

ANNUAL REPORT

2025 - 2026

SORELL COUNCIL



Acknowledgement of Country

Sorell Council would like to pay our respects to the traditional and original owners of this land the Mumirimina people, to pay respect to those that have passed before us and to acknowledge today's Tasmanian Aboriginal community who are custodians of this land.

Sorell Council is committed to forging stronger relationships and a deeper respect for Aboriginal people, by acknowledging and respecting the diversity and history of our Aboriginal community.



Festive Sorell Lights - St Georges Square

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Community Coast Country

Sorell is one of Tasmania's fastest growing municipalities, with a current population of more than 18,000 residents. Since 2016, our community has grown by 15% and is forecast to increase by a further 38% by 2053, more than double the state average.

Our municipality extends from Midway Point, Orielton and Dunalley through to a diverse landscape of coastline, rural townships and forested areas. It encompasses vibrant beachside communities such as Dodges Ferry, Lewisham, Carlton and Primrose Sands, as well as the rural centres of Forcett, Nugent, Kellevie and Copping.

The Sorell township forms the commercial heart of the southeast, supported by key transport connections including the Arthur Highway to the Forestier and Tasman Peninsulas, and the Tasman Highway to the east coast. With suburban, coastal, semi-rural and rural living options available, Sorell is an increasingly attractive place to live, offering both lifestyle and convenience within close proximity to Hobart.

Council plays a central role in supporting this growing community by managing local infrastructure, facilities, parks and public spaces, while continuing to plan for sustainable growth and service delivery across the municipality.

Invitation for Submissions - Members of the community are invited to make submissions on the Annual Report for discussion at our Annual General Meeting. The Annual General Meeting will be held at 5.30pm on Tuesday 8 December 2026 in the Council Chambers.

Any person wishing to make a submission can do so by addressing it to:

Robert Higgins, Chief Executive Officer
Email: sorell.council@sorell.tas.gov.au
Mail: PO BOX 126, Sorell TAS 7172.

Submissions must be received by close of business **Friday 27 November 2026.**





Carriage Shed Official Opening



About Sorell

Located just 25 kilometres from Hobart, Sorell is one of Tasmania's oldest towns. Our Municipal area covers some 583 square kilometres, characterised by rolling countryside, low forested hills and long coastlines filled with beautiful beaches.

Estimated population

17,635*

Total Area of LGA

583 km2

58,300 ha

42** Median resident age

1,021**

Local Business

supporting 3,232 local jobs

4.8%**

indentify as Aboriginal or Torres Strait Islander

10.2%**

Residents born overseas

10,822

total properties

Open Space

84.33

ha (total)

* Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0)

** 2021 Census



Our Values and Commitment

Our Purpose

To facilitate a vibrant, sustainable and liveable South East region.

Our Vision

A proud, thriving and inclusive South East community.

Our Values

INTEGRITY

We work in good faith, are honest and forthcoming and take accountability for our decisions.

UNITY

We work cohesively as one Council, supporting our community and each other to achieve better outcomes.

INNOVATION

We are committed to finding new solutions, adapting to change and continuously improving in order to deliver the best outcomes for the community.

RESPECT

We listen to and consider the opinions and input of each person and acknowledge each other's contribution.

Mayor's Report

As we conclude the 2025/2026 year, I am pleased to present this Annual Report reflecting the progress, challenges, and achievements of our community. This year has been defined by significant infrastructure milestones, strengthened community partnerships, and a renewed focus on addressing the social and economic needs of our growing municipality. Through regular media communications, community forums, advisory groups, and direct engagement with residents, Sorell Council has sought to ensure that Council's work remains transparent, accountable, and aligned with the priorities you have shared with us and agencies that work with Council.

Over 1,000 members of our community have contributed to surveys and engagement providing a clear and compelling picture of the pressures facing residents, particularly around access to essential services. Many of you told us that you are regularly required to leave the municipality for medical appointments, specialist care, commercial services, and employment opportunities. These findings highlight the ongoing challenge of ensuring that Sorell remains not only a place to live, but a place where people can thrive without needing to travel for basic needs. Also, how the protection of our natural environment and assets is vital to our rural economic success as well as homes and lifestyles.

Council has used this data to inform our advocacy with state agencies, health providers, and commercial operators. We are actively working to attract new medical services, expand allied health offerings, and encourage commercial investment that meets the needs of families, seniors, and young people. Our engagement data also reinforced the importance of social connection, food security and accessible community spaces, areas where Council continues to invest through programs, infrastructure and partnerships.

This year marked a major turning point for the municipality with the completion of the Sorell Southern Bypass. The bypass has reshaped traffic flow, reduced congestion, and opened new opportunities for the township. As the community adjusts to these changes, Council has focused on ensuring that the township remains vibrant, accessible, and welcoming. We have begun long-term planning to strengthen the town centre, improve pedestrian access, and support local businesses as they adapt to new patterns of movement.

Beyond the bypass, Council delivered a substantial capital works program, including upgrades to roads, stormwater systems, footpaths, and community facilities. Improvements to the Memorial Hall with the new History and Green rooms, youth activity spaces and the amazing Youth Hub "Fitzies". The recreational areas reflect our commitment to building infrastructure that supports wellbeing, creativity and community connection. These projects are part of a broader longer term strategy to ensure that Sorell's growth is supported by modern, resilient, and future-focused infrastructure while still maintaining an acknowledgement of the towns history and the maintenance of unique communities.



This year also brought significant governance developments. In late 2025, the municipality experienced the unexpected resignation of Deputy Mayor Charles Wooley. His position was filled by Michael Larkins, elected by a secret ballot of the 8 Councillors at the table.

