment in TasWater; a net asset revaluation increment of \$7.001 million; together with movements in other assets and liabilities which are shown in the Balance Sheet and detailed in the Notes to the Financial Report.

Financial Management Strategy and Long-Term Financial Management Plan (2020/21 to 2029/30)

Under Section 70E of the *Local Government Act 1993* Council is to review the Long-Term Financial Management Plan and the Financial Management Strategy at least every four years. The documents were previously adopted in April 2018.

The updated Financial Management Strategy and Long-term Financial Management Plan were adopted by Council in March 2021 following assessment and recommendation from the Southern Midlands Council's Audit Panel.

REPORTING ON LEGISLATIVE REQUIREMENTS

Following are the reports that Council is required to provide under various legislation for the 2020/2021 financial year:

Allowances and Expenses Statement

(Under the *Local Government Act 1993*)

In 2020/21 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances	\$ 116,872.24
Expenses	\$ 18,802.83

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 2020/21 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 2020/21 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 9th December 2020.
- One (1) Southern Midlands Facilities & Recreation Committee meeting was held on the 10th September 2020.

COUNCILLOR ATTENDANCE	Ordinary Council Meetings	Annual General Meeting	Special Council Meetings	Southern Midlands Recreation Committee
	x 12 meetings	x 1 meeting	x 2 meetings	x 1 meeting
Mayor A Green	10/12	0/1	2/2	N/A
Deputy Mayer E Batt	12/12	1/1	2/2	1/1
Clr A Bantick	10/12	1/1	2/2	1/1
Clr A Bisdee OAM	11/12	1/1	2/2	N/A
Clr K Dudgeon	12/12	1/1	2/2	N/A
Clr D Fish	11/12	1/1	2/2	1/1
Clr R McDougall	12/12	1/1	1/2	N/A

Donation of Land Statement

(Under the *Local Government Act 1993*)

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

Remuneration Statement

(Under the *Local Government Act 1993*)

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

Remuneration Band	No. of Positions
\$80,001 -- \$100,000	1
\$100,001 - \$120,000	2
\$160,001 - \$180,000	1
\$200,001 - \$220,000	1

Advertising of Annual Report

(Under the *Local Government Act 1993*)

Section 72 (2) requires the General Manager to advertise in a daily newspaper circulating in the municipal area the availability of the report, together with an invitation to electors to lodge submissions on the report with the council for discussion at its annual general meeting. The Annual General Meeting was advertised in 'The Mercury' newspaper on the 23rd November 2021; 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 2020/21 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 2021.

Contactor Name & Address	Description	Value of Contract (excl. GST)	Period of Contract (plus extension options if applicable)
Vos Construction Pty Ltd	Construction of Oatlands Aquatic Centre	\$7,783,604.00	
Spectran	Collection and disposal of general waste	Est annual \$254,662.00	March 2021

Stabalised Pavements of Australia	Road reconstruction / stabalisation program	\$514,753.64	
Fulton Hogan	Road sealing program	\$299,843.30	

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 Education and Skills Centre Ltd

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

This includes:

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

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

Grants & Donations

Name	Description	Amount \$
Brighton Family Day Care	Annual Child Care Grant	\$ 4000.00
Tasmania's Heritage Highway	Annual Grant	\$ 12,000.00
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
Levendale Cricket Club	Annual Contribution Ground Maintenance	\$ 1000.00
Tunnack Hall & Progress Association	Contribution Public Liability Insurance	\$ 474.17
Levendale Hall Committee	Contribution Public Liability Insurance	\$ 322.00
Reptile Rescue Incorporated	Contribution to Reptile Rescue Program	\$ 500.00
Enlighten	Donation of Prize Money for Art Acquisition Award	\$ 300.00
Lower Midlands Arts	Contribution to ARTlands Exhibition	\$ 500.00
Bagdad Community Club	Community Small Grant	\$ 4694.47
Campania Hall Committee	Community Small Grant	\$ 2404.00
Campania Volunteer Fire Brigade	Community Small Grant	\$ 1562.00
Colebrook Volunteer Fire Brigade	Community Small Grant	\$ 4631.83

Grants & Donations

Name	Description	Amount \$
Jericho Volunteer Fire Brigade	Community Small Grant	\$ 5000.00
Parattah Progress Association	Community Small Grant	\$ 4,847.37
Tunnack Community Club	Community Small Grant	\$ 5,000.00
Bagdad Community Club	Operational Grant MOU	\$10,000.00
GRANTS & DONATIONS TOTAL		\$ 57,675.84

2020/2021 FINANCIAL STATEMENTS

**SOUTHERN
MIDLANDS
COUNCIL**



Southern Midlands Council

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COMPLETE SET OF FINANCIAL STATEMENTS

2020|21 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.



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 2021 and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

- (a) present fairly, in all material respects, the Group's financial position as at 30 June 2021 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, the asset renewal funding ratio disclosed in note 2.6f to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for

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

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Fair value of land, buildings and infrastructure <i>Refer to note 3.6 and 3.11</i></p> <p>At 30 June 2021, Council's assets included land, land under roads, buildings, and infrastructure assets, including roads, bridges, stormwater and waste management assets valued at fair value totalling \$95.61m. The fair values of these assets are based on market values and current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>During 2020-21, Council undertook a full revaluation of buildings and bridges assets. The valuations are highly dependent upon a range of assumptions and estimated unit rates.</p> <p>Capital payments in 2020–21 totalled \$6.23m on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<ul style="list-style-type: none">Assessing the scope, expertise and independence of experts involved in the valuations.Evaluating the appropriateness of the valuation methodology applied to determine fair values.Critically assessing assumptions and other key inputs in the valuation models.Testing, on a sample basis, the mathematical accuracy of valuation model calculations.Testing the accuracy of recording independent values in Council's asset register and general ledger.Testing, on a sample basis, significant expenditure on maintenance and capital works to corroborate appropriate treatment.Testing, on a sample basis, capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner.Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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



Jeff Tongs
Assistant Auditor-General – Audit
Delegate of the Auditor-General
Tasmanian Audit Office

30 September 2021
Hobart

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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 2021 and the results of its operations and cash flows for the year then ended, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



T F Kirkwood
General Manager

Dated: 13 August 2021

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2021

(Amounts shown in \$000)	Note	Budget 2021	Actual 2021	Actual 2020
Income from continuing operations				
Recurrent Income				
Rates and charges	2.2a	5,797	5,743	5,700
User fees	2.2b	681	1,014	878
Grants - Recurrent	2.2c	3,564	3,524	3,678
Interest	2.2d	175	35	151
Contract income	2.2e	765	311	943
Other income	2.2f	29	58	121
Investment revenue from water corporation	2.2g	76	76	76
		11,087	10,761	11,547
Net Capital Income				
Grants - capital	2.2h	3,559	2,045	765
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	2.2i	6	120	(127)
		3,565	2,165	638
Total income from continuing operations		14,652	12,926	12,185
Expenses from continuing operations				
Employee benefits	2.3a	(4,463)	(3,645)	(4,095)
Materials and contracts	2.3b	(3,368)	(3,279)	(3,285)
Depreciation and amortisation	2.3c	(3,004)	(3,322)	(3,170)
Contributions	2.3d	(234)	(234)	(234)
Finance costs	2.3e	(19)	(19)	(27)
Other expenses	2.3f	(388)	(449)	(422)
Total expenses from continuing operations		(11,476)	(10,948)	(11,233)
Net result from continuing operations for the year		3,176	1,978	952
Other comprehensive income				
Items that will not be reclassified to net result				
Fair value adjustments on equity investment asset	3.5	-	958	(3,183)
Net asset revaluation increment/(decrement)	3.6	-	7,001	(229)
Total other comprehensive income		-	7,959	(3,412)
Total Comprehensive Result		3,176	9,937	(2,460)

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

Consolidated Statement of Financial Position

as at 30 June 2021

(Amounts shown in \$000)	Note	Actual 2021	Actual 2020
Assets			
Current assets			
Cash and cash equivalents	3.1	18,500	14,013
Trade and other receivables	3.2	1,293	1,081
Assets held for sale	3.3	100	-
Other assets	3.4	284	384
Total current assets		20,177	15,478
Non-current assets			
Investment in water corporation	3.5	11,348	10,390
Property, plant, equipment, infrastructure and intangibles	3.6	102,522	92,891
Total non-current assets		113,870	103,281
Total assets		134,047	118,759
Liabilities			
Current liabilities			
Trade and other payables	3.8	798	674
Trust funds and deposits	3.9	141	167
Contract liabilities	3.10	2,602	1,660
Employee provisions	4.1	1,600	1,552
Interest-bearing loans and borrowings	5.1	334	73
Total current liabilities		5,475	4,126
Non-current liabilities			
Employee provisions	4.1	26	55
Interest-bearing loans and borrowings	5.1	4,415	384
Total non-current liabilities		4,441	439
Total liabilities		9,916	4,565
Net Assets		124,131	114,194
Equity			
Accumulated surplus		55,060	53,082
Reserves	6.1	69,071	61,112
Total Equity		124,131	114,194

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2021

(Amounts shown in \$000)	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves
Balance as at 30 June 2019		115,718	51,194	61,038	(165)	3,651
Prior period error	6.2	2,015	2,015	-	-	-
Effect of changes in accounting policy for:						
Adoption of AASB 1058		(875)	(875)	-	-	-
Adoption of AASB 15		(204)	(204)	-	-	-
Adoption of AASB 16		-	-	-	-	-
Restated balance as at 1 July 2019		116,654	52,130	61,038	(165)	3,651
Net result from continuing operations for the year		952	952	-	-	-
Fair value adjustment on equity investment asset	3.5	(3,183)	-	-	(3,183)	-
Net revaluation reserve increment/(decrement)	3.6	(229)	-	(229)	-	-
Transfers between reserves	6.1	-	-	-	-	-
Balance as at 30 June 2020		114,194	53,082	60,809	(3,348)	3,651
Net result from continuing operations for the year		1,978	1,978	-	-	-
Fair value adjustment on equity investment asset	3.5	958	-	-	958	-
Net revaluation reserve increment/(decrement)	3.6	7,001	-	7,001	-	-
Transfers between reserves	6.1	-	-	-	-	-
Balance as at 30 June 2021		124,131	55,060	67,810	(2,390)	3,651

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2021

(Amounts shown in \$000)	Note	Actual 2021	Actual 2020
Cash flows from operating activities			
Rates and charges		5,836	5,600
User fees		932	978
Grants - Recurrent		3,510	3,688
Interest		35	151
Investment revenue from water corporation		76	76
Other receipts		362	1,077
Net GST refund/payment		708	470
Payments to suppliers		(4,688)	(4,793)
Payments to employees		(3,626)	(3,970)
Finance costs paid		(19)	(27)
Net cash from (used in) operating activities	2.4	3,126	3,250
Cash flows from investing activities			
Payments for property, plant, equipment, infrastructure and intangibles		(6,226)	(3,761)
Proceeds from sale of property, plant, equipment, infrastructure and intangibles		294	332
Capital grants		3,027	1,621
Net cash from (used in) investing activities		(2,905)	(1,808)
Cash flows from financing activities			
Trust funds and deposits		(26)	(10)
Proceeds from interest bearing loans and borrowings		4,365	-
Repayment of interest bearing loans and borrowings		(73)	(148)
Net cash from (used in) financing activities	2.5	4,266	(158)
Net increase (decrease) in cash and cash equivalents		4,487	1,284
Cash and cash equivalents at the beginning of the financial year		14,013	12,729
Cash and cash equivalents at the end of the financial year	3.1	18,500	14,013

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

Notes to the Financial Report

for the year ended 30 June 2021

1 About the financial statements

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

1.1 Reporting entity

- (a) Southern Midlands Council is a body corporate with perpetual succession and a common seal. Council's main office is located at 71 High Street, Oatlands.
- (b) The purpose of the Council is to:
 - provide for health, safety and welfare of the community;
 - to improve the overall quality of life of people in the local community;
 - promote appropriate business and employment opportunities

1.2 Basis of accounting

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

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

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

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

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

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

The financial report has been prepared as a consolidated report to include all the external transactions for the subsidiary entities disclosed at note 3.12. 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 2021

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 3.6.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 3.5.