Our coastal communities, Primrose Sands, Dodges Ferry, Carlton, and surrounding areas continue to face environmental pressures that require careful management. This year, Council advanced several environmental initiatives, including stormwater management improvements, coastal erosion monitoring and habitat protection efforts. We remain committed to safeguarding the natural environment, partnering with other organisations such as Landcare, NRE and IMAS, to include the protection of threatened species such as the red handfish, and supporting community-led conservation activities.

Council also continued its work on responsible pet ownership and feral cat management, recognising the impact of domestic and feral animals on wildlife, livestock and community amenity. These initiatives are strengthened by partnerships with local organisations and volunteers who contribute significantly to environmental care across the municipality.

Community engagement has been a cornerstone of our work this year. The Seniors Advisory Group (SAG) continued to meet quarterly, providing valuable insights into the needs of older residents and helping shape Council's age-friendly initiatives. Council recognises that the voices of seniors are essential in planning for accessibility, social inclusion and community wellbeing.

Youth engagement also remained a priority with Youth Week events, creative programs and recreational activities delivered across the municipality. Council continues to invest in spaces and opportunities that support young people's development, confidence and connection to community.

Council's financial management this year has been guided by the need to balance rising costs with responsible investment in infrastructure and services.

The 2025/2026 Budget included a modest rate increase and the introduction of the Community Waste Charge, ensuring that waste services are funded equitably across all properties and the adoption of Food Organics and Garden Organics (FOGO). These decisions were made with careful consideration of cost-of-living pressures and the long-term sustainability of essential services.

Our work continues to be guided by the Strategic Plan 2019–2029, the newly adopted Natural Resource Management 10yr Strategy, and a suite of long-term asset management strategies. These plans ensure that Council's decisions are evidence-based and aligned with embedding best practice into operations and balancing the needs of a growing municipality.

As we move into the next year, Council will continue to focus on expanding local services, strengthening township vitality and delivering infrastructure that supports community wellbeing. We will build on the insights gained from residents, service providers and businesses to deepen our partnerships and continue advocating for investment that meets the needs of our municipality.

Thank you for your engagement and your ongoing contribution to our community.

Janet Gatehouse
Mayor


History Room

Chief Executive Officer's Report

Another team effort by Staff and Council ensured the business delivered and facilitated positive outcomes for the community and wider region in a financially responsible, sustainable and respectful manner.

Our 2019-2029 Strategic Plan 'Purpose, Vision and Values' provided the framework for this approach and alignment with the region and our community. Our focus and approach evolved in recognition of the reducing state funding environment along with our continuing growth and associated expectations of a developing municipal area.

Infrastructure and service provision by State and Federal Government play a major enabling role in how the South East region operates. Governments hold the key with their financial capacity to fund and underwrite major asset construction and supply community support functions across education, health, transport and social services.

A comparatively stable State Government cabinet combined with a second term Federal Labor Government made for an improved advocacy platform for Council. This was principally due to established and respectful relationships between our State Liberal and Federal Labor members working collaboratively with Council for the strategic benefit of the region.

Partnering and relationship management with a wide array of public and private stakeholders is vital and an ongoing daily consideration and focus. Council were successful in gaining Federal funding commitments for the provision of trunk infrastructure to the Sorell East 161ha Growth Area, to enable the delivery of first home buyer product. To achieve this will require strong coordination and cooperation between all three levels of government, their agencies, infrastructure providers and landowners. Round 1 projects for the $250m Arthur Hwy corridor were proposed further reinforcing the partnership approach needed between all levels of government. This includes the replacement of the Sorell Rivulet bridge.

The unsettled funding environment between levels of government only reinforced the importance of Council having established a strong asset and financial framework over the past ten years that enables us to sustainably invest in high value community asset and facility improvements.

Challenging economic conditions for Council and ratepayers continued with ongoing cost of living, civil and building industry costs and associated inflation influencing our prioritising and decision making. Council adopted a 3.7% rate increase as a measured response to deliver a $35.60m budget ($27.59m recurrent income) and proposed $16.06m capital budget (inclusive of $6.62m carry forward projects).

Capital budget projects for both asset renewal and new / upgrades were across all asset classes. A number of these were achievable with support from Federal and State Governments through Black Spot and Vulnerable Road Users Programs, Active Tasmania grants, Roads to Recovery funding, Financial Assistance Grants and project specific election commitments.

The FY 2025-2026 budget delivered an end of year net surplus of $9.65m against a budgeted surplus of $9.56m. Early payment of FY 2026-2027 Financial Assistance Grants allocation were bolstered by capital income from non-monetary asset contributions of $2.65m (assets donated through subdivision development – prior 2 x FY's - $14.08m).

The net surplus result flowed into the underlying position management indicator which showed a surplus of $2.7m and associated ratio of 10% (>0% target). This comprises the net operating result ($9.65m) less non-operating income. The prior year position was $3.0m.

A coarse but relevant indicator comprises recurrent operating income ($29.38m) minus expenses ($25.69m) for a surplus of $3.70m against budget of $1.56m. The prior year position was $2.16m.

Council delivered a Capital Works Program of $11.28m comprising $5.54m asset renewal/replacement, $5.74m new/upgraded assets and maintenance expenditure of $2.44m. This generated ratios of 75% asset sustainability, asset renewal funding of 100% across all classes and asset consumption of 68% - transport, 74% - buildings and 74% - stormwater. Our net assets and total equity again increased from $482m to $500m inclusive of our cash position which increased from $20.82m to $24.43m (note this reflects unexpended grant funding for work in progress projects).

The largest single increase in asset class value was Buildings and other structures at $10.76m due to a revaluation and completion of significant capital projects (Training and Jobs Hub and Sorell Memorial Hall).

Delivery of our capital program, however, was not achieved with longer lead in times for project feasibility, design, community engagement and procurement. This also impacts grant commitments and associated deed acquittals.