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 2021

2 Financial performance

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

2.1 Functions/Activities of the Council

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

(Amounts shown in \$000)	Income from continuing operations		Expenses from continuing operations		Result from continuing operations		Assets 2020
	2021	2020	2021	2020	2021	2020	
Roads and bridges	1,250	684	4,727	4,716	(3,477)	(4,032)	66,933
Stormwater	-	-	120	107	(120)	(107)	3,742
Waste management	932	841	1,146	1,101	(214)	(260)	563
Economic development	385	1,045	1,120	1,770	(735)	(725)	8,173
Environmental management	20	81	434	390	(414)	(309)	881
Development services	279	239	997	917	(718)	(678)	1,445
Community services	84	55	632	884	(548)	(829)	3,995
Recreational facilities	120	237	970	860	(850)	(623)	13,774
Governance and administration	40	144	570	254	(530)	(110)	3,439
Other - non attributable	9,816	8,859	232	234	9,584	8,625	31,102
	12,926	12,185	10,948	11,233	1,978	952	134,047
							118,759

Grants included in Income from continuing operations:

	2021	2020
Roads and bridges	1,183	666
Stormwater	-	-
Waste management	-	-
Economic development	145	65
Environmental management	108	66
Development services	-	-
Community services	54	27
Recreational facilities	582	35
Governance and administration	-	-
Other - non attributable	3,497	3,584
	5,569	4,443

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

	2021	2020
Current assets	20,177	15,478
Non-current assets	113,870	103,281
	134,047	118,759

Notes to the Financial Report

for the year ended 30 June 2021

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 2021

2.2 Income from continuing operations

(Amounts shown in \$000)	2021	2020
Recurrent income		
2.2a Rates and charges		
General	4,604	4,572
Fire levy	234	234
Waste & garbage management	892	820
Interest and penalties	13	74
<i>Total rates and charges</i>	5,743	5,700
2.2b User fees		
Community safety	12	11
Growth tourism	5	4
Growth business	286	284
Landscapes cultural	-	6
Landscapes heritage	1	-
Landscapes regulatory	238	186
Landscapes natural	5	4
Lifestyle recreation	52	60
Lifestyle animals	41	54
Organisation sustainability	212	141
Organisation finances	15	13
Volunteers program	105	93
Other fees and charges	42	22
<i>Total user fees</i>	1,014	878
2.2c Grants - Recurrent		
Australian Government Financial Assistance Grants	1,689	1,742
Australian Government Financial Assistance Grants (in advance)	1,808	1,840
Landscapes youth	4	-
Landscapes natural	-	60
Other	23	36
<i>Total recurrent grants</i>	3,524	3,678
2.2d Interest		
Interest on financial assets	-	6
Interest on cash and cash equivalents	35	145
<i>Total interest</i>	35	151
2.2e Contract income		
Contracted works	311	943
<i>Total contract income</i>	311	943
2.2f Other income		
Government subsidies	12	12
Special Committee contributions	-	87
Insurance recoveries	18	-
Sundry	28	22
<i>Total other income</i>	58	121

Notes to the Financial Report

for the year ended 30 June 2021

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)	2021	2020
2.2g Investment revenue from water corporation		
Dividends, tax equivalent and guarantee fees received	76	76
<i>Total investment revenue from water corporation</i>	76	76
Total recurrent income	10,761	11,547
2.2h Net capital income		
<i>Grants - capital</i>		
Australian Government - Roads	666	666
Australian Government - Local Roads and Community Infrastructure	569	-
Australian Government - Oatlands Underground Power Project	125	-
Australian Government - Oatlands Destination Playground Development	500	-
Australian Government - Chauncy Vale Pedestrian Bridge Project	55	-
Australian Government - Kempton Town Development	30	-
Australian Government - Lake Dulverton Conservation Area Walkway	44	-
Landscapes natural	5	-
Lifestyles public health	48	27
Landscapes heritage	-	31
Landscapes natural	3	41
<i>Total grants - capital</i>	2,045	765
2.2i Net gain/(loss) on disposal of property, plant, equipment and infrastructure		
Proceeds of sale of non-current assets	294	332
Written down value of non-current assets disposed	(174)	(459)
<i>Total gain/(loss)</i>	120	(127)
Total net capital income	2,165	638
Total income from continuing operations	12,926	12,185

Notes to the Financial Report

for the year ended 30 June 2021

2.2 Income from continuing operations (continued)

(Amounts shown in \$000) 2021 2020

2.2j Grants received by funding source and conditions attached

Funding source

Australian Government	5,486	4,248
Other	83	195
Total	5,569	4,443

The Australian Government provides untied Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB 1004 Contributions, Council recognised these grants as revenue when it received the funds and obtained control. In both years the Australian Government made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Australian Government Financial Assistance Grants being above that originally budgeted in 2020-21 by \$1,808,000 (2019-20 by \$1,840,000). This has impacted the Statement of Comprehensive Income resulting in the result from continuing operations being higher by the same amount.

Unspent grants

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

Operating

Balance of unspent funds at 1 July	1,840	1,752
Add: Funds recognised as revenue in the year but not yet spent in accordance with the conditions	1,808	1,840
Add: Funds received and not recognised as revenue in the year	-	-
Less: Funds recognised as revenue in previous years that have been spent during the year	(1,840)	(1,752)
Less: Funds received in prior year but revenue recognised and funds spent in the year	-	-
Balance of unspent funds at 30 June	1,808	1,840

Capital

Balance of unspent funds at 1 July	1,660	875
Add: Funds recognised as revenue in the year but not yet spent in accordance with the conditions	-	-
Add: Funds received and not recognised as revenue in the year	1,002	812
Less: Funds recognised as revenue in previous years that have been spent during the year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in the year	(60)	(27)
Balance of unspent funds at 30 June	2,602	1,660
Total unspent grants	4,410	3,500

2.2k Recognition and measurement

Rates and charges

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

User fees

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

Notes to the Financial Report

for the year ended 30 June 2021

2.2 Income from continuing operations (continued)

Grants - recurrent and capital

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

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

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

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

Interest

Interest is recognised progressively as it is earned.

Contract income

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

Other income

Rental income

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

Volunteer services

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

Operating leases as lessor

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

Notes to the Financial Report

for the year ended 30 June 2021

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 2021

2.3 Expenses from continuing operations

(Amounts shown in \$000)	2021	2020
2.3a Employee benefits		
Wages and salaries	2,724	3,109
Other employee costs	1,278	1,238
	4,002	4,347
Less amounts capitalised	(357)	(252)
<i>Total employee benefits</i>	3,645	4,095
2.3b Materials and contracts		
Advertising	44	31
Bank charges and commissions	21	19
Callington Mill	6	6
Computer system operation	195	174
Consultancies	160	155
Contractor labour and services	409	403
Council plant & machinery	244	253
Donations and grants	48	45
Gravel purchases	24	96
Household garbage and recycling collection contract	296	220
Insurance premiums	128	94
Legal expenses	41	56
Office expenses	82	100
Plant and machinery hire (external)	201	168
Power costs (including street lighting)	178	175
Repairs and maintenance	158	178
Subscriptions and publications	50	57
Telecommunications	26	22
Waste transfer, transport and disposal contracts	414	349
Water purchases	51	46
Valuation fees (supplementary valuations)	16	23
Volunteer services	104	93
Other materials and contracts	383	522
<i>Total materials and contracts</i>	3,279	3,285
2.3c Depreciation and amortisation		
Property		
Buildings	655	446
Plant and equipment		
Plant and machinery	223	260
Furniture and fixtures	29	25
Minor plant	14	10
Infrastructure		
Roads	1,921	1,916
Bridges	362	359
Stormwater	54	54
Waste management	27	26
<i>Total depreciation</i>	3,285	3,096
Amortisation of intangibles	37	74
<i>Total depreciation and amortisation</i>	3,322	3,170

Notes to the Financial Report

for the year ended 30 June 2021

2.3 Expenses from continuing operations (continued)

(Amounts shown in \$000)	2021	2020
2.3d Contributions		
Fire service levy	234	234
<i>Total contributions</i>	234	234
2.3e Finance costs		
Interest - Borrowings	19	27
<i>Total finance costs</i>	19	27
2.3f Other expenses		
Councillors allowances	136	131
Election costs	2	3
External auditors' remuneration	30	29
Bad & doubtful debts	19	-
Other	262	259
<i>Total other expenses</i>	449	422
Total expenses from continuing operations	10,948	11,233

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 2021

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)	2021	2020
Net result from continuing operations for the year	1,978	952
Depreciation and amortisation	3,322	3,170
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	(120)	127
Bad & doubtful debts	-	-
Grants - capital	(3,027)	(1,621)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(212)	(121)
Decrease/(increase) in other assets	100	(79)
Increase/(decrease) in contract liabilities	942	822
Increase/(decrease) in trade and other payables	124	(125)
Increase/(decrease) in employee provisions	19	125
<i>Net cash provided by/(used in) operating activities</i>	3,126	3,250
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	18,500	14,013
<i>Total reconciliation of cash and cash equivalents</i>	18,500	14,013

Notes to the Financial Report

for the year ended 30 June 2021

2.5 Reconciliation of liabilities arising from financing activities

(Amounts shown in \$000)	2021	2020
Trust funds and deposits		
<i>Balance at the beginning of the financial year</i>	167	177
Net movements	(26)	(10)
<i>Balance at the end of the financial year</i>	141	167
Interest-bearing loans and borrowings		
<i>Balance at the beginning of the financial year</i>	457	605
New borrowings	4,365	-
Cash repayments	(73)	(148)
<i>Balance at the end of the financial year</i>	4,749	457

2.6 Management indicators

(Amounts shown in \$000)	Benchmark	2021	2020	2019	2018
2.6a Underlying surplus or deficit					
Recurrent income* less		10,913	11,332	11,145	10,361
recurrent expenditure		10,948	11,207	11,403	10,870
Underlying surplus/deficit	> \$0	(35)	125	(258)	(509)
* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature as set out below:					
Income from continuing operations		12,926	12,185		
Less non-operating income					
Financial Assistance Grant in advance - prior year		1,840	1,752		
Financial Assistance Grant in advance - current year		(1,808)	(1,840)		
Grants - Capital		(2,045)	(765)		
Recurrent income		10,913	11,332		
Expenses from continuing operations		10,948	11,233		
Less non-operating expenditure					
Expenses related to COVID 19		-	(26)		
Recurrent expenditure		10,948	11,207		

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

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

2.6b Underlying surplus or deficit ratio

Underlying surplus or deficit	(35)	125	(258)	(509)
Recurrent income*	10,913	11,332	11,145	10,361
Underlying surplus or deficit ratio %	> 0%	-0.3%	1.1%	-2.3%

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

Notes to the Financial Report

for the year ended 30 June 2021

2.6 Management indicators (continued)

(Amounts shown in \$000)	Benchmark	2021	2020	2019	2018
2.6c Net financial liabilities					
Liquid assets less		19,793	15,094	13,689	13,568
total liabilities		9,916	4,565	2,822	2,661
Net financial liabilities	> \$0	9,877	10,529	10,867	10,907

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		9,877	10,529	10,867	10,907
Recurrent income*		10,913	11,332	11,145	10,361
Net financial liabilities ratio %	0% - (50%)	90.5%	92.9%	97.5%	105.3%

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)		61,295	60,806	61,793	62,026
Current replacement cost (Gross)		122,666	120,488	119,198	116,701
Asset consumption ratio %	> 60%	50.0%	50.5%	51.8%	53.1%

Buildings

Fair value (Carrying amount)		22,389	15,422	13,255	12,086
Current replacement cost (Gross)		46,855	26,463	23,494	21,952
Asset consumption ratio %	> 60%	47.8%	58.3%	56.4%	55.1%

Drainage

Fair value (Carrying amount)		3,732	3,778	3,717	3,762
Current replacement cost (Gross)		5,303	5,295	5,180	5,173
Asset consumption ratio %	> 60%	70.4%	71.4%	71.8%	72.7%