Civil and building construction cost escalation influences our asset investment focus cognisant of recreational, environmental and social infrastructure requirements and long-term financial sustainability. As we continue to grow the value of our asset base, so too does the annual asset depreciation operating expense which increased by $0.84m to $7.36m (Note - FY 13/14 was $3.92m).

We are fortunate to have development and population growth income to offset this increasing long term operating expense. However, it requires ongoing monitoring to ensure this is matched to our ratepayers and asset users' ability and desire to fund asset maintenance and renewal and balance this against cost-of-service provisions.

Additional strategic work was completed with the new Playspace Audit and Plan and revised South East Sporting Complex Master Plan. These further assist in framing asset investment direction, prioritising where funds are expended and what grants are sought.

The organisation will continue to focus on strategic, operational and asset projects geared to community development and wellbeing in FY 2026-2027 as detailed in the Annual Plan and capital budget. These will be informed by functional and meaningful community engagement to achieve better outcomes.

Completion of the Training and Jobs Hub in August 2025 allowed a range of tenants to commence operations - Business & Employment Southeast Tasmania (incl. Suburban University Study Hub), Workskills, TasTafe and CTST. Services delivered improved educational access, skill development and lifelong learning opportunities for residents in the south-east. The Study Hub program aims to achieve a tertiary attainment target of 80% of the working population by 2050.

SERDA with assistance from RDA Tas developed a strategic priority project document for ongoing advocacy by each member Council. How regional partnerships are operating effectively (or not) in the south remains a work in progress including Sorell's role in the newly formed STCN (replacement to STCA), SERDA, the Greater Hobart Strategic Partnership and in conjunction with RDA Tas.

The STRLUS review project was completed by the State Government and is highly influential in how the south east evolves its role, form and function and particularly, in relation to our LGA. Council in partnership with the State Government was successful in securing a commitment from the Federal Government First Home Buyer Program for the provision of funding for trunk infrastructure to the Sorell East Growth Area to enable the delivery of first home buyer product. Meander Valley and Brighton were the other LGA's along with Homes Tas all contributing to meet state and national housing supply targets.

Site master and infrastructure planning and funding frameworks for Sorell East and the vacant Inghams land sought through the Federal Urban Precincts and Partnerships Program was finally announced late Sep 2026. The combined effect of both programs will be to increase education, employment, housing and open space outcomes and regional self-sufficiency.

As part owner of the CRDSJA (via Southern Waste Solutions) and member of TasWaste South, Council continued to support the development of the waste sector, advocate for the pragmatic and effective distribution of the State Waste Levy and the Copping facility evolving into staged FOGO processing.

My thanks to staff who strive to deliver a broad range of services, maintenance activities and capital works with a genuine desire to do the very best for the community and to operate within our means. Along with Elected Members we take the role of community leadership seriously and endeavor to act responsibly, transparently and genuinely for our residents and all stakeholders.

Robert Higgins
Chief Executive Officer





Your Councillors

TERMS OF SERVICE AND REPRESENTATIONS

Janet Gatehouse
MAYOR

Terms as Councillor
2022 - Present

Term as Mayor
2024 - Present

Representations:
Sorell Planning Authority, Copping Refuse Disposal Site Joint Authority ("CRDSJA"), Pembroke Park Advisory Committee, NRME Advisory Group, Senior Advisory Group, Municipal Emergency Management Committee - Chair, South East Region Development Association (SERDA), Local Government Association of Tasmania, TasWaste South, TasWater

Shannon Campbell
COUNCILLOR

Terms as Councillor
2022 - Present

Representations:
Sorell Planning Authority, Copping Hall and Reserves Committee

Marisol Miro Quesada Le Roux
COUNCILLOR

Terms as Councillor
2022 - Present

Representations:
Sorell Planning Authority, Access & Inclusion Advisory Group

Beth Nichols
COUNCILLOR

Terms as Councillor
2018 - 2022, 2023 - Present

Representations:
Sorell Planning Authority, Sorell Audit Panel, Access & Inclusion Advisory Group

Melinda Reed
COUNCILLOR

Terms as Councillor
2018 – 2022, 2022 – Present

Representations:
Community Precinct Reference Group, Sorell Planning Authority, TasWater - Proxy, Sorell Audit Panel, NRME Advisory Group - Chair

Michael Larkins
DEPUTY MAYOR

Terms as Councillor
2024 - Present

Term as Deputy Mayor
2025 - Present

Representations:
Sorell Planning Authority, Pembroke Park Advisory Committee, Local Government Association of Tasmania - Proxy, Copping Refuse Disposal Site Joint Authority (CRDSJA) - Proxy

Natham Reynolds
COUNCILLOR

Terms as Councillor
2014 – 2018, 2018 – 2022, 2022 – Present

Term as Deputy Mayor
2018 - 2022

Representations:
Sorell Planning Authority, Copping Hall and Reserves Committee, Pembroke Park Advisory Committee