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 2021

2.6 Management indicators (continued)

(Amounts shown in \$000)	Benchmark	2021	2020	2019	2018
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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**		22,300	19,474	18,638	19,419
Projected capital expenditure funding***		19,881	20,475	21,750	19,790
Asset renewal funding ratio %	90-100%	112.2%	95.1%	85.7%	98.1%

Buildings

Projected capital funding outlays**		3,600	3,600	3,301	3,598
Projected capital expenditure funding***		3,375	3,708	2,750	2,750
Asset renewal funding ratio %	90-100%	106.7%	97.1%	120.0%	130.8%

Stormwater

Projected capital funding outlays**		486	486	501	546
Projected capital expenditure funding***		468	486	520	520
Asset renewal funding ratio %	90-100%	103.8%	100.0%	96.3%	105.0%

** 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		2,530	2,374	2,349	2,995
Annual depreciation and amortisation expense		3,322	3,170	3,079	3,075
Asset sustainability ratio %	100.0%	76.2%	74.9%	76.3%	97.4%

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 2021

2.6 Management indicators (continued)

(Amounts shown in \$000)

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
2021			
By asset class (including work in progress)			
Land	-	8	8
Buildings	560	2,579	3,139
Plant and machinery	192	-	192
Furniture and fixtures	13	-	13
Minor plant	11	-	11
Roads	1,669	1,064	2,733
Bridges	72	-	72
Stormwater	-	10	10
Waste management	-	35	35
Intangibles	13	-	13
Total	2,530	3,696	6,226
2020			
By asset class (including work in progress)			
Land	-	50	50
Buildings	239	840	1,079
Plant and machinery	772	-	772
Furniture and fixtures	40	-	40
Minor plant	7	-	7
Roads	975	387	1,362
Bridges	300	-	300
Stormwater	5	110	115
Waste management	9	-	9
Intangibles	27	-	27
Total	2,374	1,387	3,761

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 2021

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)	2021	2020
Cash at bank and on hand	8,070	3,086
Term deposits (3 months or less)	10,430	10,927
Total cash and cash equivalents	18,500	14,013

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

- Trust funds and deposits (note 3.9)	141	167
- Special committees of Council	71	63
- Heritage Building Solutions Pty Ltd (note 3.12)	278	279
- Heritage Education and Skills Centre Ltd (note 3.12)	20	47
- Unspent grant funds with conditions (notes 2.2j)	4,410	1,660
- Australian Government - Financial Assistance Grant (in advance) (note 2.2c)	1,808	1,840
Restricted funds	6,728	4,056
Total unrestricted cash and cash equivalents	11,772	9,957

Restricted funds represent:

- i) Trust funds and deposits, Including refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- ii) Funds held by special committees and subsidiary companies.
- iii) Unspent grant funds with conditions until specific performance obligations required under funding arrangements are completed.

Recognition and measurement

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

3.2 Trade and other receivables

(Amounts shown in \$000)	2021	2020
Rates debtors	695	769
Other debtors	598	312
Total trade and other receivables	1,293	1,081

Notes to the Financial Report

for the year ended 30 June 2021

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 Assets held for sale

(Amounts shown in \$000)	2021	2020
Internal transfer from Land	100	-
<i>Total assets held for sale</i>	100	-

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 2021

3.4 Other assets

(Amounts shown in \$000)	2021	2020
Stores and materials	239	303
Subsidiary work in progress	45	81
<i>Total other assets</i>	284	384

Recognition and measurement

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

3.5 Investment in water corporation

(Amounts shown in \$000)	2021	2020
Opening Balance	10,390	13,573
Change in fair value of investment	958	(3,183)
<i>Total investment in water corporation</i>	11,348	10,390

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 2021, Council held a 0.72% ownership interest in TasWater (2020: 0.72%) which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

Notes to the Financial Report

for the year ended 30 June 2021

3.6 Property, plant, equipment, infrastructure and intangibles

(Amounts shown in \$000)	Gross book value		Accumulated depreciation		Total	
	2021	2020	2021	2020	2021	2020
<i>Property</i>						
<i>At fair value</i>						
Land	4,932	5,102	-	-	4,932	5,102
Land under roads	3,051	3,051	-	-	3,051	3,051
Buildings	46,855	26,463	(24,466)	(11,041)	22,389	15,422
<i>Total property</i>	54,838	34,616	(24,466)	(11,041)	30,372	23,575
<i>Plant and equipment</i>						
<i>At cost</i>						
Plant and machinery	4,274	4,257	(1,915)	(1,764)	2,359	2,493
Furniture and fixtures	661	648	(435)	(405)	226	243
Minor plant	335	324	(277)	(263)	58	61
<i>Total plant and equipment</i>	5,270	5,229	(2,627)	(2,432)	2,643	2,797
<i>Infrastructure</i>						
<i>At fair value</i>						
Roads	94,403	92,232	(51,837)	(49,915)	42,566	42,317
Bridges	28,263	28,256	(9,534)	(9,767)	18,729	18,489
Stormwater	5,303	5,295	(1,571)	(1,517)	3,732	3,778
Waste management	344	308	(135)	(108)	209	200
<i>Total infrastructure</i>	128,313	126,091	(63,077)	(61,307)	65,236	64,784
<i>Work in progress</i>						
<i>Intangibles</i>						
	4,213	1,653	-	-	4,213	1,653
	557	543	(499)	(461)	58	82
<i>Total property, plant, equipment, infrastructure and intangibles</i>	193,191	168,132	(90,669)	(75,241)	102,522	92,891

Notes to the Financial Report

for the year ended 30 June 2021

3.6 Property, plant, equipment, infrastructure and intangibles (continued)

(Amounts shown in \$000)	Balance at beginning of financial year	Acquisition of assets	Revaluation increase (decrease)	Depreciation and amortisation	Written down value of disposals	Transferred to held for sale	Impairment of assets	Balance at end of financial year
2021								
Property								
Land	5,102	-	-	-	(70)	(100)	-	4,932
Land under roads	3,051	-	-	-	-	-	-	3,051
Buildings	15,422	1,194	6,428	(655)	-	-	-	22,389
<i>Total property</i>	23,575	1,194	6,428	(655)	(70)	(100)	-	30,372
Plant and equipment								
Plant and machinery	2,493	193	-	(223)	(104)	-	-	2,359
Furniture and fixtures	243	12	-	(29)	-	-	-	226
Minor plant	61	11	-	(14)	-	-	-	58
<i>Total plant and equipment</i>	2,797	216	-	(266)	(104)	-	-	2,643
Infrastructure								
Roads	42,317	2,170	-	(1,921)	-	-	-	42,566
Bridges	18,489	29	573	(362)	-	-	-	18,729
Stormwater	3,778	8	-	(54)	-	-	-	3,732
Waste management	200	36	-	(27)	-	-	-	209
<i>Total infrastructure</i>	64,784	2,243	573	(2,364)	-	-	-	65,236
Work in progress								
<i>Intangibles</i>	1,653	2,560	-	-	-	-	-	4,213
<i>Total property, plant, equipment, infrastructure and intangibles</i>	92,891	6,226	7,001	(3,322)	(174)	(100)	-	102,522

Notes to the Financial Report

for the year ended 30 June 2021

3.6 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
2020								
Property								
Land	5,097	50	-	-	(45)	-	-	5,102
Land under roads	3,051	-	-	-	-	-	-	3,051
Buildings	14,780	1,272	-	(446)	(184)	-	-	15,422
<i>Total property</i>	22,928	1,322	-	(446)	(229)	-	-	23,575
Plant and equipment								
Plant and machinery	2,204	772	-	(260)	(223)	-	-	2,493
Furniture and fixtures	234	40	-	(25)	(6)	-	-	243
Minor plant	64	7	-	(10)	-	-	-	61
<i>Total plant and equipment</i>	2,502	819	-	(295)	(229)	-	-	2,797
Infrastructure								
Roads	43,016	1,217	-	(1,916)	-	-	-	42,317
Bridges	18,777	300	(229)	(359)	-	-	-	18,489
Stormwater	3,717	115	-	(54)	-	-	-	3,778
Waste management	218	9	-	(26)	(1)	-	-	200
<i>Total infrastructure</i>	65,728	1,641	(229)	(2,355)	(1)	-	-	64,784
Work in progress								
<i>Intangibles</i>	1,701	(48)	-	-	-	-	-	1,653
<i>Total property, plant, equipment, infrastructure and intangibles</i>	92,988	3,761	(229)	(3,170)	(459)	-	-	92,891

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 2021

3.6 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
<i>Property</i>		
Land	1	Fair value
Land under roads	1	Fair value
Buildings	1	Fair value
<i>Plant and equipment</i>		
Plant and machinery	1,000	Cost
Furniture and fixtures	500	Cost
Minor plant	1,000	Cost
<i>Infrastructure</i>		
Roads	1	Fair value
Bridges	5,000	Fair value
Stormwater	3,000	Fair value
Waste management	3,000	Cost
<i>Intangibles</i>	500	Cost

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2021

3.7 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 2021

3.8 Trade and other payables

(Amounts shown in \$000)	2021	2020
Payables and accruals	455	357
Rates and charges in advance	260	241
Payroll oncosts on employee entitlements	83	76
<i>Total trade and other payables</i>	798	674

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.

3.9 Trust funds and deposits

(Amounts shown in \$000)	2021	2020
Tender deposits and funds held on trust	141	167
<i>Total trust funds and deposits</i>	141	167

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.

3.10 Contract liabilities

(Amounts shown in \$000)	2021	2020
Grants received in advance	2,602	1,660
<i>Total contract liabilities</i>	2,602	1,660

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

60

-

Notes to the Financial Report

for the year ended 30 June 2021

3.11 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 3.5

Property and infrastructure as disclosed at note 3.6

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 3.3. 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 2021

3.11 Fair value measurements (continued)

(Amounts shown in \$000)	Level 1		Level 2		Level 3		Total	
	2021	2020	2021	2020	2021	2020		
Fair value measurements								
Recurring								
Property								
Land	-	-	4,932	5,102	-	-	4,932	
Land under roads	-	-	3,051	3,051	-	-	3,051	
Buildings	-	-	-	-	22,389	15,422	22,389	
Infrastructure								
Roads	-	-	-	-	42,566	42,317	42,566	
Bridges	-	-	-	-	18,729	18,489	18,729	
Stormwater	-	-	-	-	3,732	3,778	3,732	
Waste management	-	-	-	-	209	200	209	
Total recurring	-	-	7,983	8,153	87,625	80,206	95,608	
							88,359	
Non-recurring								
Assets held for sale	100	-	-	-	-	-	100	
Total non-recurring	100	-	-	-	-	-	100	
							-	

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. With exception of the transfer of \$100,000 from land (level 2) to assets held for sale (level 1), 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 3.5 for details of valuation techniques used to derive fair values.

Land

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

Notes to the Financial Report

for the year ended 30 June 2021

3.11 Fair value measurements (continued)

Land held for sale

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

Land under roads

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

Buildings

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

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

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

Infrastructure assets

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

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

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

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

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

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

Roads

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

Notes to the Financial Report

for the year ended 30 June 2021

3.11 Fair value measurements (continued)

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

Bridges

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

Stormwater

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

Other Infrastructure

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

(d) Changes in recurring level 3 fair value measurements

The changes in level 3 property and infrastructure assets with recurring fair value measurements are detailed in note 3.6 (Property, plant, equipment and infrastructure). Investment in water corporation, which is classified as level 3 has been separately disclosed in note 3.5.