Ben Shaw
COUNCILLOR

Terms as Councillor
2025 - Present

Representations:
Sorell Planning Authority

Carmel Torenius
COUNCILLOR

Terms as Councillor
1991 – 2012, 2014 – 2018, 2018 – 2022
2022 – Present

Terms as Mayor
1994 - 1999, 2000 - 2012

Representations:
Sorell Planning Authority, Community Precinct Reference Group

Councillor Learning and Development Activities

*Module completed prior to 2025-2026 Financial Year

		Clr Ben Shaw	Clr Beth Nichols	Clr Carmel Torenius	Clr Janet Gatehouse	Clr Marisol Miro Quesada	Clr Melinda Reed	Clr Michael Larkins	Clr Natham Reynolds	Clr Shannon Campbell
Learning Package One	Being a councillor and encouraging nomination	No	Yes*	No	Yes*	Yes*	Yes*	Yes*	No	Yes*
	Getting elected as a councillor	No	Yes*	No	Yes*	Yes*	Yes*	Yes*	No	Yes*
Learning Package Two	Roles and responsibilities of councillors	No	Yes*	No	Yes*	Yes*	Yes*	Yes*	No	Yes*
	Essential knowledge and skills for councillors	No	Yes*	No	Yes*	Yes*	Yes*	Yes*	No	Yes*
	Foundations of good governance	No	Yes*	No	Yes*	Yes*	Yes*	Yes*	No	Yes*
Learning Package Three	Understanding your role	No	31/10/25	No	Yes*	No	Yes*	Yes*	No	Yes*
	Building positive relationships	No	Yes*	No	Yes*	Yes*	Yes*	Yes*	No	Yes*
	Cyber safety essentials	No	Yes*	No	Yes*	Yes*	Yes*	Yes*	No	No
	Good decision making	No	Yes*	No	1/11/25	Yes*	Yes*	No	No	No
	Land-use planning	No	31/10/25	No	No	No	Yes*	No	No	No
	Strategic planning, reporting and performance management	No	13/11/25	No	No	No	Yes*	No	No	No
	Ethical standards	No	13/11/25	No	No	No	Yes*	No	No	No
	Understanding local government finances for councillors	No	11/1/26	No	No	No	Yes*	No	No	No
	Risk management	No	15/12/25	No	No	No	Yes*	No	No	No
	Continuous improvement	No	14/1/26	No	No	No	Yes*	No	No	No

Councillor Attendance

		Clr Ben Shaw	Clr Beth Nichols	Clr Carmel Torenius	Clr Janet Gatehouse	Clr Marisol Miro Quesada	Clr Melinda Reed	Clr Michael Larkins	Clr Natham Reynolds	Clr Shannon Campbell	Clr Charles Wooley
Council & Special Meetings	Held	15	15	15	15	15	15	15	15	15	15
	Attended	10	15	12	14	11	15	14	12	9	3
Workshops & Briefings	Held	13	13	13	13	13	13	13	13	13	13
	Attended	2	13	11	12	5	13	12	11	5	2
SPA Meetings	Held	13	13	13	13	13	13	13	13	13	13
	Attended	7	13	9	13	4	13	11	0	4	1
Other Meetings	Held	1	1	1	1	1	1	1	1	1	1
	Attended	0	1	0	1	0	1	0	1	1	0
AGM	Held	1	1	1	1	1	1	1	1	1	1
	Attended	0	1	1	1	0	1	1	1	1	0

Note:
Councillor Charles Wooley resigned from his position in September 2025.
Councillor Shannon Campbell was on approved leave of absence during July 2025.
Councillor Ben Shaw commenced his position in October 2025.

COUNCILLOR ALLOWANCE AND EXPENSES

In 2025-2026 Council provided allowances and reimbursement for reasonable expenses to the Mayor, Deputy Mayor and Councillors.

Councillor allowances and expenses totalled **$241,126.**



Fitizies Housewarming Party

Snapshot 2025–2026

440
DEVELOPMENT APPLICATIONS
Lodged for assessment

320
BUILDING APPLICATIONS
Inclusive of Permits, Notifiable and Low Risk works

252
PLUMBING APPLICATIONS
Inclusive of Permits, Notifiable, Low Risk works

132
FOOD BUSINESSES
active in the municipality (inc Mobile Food Businesses)

960
TONNES
77t Bulk Green Waste
883t Kerbside Green Waste

459
TONNES
Bulk Hardwaste collected

3,605
TONNES
General waste collected

958
TONNES
Recycling collected

$48,923
COMMUNITY GRANTS/DONATIONS
to 24 organisations

61
NEW CITIZENS
Welcomed at Council ceremonies

6,447
FACEBOOK
followers

789
INSTAGRAM
followers



Statutory Reporting

Sorell Council Annual Report 2025-2026



CODE OF CONDUCT

No code of conduct complaints were upheld either wholly or in part during the preceding financial year.

No costs were met by Council during the preceding financial year in respect of code of conduct complaints dealt with during the proceeding financial year.

ENTERPRISE POWERS STATEMENT

Sorell Council has not resolved to exercise any powers or undertaken any activities in accordance with Section 21 of the *Local Government Act 1993.*

DONATION OF LAND STATEMENT

Sorell Council has not resolved to donate any land in accordance with Section 177 of the *Local Government Act 1993.*

COPPING REFUSE SITE JOINT AUTHORITY

The Copping Refuse Disposal Site Joint Authority (trading as Southern Waste Solutions) was established under Section 30 of the Local Government Act 1993 on 21st March 2001 by the Tasman Council, Sorell Council and Clarence City Council; with Kingborough Council joining the Authority in 2009. Owner Councils are required to look after the health of their communities through the responsible management of waste and some of these have been delegated to this Authority.

ACTIVITIES

The Copping Refuse Disposal Site Joint Authority's function is to promote and manage a putrescible landfill disposal site at Copping and the operation and management of the Lutana Waste Transfer Station. An independent board oversees the direction and fiscal responsibilities of the business. Sorell maintains an ownership share of this business of 24%.

BUDGET AND PERFORMANCE

Net operating result of the Authority for 2025-2026 before tax was a profit of $4.138M (2024-2025 $7.646M) which was below the budgeted profit result. Total comprehensive surplus for the year was $3.745M (2024-2025 $5.645M) which results in $541k (2024-2025 $1.184M) profit share of surplus to Sorell Council and an increasing carrying value of total investment of $8.773M (2024-2025 $7.884M).

PUBLIC INTEREST DISCLOSURES

In accordance with section 86 of the *Public Interest Disclosures Act 2002*, Council is required to report annually on matters relating to public interest disclosures.

Council's Public Interest Disclosure Procedure is available on Council's website at Council Publications or by contacting Council's Customer Service team.