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

(e) Valuation processes

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

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2021

3.12 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)	2021	2020
Heritage Building Solutions Pty Ltd		
Statement of Comprehensive Income		
Revenue	872	1,155
Expenses	(856)	(1,108)
Total Comprehensive Income for the year	16	47
Statement of Financial Position		
Assets	496	522
Liabilities	(326)	(368)
Total Equity	170	154
Heritage Education & Skills Centre Pty Ltd		
Statement of Comprehensive Income		
Revenue	21	36
Expenses	(25)	(44)
Total Comprehensive Income for the year	(4)	(8)
Statement of Financial Position		
Assets	34	47
Liabilities	(67)	(76)
Total Equity	(33)	(29)

Notes to the Financial Report

for the year ended 30 June 2021

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)	2021	2020
<i>Current</i>		
Annual leave	496	513
Long service leave	821	761
Personal	283	278
Total current	1,600	1,552
<i>Non-current</i>		
Long service leave	26	55
Total non-current	26	55
Total employee provisions	1,626	1,607
Description of current and non-current components of employee provisions		
Current		
All annual leave and the long service leave entitlements representing 10 or more years of continuous service:		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value.	779	791
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	821	761
	1,600	1,552
Non-current		
Long service leave representing less than 10 years of continuous service measured at present value.	26	55
	26	55
Number of employees (full time equivalents)	47	44

Notes to the Financial Report

for the year ended 30 June 2021

4.1 Employee Provisions (continued)

Movements in employee provisions during the financial year

(Amounts shown in \$000)	Annual leave		Long service leave		Personal		Total 2020
	2021	2020	2021	2020	2021	2020	
Balance at beginning of the year	513	462	816	737	278	283	1,482
Additional provisions	292	341	113	247	163	106	568
Amounts used	(309)	(290)	(82)	(168)	(158)	(111)	(569)
Balance at end of the year	496	513	847	816	283	278	1,607

Recognition and measurement

Short term obligations

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

Other long term employee benefit obligations

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

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

Personal leave

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

Notes to the Financial Report

for the year ended 30 June 2021

4.2 Related party transactions

Responsible Persons

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

Councillors	Mayor A O Green	1 July 2020	to 30 June 2021
	Deputy Mayor E C Batt	1 July 2020	to 30 June 2021
	Councillor A R Bantick	1 July 2020	to 30 June 2021
	Councillor A E Bisdee OAM	1 July 2020	to 30 June 2021
	Councillor K Dudgeon	1 July 2020	to 30 June 2021
	Councillor D F Fish	1 July 2020	to 30 June 2021
	Councillor R McDougall	1 July 2020	to 30 June 2021
General Manager	Mr T F Kirkwood	1 July 2020	to 30 June 2021

Councillor remuneration

(Amounts shown in \$)

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

(Amounts shown in \$)

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

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

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

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

Other - cost of electronic funds transfer.

Notes to the Financial Report

for the year ended 30 June 2021

4.2 Related party transactions (continued)

Key Management Personnel remuneration

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

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

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

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2021

4.2 Related party transactions (continued)

Directors of subsidiary companies remuneration

Two directors of Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd were paid directors and management fees in total of \$38,442 (2020: \$38,694).

Remuneration Principles

Councillors

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

Senior management

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

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

Directors of subsidiary companies

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

Transactions with related parties

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

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

Transactions with related parties that have not been disclosed

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

- Payment of rates on a primary residence
- Dog registration

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

Notes to the Financial Report

for the year ended 30 June 2021

4.3 Post employment benefits

Recognition and measurement

Defined contribution funds

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

Defined benefit fund

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

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

For the year ended 30 June 2021 the Council contributed 3% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. These amounts relate to all members of the Fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

- Net Investment Return 3.75% p.a.
- Salary Inflation 2.75% p.a.
- Price Inflation n/a

Notes to the Financial Report

for the year ended 30 June 2021

4.3 Post employment benefits (continued)

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2020.
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2020.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2020.

Given the strong financial position of the Fund, the Actuary recommended that the Council consider a contribution holiday and contribute 0% of salaries from 1 July 2021 to 30 June 2024. The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2023 and is expected to be completed late in 2023.

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

- The 2020 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2017.

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

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.

- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).

Notes to the Financial Report

for the year ended 30 June 2021

4.3 Post employment benefits (continued)

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2020, showed that the Fund had assets of \$51.94 million and members' Vested Benefits were \$43.41 million. These amounts represented 0.53% and 0.45% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2020 the Fund had 95 members and the total employer contributions and member contributions for the year ending 30 June 2020 were \$927,231 and \$235,365 respectively.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$4,810 (2019-20, \$4,681), and the amount paid to accumulation schemes was \$378,526 (2019-20, \$323,399).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$4,900, and the amount to be paid to accumulation schemes is \$388,000.

Notes to the Financial Report

for the year ended 30 June 2021

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)	2021	2020
<i>Current</i>		
Borrowings - secured	334	73
<i>Non-current</i>		
Borrowings - secured	4,415	384
Total borrowings	4,749	457

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	334	73
Later than one year and not later than five years	4,415	275
Later than five years	-	109
Total	4,749	457

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)	2021	2020
Bank overdraft limit	200	200
Direct debit facility	100	100
Business credit cards	50	50
Used facilities	-	-
Unused facilities	350	350

Notes to the Financial Report

for the year ended 30 June 2021

5.3 Financial Instruments

Accounting policy, terms and conditions

Recognised financial instruments	Accounting policy	Terms and Conditions
<i>Financial assets</i>		
Cash and cash equivalents	See Note 3.1	On call deposits and cash returned a floating interest rate of 0.6% (1.2% in 2020). The interest rate at balance date was 0.4% (1.0% in 2020).
<i>Trade and other receivables</i>		
	See Note 3.2	General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2020). Credit terms are based on 30 days.
		Rate debtors are paid either by four instalments or alternatively within 30 days (which provides a discount of 1.3%). The discount is shown as an expense of the Council. A penalty of 5% applies to any rate or charge that is not paid on or before the date it falls due and in addition to the penalty, interest under section 128 of the Local Government Act 1993 will be charged at the rate of 9.5% per annum.
		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).
Available for sale financial assets Investment in Water Corporation	See Note 3.5	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 3.8	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	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: - 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. The current annual payment of loans (principal and interest) by Council, based on the debenture loan schedules, equate to less than 2.5% of total revenue for the preceeding year (2020: less than 2.5%).