During the reporting year, Council received no public interest disclosures. Accordingly, there were no disclosures investigated, referred to or taken over by the Ombudsman, declined for investigation, or substantiated during the year.

No recommendations relating to Council were made by the Ombudsman during the reporting year.

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES

In accordance with Regulation 30(1) and Regulation 30(3) of the *Local Government (General) Regulations 2025*, the following are particulars of all tendered contracts for the supply or provision of goods and services valued at between **$100,000 - $250,000** (excluding GST) and exceeding **$250,000** (excluding GST) entered into by Council during the 2025 - 2026 financial year.

Contracts $250,000+			
Description of Contract	**Contract Period**	**Contract Value**	**Successful Contractor Name & Address**
Footpath Program Gatehouse Drive, Carlton River Road & Carlton Beach Road	August 2025 - Current	$970,192.50	Kelly Civil Contracting 1/5 Runway Place Cambridge TAS 7170
Shark Point Road Reconstruction	Jan 2026 – Sep 2026	$592,987.20	Moore Civil Contracting 799 Acton Road, Acton Park TAS 7170
Penna Road Reconstruction	Jan 2026 – Sep 2026	$1,026,702.35	Moore Civil Contracting 799 Acton Road, Acton Park TAS 7170
Road Re-Sheeting Program	Dec 2025 – April 2026	$751,709.55	State-Wide Earthworks 52 Atkins Road Granton TAS 7030
Road Re-Sealing Program	Jan 2026 – April 2026	$428,659.30	Roadways 28 Jackson Street Glenorchy TAS 7010
Pearl Court Reconstruction	Feb 2026 – May 2026	$262,607.50	State-Wide Earthworks 52 Atkins Road Granton TAS 7030
Vancouver Park Pump Track	May 2026 – June 2026	$310,900.00	Common Ground Trails 69 Brussell Highway Margaret River WA 6285
2026 Volvo FM 460 6x4 Rigid 10m3 Tipper Body	Apr 2026	$343,983.00	Motors Group Tasmania Pty Ltd T/A Webster Trucks 8C Lampton Ave, Derwent Park TAS 7009

Description of Contract	Contract Period	Contract Value	Successful Contractor Name & Address
Sorell Men's Shed Building	June 2026 - Current	$752,699.04	Falkner Constructions 3/55 Hamilton Road New Norfolk TAS 7140
Madison Lyden Park Amenities Block	April 2026 - Current	$262,825.60	Taswide Building 518 Baskerville Road Old Beach TAS 7017
Franklin Street Reconstruction	April 2026 – July 2026	$341,067.00	State-Wide Earthworks 52 Atkins Road Granton TAS 7030
Contracts $100,000 to $250,000			
Tasman Highway Footpath	Nov 2025 – May 2026	$184,951.50	State-Wide Earthworks 52 Atkins Road Granton TAS 7030
Madison Lyden Park Carpark	March 2025 – Oct 2025	$131,783.25	Taswide Building 518 Baskerville Road Old Beach TAS 7017
Roadside Mowing Contract	October 2025 - July 2027	$143,770.00	State-Wide Earthworks 52 Atkins Road Granton TAS 7030
Recycling Centre Management Contract	July 2025 - June 2026	$181,720.00	Veolia Environmental Services 75 Mornington Road Mornington TAS 7018
Legal Services Contract	July 2025 - July 2026	$155,818.00	Abetz Curtis 83 Davey Street Hobart TAS 7000

GRANTS, ASSISTANCE AND BENEFITS PROVIDED UNDER SECTION 77

INDIVIDUAL ACHIEVEMENT		
Individual State Representation x 16	$	4,000
Sub Total Individual Achievement Funding	**$**	**4,000**
QUICK RESPONSE GRANTS		
Sorell Community Network	$	389
Midway Point Neighbourhood House	$	300
Dodges Ferry Horse Riding Club	$	500
Hobart Vintage Machinery Society	$	500
Sorell Pickleball Club	$	500
Primrose Sands Community Hall	$	300
Primrose Sands RSL	$	500
Trash Bags	$	264
Sub Total Quick Response Grants	**$**	**3,253**
COMMUNITY ASSISTANCE GRANTS		
South East Anglican	$	1,230
Sorell History Society	$	2,000
Jazz by the Sea	$	850
Southern Tasmania Country Music Muster	$	2,000
Sea Rescue Dodges Ferry	$	2,000
Bream Creek Woodchopping	$	2,000
Park Beach Board Riders	$	1,000
Dodges Ferry Fire Brigade	$	1,971
Sorell Cricket Club	$	2,000
Primrose Sands Volunteer Fire Brigade	$	2,000
South East Junior Giants Football Club	$	2,000
Penna Recreation Association	$	1,940
Pembroke Parkrun	$	1,299
Wildseed Tas Landcare Sorell	$	393
Sub Total Community Assistance Grants	**$**	**22,683**
ANNUAL CONTRIBUTIONS AND DONATIONS		
Bream Creek Show Society Committee	$	13,401
Primrose Sands Community Centre	$	5,000
South East Tasmania Salvos (Christmas Carols)	$	5,295
Sea Rescue Dodges Ferry	$	3,000
South East Arts	$	1,500
Nugent Community & Sports Association	$	2,000
Sub Total Contributions and Donations	**$**	**30,196**
SCHOOL BURSARIES		
Dodges Ferry Primary School	$	200
Sorell High School	$	300
Sorell Primary School	$	200
Dunalley Primary School	$	200
Sub Total School Bursaries	**$**	**900**

OTHER CONTRIBUTIONS		
Sorell Landcare	$	323
Defib for the Sorell Memorial Hall	$	2,163
Regional Engagement and Experience Program	$	16,666
Sub Total Individual Achievement Funding	**$**	**19,153**
Remissions		
Pension Remissions	$	1,007,590
Charity Remissions	$	12,797
Sub Total Remissions	**$**	**1,020,387**
TOTAL GRANTS, ASSISTANCE AND BENEFITS	**$**	**1,100,572**



PUBLIC HEALTH AND FOOD ACT STATEMENT

The Environmental Health section consists of the Manager Health & Compliance (qualified Environmental Health Officer), Senior Environmental Health Officer, Senior Compliance Officer (4-days per week) and three Compliance Officers (one 4-days per week and two 3-days per week). The section is responsible for public health activities such as food business regulation, public health risk activities, immunisation programs, places of assembly, registration of regulated systems, water quality, immunisations, animal management, fire hazard abatement on private land and caravan licencing.