Notes to the Financial Report

for the year ended 30 June 2021

5.3 Financial Instruments (continued)

Interest rate risk

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

(Amounts shown in \$000)	Floating interest rate	1 year or less	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total
2021						
<i>Financial assets</i>						
Cash and cash equivalents	8,070	10,430	-	-	-	18,500
Trade and other receivables	-	-	-	-	1,293	1,293
Investment in water corporation	-	-	-	-	11,348	11,348
<i>Total financial assets</i>	8,070	10,430	-	-	12,641	31,141
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	798	798
Trust funds and deposits	-	-	-	-	141	141
Interest-bearing loans and borrowings	-	334	4,415	-	-	4,749
<i>Total financial liabilities</i>	-	334	4,415	-	939	5,688
<i>Net financial assets (liabilities)</i>	8,070	10,096	(4,415)	-	11,702	25,453
2020						
<i>Financial assets</i>						
Cash and cash equivalents	3,086	10,927	-	-	-	14,013
Trade and other receivables	-	-	-	-	1,081	1,081
Investment in water corporation	-	-	-	-	10,390	10,390
<i>Total financial assets</i>	3,086	10,927	-	-	11,471	25,484
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	674	674
Trust funds and deposits	-	-	-	-	167	167
Interest-bearing loans and borrowings	-	73	275	109	-	457
<i>Total financial liabilities</i>	-	73	275	109	841	1,298
<i>Net financial assets (liabilities)</i>	3,086	10,854	(275)	(109)	10,630	24,186

Notes to the Financial Report

for the year ended 30 June 2021

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	
	2021	2020	2021	2020
<i>Financial assets:</i>				
Cash and cash equivalents	18,500	14,013	18,500	14,013
Trade and other receivables	1,293	1,081	1,293	1,081
Investment in water corporation	11,348	10,390	11,348	10,390
<i>Total financial assets</i>	31,141	25,484	31,141	25,484
<i>Financial liabilities:</i>				
Trade and other payables	798	674	798	674
Trust funds and deposits	141	167	141	167
Interest-bearing loans and borrowings	4,749	457	4,749	457
<i>Total financial liabilities</i>	5,688	1,298	5,688	1,298

Credit risk

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

Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2021

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)	2021	2020
Current (not yet due)	382	180
Past due by up to 30 days	132	15
Past due between 31 and 60 days	-	-
Past due between 61 and 90 days	-	-
Past due by more than 90 days	84	117
<i>Total Trade & Other Receivables</i>	598	312
Rates receivable	695	769
Total receivables	1,293	1,081

Notes to the Financial Report

for the year ended 30 June 2021

5.3 Financial Instruments (continued)

Liquidity risk

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities.

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

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

2020 (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	674	-	-	674	674
Trust funds and deposits	167	-	-	167	167
Interest-bearing loans and borrowings	73	275	109	457	457
Total financial liabilities	914	275	109	1,298	1,298

Notes to the Financial Report

for the year ended 30 June 2021

5.3 Financial Instruments (continued)

Sensitivity disclosure analysis

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

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

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

(Amounts shown in \$000)	2021		Interest rate risk			
			-0.5%		1%	
			Profit	Equity	Profit	Equity
<i>Financial assets:</i>						
Cash and cash equivalents	18,500	(93)	(93)	185	185	
Trade and other receivables	1,293	(6)	(6)	13	13	
<i>Financial liabilities:</i>						
Interest-bearing loans and borrowings	4,749	24	24	(47)	(47)	
2020						
(Amounts shown in \$000)			Interest rate risk			
			-0.5%		1%	
			Profit	Equity	Profit	Equity
<i>Financial assets:</i>						
Cash and cash equivalents	14,013	(70)	(70)	140	140	
Trade and other receivables	1,081	(5)	(5)	11	11	
<i>Financial liabilities:</i>						
Interest-bearing loans and borrowings	457	2	2	(5)	(5)	

Notes to the Financial Report

for the year ended 30 June 2021

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 2019	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2020	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2021
Asset revaluation reserve	61,038	(229)	-	60,809	7,001	-	67,810
Fair value reserve							
<i>Equity investment asset</i>							
Investment in water corporation	(165)	-	(3,183)	(3,348)	-	958	(2,390)
Total fair value reserve	(165)	-	(3,183)	(3,348)	-	958	(2,390)
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	64,524	(229)	(3,183)	61,112	7,001	958	69,071

Recognition and measurement

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2021

6.2 Prior period error

In undertaking a revaluation of land and buildings for the 2020-21 financial statements, Council identified land and buildings which were not included in the 2018-19 and prior years financial statements. The fair value of the assets not taken up was \$2,015,000, comprising land of \$490,000 and buildings of \$1,525,000. In order to correct this error an adjustment has been made to opening accumulated surplus as at 1 July 2019 of \$2,015,000.

Comparative numbers reported in the 2019-20 statement of financial position, and at the beginning of the comparative financial year (1 July 2019), have been restated to correct this error. The line items affected are as follows:

(Amounts shown in \$000)

	Published financial statements	Correction of error	Restated financial statements	2020
<i>Financial statement line items affected</i>				
Statement of financial position				
Land	4,612	490	5,102	
Buildings - at fair value	24,532	1,931	26,463	
Accumulated depreciation - buildings	(10,603)	(438)	(11,041)	
Total property, plant, equipment, infrastructure and intangibles	90,908	1,983	92,891	
Accumulated surplus as at 1 July 2019	50,115	2,015	52,130	
Accumulated surplus as at 30 June 2020	51,099	1,983	53,082	
Statement of comprehensive income				
Depreciation and amortisation	(3,138)	(32)	(3,170)	
Total expenses from continuing operations	(11,201)	(32)	(11,233)	
Net result from continuing operations for the year	984	(32)	952	
Total comprehensive income	(2,428)	(32)	(2,460)	

6.3 Commitments

(Amounts shown in \$000)

	2021	2020
<i>Capital expenditure contractual commitments</i>		
Contractual commitments for capital expenditure at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:		
	7,838	242
<i>Other contractual commitments</i>		
Other contractual commitments at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:		
	587	208

Notes to the Financial Report

for the year ended 30 June 2021

6.4 Contingent liabilities and contingent assets

Contingent liabilities

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

Recognition and measurement

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

6.5 Other significant accounting policies and new accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Allocation between current and non-current

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

(c) Budget

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

Notes to the Financial Report

for the year ended 30 June 2021

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

(d) Adoption of new and amended accounting standards

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

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The amendments refine the definition of material in AASB 101 and are applicable for the year ended 30 June 2021. The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information. The amendments include additional guidance to the definition of material, gives it more prominence, and clarifies the explanation accompanying the definition of material. The adoption of the amendments has not had any significant impact on Council.

(e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

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

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

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