Environmental Health Officers (EHOs) undertake statutory duties under the *Public Health Act 1997* and *Food Act 2003*. EHO's also assess planning and plumbing applications, investigate pollution complaints, collect water samples, conduct sanitary surveys, complete Public Health reports, investigate environmental/nuisance, provide environmental health input into council business processes, assess contaminated sites, manage the school-based immunisation program and administer the Environmental Health and Public Places By-laws.

The Manager Health & Compliance administers waste management collection contracts and supervises environmental health, building, plumbing and compliance staff. The Senior Compliance Officer manages the fire hazard programme, enforces by-laws, collects water samples, investigates environmental/nuisance and litter complaints and co-ordinates the Compliance Officers.

Public Health

Public health regulation includes major public events such as Bream Creek Show and Great Escape Music Festival. Place of Assembly Licenses were issued and the events complied with permit conditions.

Food businesses generally manage food safety risk well; no enforcement action was taken against any food businesses for non-compliance with the *Food Act 2003* compared to previous years. This may in part be related to regular compliance inspections.

Food complaints received included foreign matter in food, re-selling food that had been stolen, unhygienic practices/premises and food borne illness. The number of complaints received was similar to complaints received in 2024-2025 and 2023-2024.

Food business inspections slightly increased compared to 2023-2024 and 2024-2025, in total 149 inspections were completed from the registered 129 food businesses. Food safety breaches identified resulted in enforcement action being taken to rectify non-compliance.

Applications for public health risk activities and high-risk private water suppliers were received. Inspections were completed and the businesses registered as required by the *Public Health Act 1997*.

The school immunisation programme was successfully completed at both Sorell School and Indie School. Diphtheria, tetanus and pertussis (dTpa) and Human papillomavirus (HPV) vaccinations were given to students.

Recreational water quality monitoring was completed at primary contact swimming beaches during the summer. No monitoring site changes occurred in 2025-2026. All sites monitored have 'good' water quality (according to the Tasmanian Recreational Water Quality Guidelines) apart from Primrose Beach, which is classified as 'fair' based on a 5-years rolling average. One of the probable causes identified for the fair status is seepage from groundwater likely being contaminated by septic tank systems in the Carlton Bluff area. However, the water quality at Primrose Beach improved and no public health warnings were issued.

A detailed water quality investigation completed at Primrose Beach identified potential pollution sources, investigation and mitigation measures continued throughout 2025-2026. The low rainfall resulted in reduced surface and groundwater flow. The sampling results continued to demonstrate that impacts from septic tank systems are occurring.

There is one public swimming pool situated in the municipal area, water sample results complied with the Tasmanian Guidelines for Recreational Water Quality. A second public pool is under construction and will open in August 2026.

Water quality results from private water suppliers had good water quality. There was an occurrence, from a local school when water quality did not comply and a do not consume warning was issued.

Notifiable disease notifications (Salmonella) received were investigated and completed reports sent to the Director of Public Health.

Clusters of institutional gastroenteritis outbreaks occurred at age care and childcare businesses. The EHO conducted food safety inspections if foodborne illness was likely to be the source.

A *Local Government Act 1993* abatement notice, and *Public Health Act 1997* closure order were issued on a house due to an accumulation of rubbish and clutter within the building. Council were required to take action to enforce the order and 'clean-up' the property.

Environmental Management

Dodges Ferry rainfall over 2025-2026 was below average, this contributed to a lower number of complaints concerning failing septic tank systems, compared to previous 'wetter' years.

Environmental complaints including domestic and construction noise, backyard and larger scale burning, wood heaters, failing septic tank systems, littering/waste dumping, offensive odour from domestic and commercial sources. Officers are using enforcement options including education, warnings, infringement notices, seizures, and formal orders. Complaints are prioritised and investigated considering, public safety, the extent of environmental impact and available resources.

Environment Protection Notices (EPN) were issued to regulate continuing trials of aquaculture waste being applied on several local properties to determine if it is an effective soil fertiliser.

Compliance

There continues to be a high incidence of dog barking complaints and dog attacks on people and other animals. Officers typically resolve these incidents by seizing the dog and/or issuing infringement notices or prosecutions. There was an improvement observed in compliance with dog exercise area restrictions which may be related to an increase in patrols at beaches.

260 fire abatement notices were issued in 2025-2026 mostly due to drier conditions. This was considerably more than the 188 issued the previous year. Most landowners complied with the notice, however, when this did not occur Council organised contractors to abate the nuisance with the costs passed onto the landowner.

Numerous littering complaints were received, and several fines issued for dumping rubbish. Unfortunately, the incidence of rubbish dumping is increasing. EPA Tasmania helps with gathering evidence of rubbish dumping.

Compliance Officers completed property inspections and identified unregistered dogs. Council released an educational video to help dog owners understand their responsibilities under the Dog Control Act 2000 and to promote responsible dog ownership.

Waste Management

Council provides a range of waste management services including kerbside garbage and recycling collection, greenwaste/organic and hard waste collection, public recycling centres, public litter bins and a subsidy for residents using the Mornington Park Transfer Station.

Extensive community engagement and education occurred leading up to the commencement of Food Organics and Garden Organics (FOGO) collection in July 2026. Southern Waste Solutions supported Council by providing a waste education officer and a new composting facility at Copping for the FOGO materials.



Bus stop and path Old Forcett Road



ANNUAL PLAN REPORTING

Sorell Council Annual Report 2025-2026

Objective 1 Facilitate Regional Growth

Measure C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
1.1	Support the delivery of the final South East Traffic Solution Projects (Causeways duplication and Arthur Highway upgrades) through continued engagement with Department of State Growth.	1.1, 1.8	IP - Further South East Traffic Solutions Projects including Arthur Highway corridor improvements will be developed by Building Tasmania in future years.
1.2	Continue engagement with TasWater, Inghams and Government to advocate for funding for the Sorell to Penna re-use watermain to deliver increased capacity and supply to the Coal Valley, enable employment generating land use development and, progression of the Sorell East growth corridor and SE sewerage strategy.	1.2, 1.3, 1.4, 1.8	IP - Council supported TasWater PSP5 which included critical infrastructure upgrades. Discussions are continuing with all parties. PSP5 was not approved as proposed by Economic Regulator with various flow on effects to all nominated projects. Sorell East 161ha Growth Area included in Federal First Home Buyers Program.
1.3	Work with TasWater to finalise long-term water and sewerage servicing strategies for Sorell, delivery timeframes and funding commitments. Continue engagement with TasWater on exploring appropriate and affordable servicing options for Southern Beaches.	1.3, 1.7, 1.8	IP - Refer above. D - Servicing of Southern Beaches is not a TasWater strategic priority. Significant Federal funding would be required. No current opportunities exist. Prior community engagement did not indicate a strong view for mandatory per property co-investment.
1.4	Enable sustainable investment and support job creation by: • Monitoring regional economic trends using NIEIR (National Institute of Economic and industry Research) data and maintaining regular engagement with Regional Development Australia, the Sorell Business Association, Destination Southern Tasmania and Business and Employment Southeast Tasmania to share insights, identify emerging opportunities and collaborate to strengthen the local economy. • Advocating to the Tasmanian Government to progress lease arrangements for the Dunalley Marina development, unlocking private investment and job creation.	1.4	C - Economic trends monitored and insights shared with key partners. Population growth continues to exceed the state average (1.37% v 0.52%), supported by infrastructure investment and industry growth. IP - Outstanding PWS land-use matters resolved with lease arrangements still progressing between the proponent and government.

Objective 1 Facilitate Regional Growth

Measure C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
1.5	Support and promote SERDA programs and strategies: • re-commit to a partnership and shared ownership of new SERDA strategy including required structural updates and funding to deliver staged outcomes. • with Glamorgan Spring Bay Council, finalise business case and management guidelines of the Wielangta Mountain Bike Trail Project and establish if project proceeding and required staged capital funding.	1.1, 1.2, 1.3, 1.5, 1.6,1.8, 1.9, 1.10	C - Led reform of association constitution to enable entry of strategic partners (pending adoption by SERDA). Procured RDA Tas engagement of regional advocacy document. IP - Business case, management guidelines and MOU finalised with GSBC. $5.55m staged funding required.
1.6	Continue to support improvements in local education infrastructure: • Advocate for the delivery of additional education capacity and contemporary Kindergarten – Year 12 facilities for the south-east region with Government and private sector providers. • With TasWater and the Department of Education, finalise the upgrade of the Dodges Ferry School wastewater treatment plant in conjunction with a collaborative review of the Master Plan that considers Okines, the recreation ground & clubrooms, and the potential relocation of Ferry Hall.	1.3, 1.6, 1.8	IP - The Dodges Ferry Primary School obtained planning approval for school upgrades which are expected to commence works in Q4 FY 2026-2027. IP - Working group established with TasWater and DECYP to design and install the new wastewater treatment system. No formal Master Plan review undertaken. Parties considered relevant matters as part of school upgrade DA. Also considered in separate Southern Beaches Structure Plan.
1.7	Continue engagement and advocacy with State Government to achieve timely delivery of the revised Southern Tasmania Regional Land Use Strategy (completion was originally Dec 2024 revised to July 2026). Community consultation and finalisation of the review of the Sorell Urban Master Plan.	1.7, 1.8	C - The revised regional land use strategy was declared in September 2026. IP - Community consultation on a structure plan for Sorell is expected in FY 2026-2027.

Objective 2 **Responsible Stewardship and a sustainable organisation**

Measure C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
2.1	Review and adopt the Financial Management Strategy and underpinning 10 Year Long Term Financial Plan ensuring it delivers benchmark thresholds and Council's Strategic Planning objectives: • Critically review and adopt revenue generation options required to meet the thresholds and objectives in the Financial Management Strategy. • Review the forecast new / upgrade capital projects ensuring they are financially sustainable and meet Council's Strategic Planning objectives inclusive of lower capital value asset development that achieve high social impacts.	2.1, 2.7	C - FMS and LTFP reviewed and adopted June 2025. C - Forecast new / upgrade asset capital projects reviewed as part of LTFP and incorporated into FMS.
2.2	Commit to asset revaluation cycles and managing risk profiles, including: • Develop treatment plans for high level residual risks and provide implementation resourcing in accordance with revised Risk Management Framework.	2.3, 2.4, 2.7	C - Risk treatment plans developed with leadership team for all identified strategic risks. Implementation resourcing in progress through FY 2026-2027 operational plan and budget capacity.
2.3	Provide cost effective waste management services by: • Engaging with Southern Waste Solutions to develop a regional FOGO facility and education program and, to explore waste transfer / recycling centre options. • Commence community consultation for FOGO introduction in 2026-2027. • Continuing to identify opportunities for regional service delivery with TasWaste South and Southern Waste Solutions. • Investigate soft plastics recycling options.	2.4, 2.7, 2.8, 2.10	C - Interim FOGO facility completed, open in July 2026. IP - SWS are progressing a feasibility assessment for a new waste transfer station. IP - Participated in soft plastics collection options discussions with TasWaste South members and industry representatives.
2.4	Continuing elected member engagement with DPAC and LGAT Local Government Learning and Development Framework, Local Government Reform program and review of Council Governance Framework.	2.7	IP - Refer Annual Report. IP - Provided feedback to LGAT on Reform programs. C - Revised Governance Framework adopted.

Objective 2 **Responsible Stewardship and a sustainable organisation**

Measure C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure

2.5	Establish commitments, resourcing and engagement related to: -
	• Improving stormwater capacity management and quality discharge to receiving waters through implementing the Council Stormwater in New Development Policy and integrating into Council maintenance operations.
	• Implementing stormwater outlet upgrade projects associated with Year Three of the Coastal Estuary Risk Mitigation Program.
	• Implementation of NRM Strategy with appropriate and achievable environmental actions including:
	  ◦ Climate change mitigation and adaptation including EV fleet transition plan.
	  ◦ Development of Weed Management Plan.
	  ◦ Reserve Management Plan review and implementation.
	  ◦ Tree Management options assessment.
	• Staged implementation of Southern Beaches Onsite Wastewater and Stormwater Plan.
		2.3, 2.4, 2.8	IP - Development Engineering and Depot Maintenance functions jointly managing.
			
			C - CERMP final year 3 capital projects completed.
			
			IP -
			• Fleet EV transition feasibility plan commenced for light, heavy and equipment fleet.
			• Weed Management Strategy adopted.
			• Reserve Management Plan's under review. Local TFS brigade advice Southern Beaches areas likely to require fire management.
			• Tree Management Officer role commenced with active programmed inspections and works utilising independent expert as required.
			
			IP - Draft Special Area Plan and onsite wastewater inspection program commenced.

2.6	Strengthen proactive stakeholder relations and issue-based advocacy, including for Regional Strengthening Projects and required grant funding consistent with Financial Management Strategy.	2.6, 2.10	IP - Advocacy document updated Nov 2025 with strategic pursuit of sustainable grant opportunities throughout FY.

Objective 3 To ensure a liveable and inclusive community

Measure C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
3.1	Strengthen cultural understanding and recognition of First Nations peoples - past, present, and emerging - foster meaningful relationships within the community and integrate inclusive practices that honour their history, culture and ongoing contributions into Council policies and practices.		IP - September 2025 - Aboriginal Tasmania 2025 training with Helen Ransom – Training for Managers and other key staff. April 2026 - Welcome to Country and Smoking Ceremony at Fitzies Youth Hub official opening. Inclusion of Aboriginal membership on Community Cultural Precinct Advisory Committee and Access and Inclusion Advisory Group to ensure Aboriginal perspectives are actively considered in decisions, programs and services.
3.2	Finalise the Municipal Playground Audit and develop a playground accessibility, upgrade and development plan. Incorporate into Financial Management Strategy.	3.4	C - Playspace Audit and Plan endorsed by Council in February 2026. New and upgraded asset capital projects updated including required funding in LTFP / FMS.
3.3	Implementation of the Active Transport Strategy through short-term priorities and planning for medium – long term priorities: • advocacy and engagement with Federal and State government on related infrastructure planning, scope design and grant opportunities. • inclusion of staged Council capital projects as per revised Financial Management Strategy.	3.3, 3.4, 3.5, 3.9	IP - Funding sought from State and Federal government for projects identified in the Active Transport Strategy. Sustainable self-funded capital projects included in LTFP / FMS.
3.4	Continue to lobby for affordable and increased public transport services and Park and Ride facilities for the Southern Beaches and Sorell East.	3.5	IP - Updated in revised Advocacy Document.
3.5	Finalise the South East Sporting Complex Master Plan and advocate with partner organisations for further capital funding to facilitate ongoing staged development and upgrades.	3.6, 2.6	C - South East Sports Complex Master Plan endorsed by Council at July 2026 meeting. Funding being sought from State and Federal government for particular projects. Sustainable self-funded capital projects included in LTFP / FMS.

Objective 3 To ensure a liveable and inclusive community

Measure C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
3.6	Continue to implement the South East Youth Report recommendations, including: • Appointment of a dedicated Youth resource. • Repurpose 11 Fitzroy St as a Youth Hub. • Advocate for and support delivery of services and programs for young people.	3.2, 3.3	IP - • Youth Plan endorsed by Council July 2025. • Youth Development Officers recruited December 2025. • Fitizies Youth Hub officially opened April 2026. • Engagement with service providers ongoing.
3.7	Continue to develop the Community Cultural Precinct: • Advocate for staged project funding. • Open and activate the Sorell Railway Carriage Shed. • Support short term activation opportunities at the site. • Cultural heritage preservation (Sorell Memorial Hall & Railway Shed).	3.4, 3.7, 3.8	IP - Federal Funding for Precinct and Makers Workshop secured. Carriage Shed officially opened May 2026. History Society Exhibition and display rooms and Theatre Green room opened December 2025.
3.8	Advocate for and support the delivery of an Urgent Care Clinic in Sorell.	3.3	C - Urgent Care Clinic Opened in Sorell December 2025.
3.9	Commence the review and update of the Sorell Heritage Study with a particular focus on 20th century heritage.	3.7	IP - Post Colonial Heritage Work Program developed. Requires resourcing / funding to implement. Current staff resources to review existing listings subject to statutory activities.

Objective 4 Increased community confidence in Council

Measure C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
4.1	Advocate and plan for investment in infrastructure and services as identified in the Social Strategy and Active Transport Strategy.	4.2, 4.4, 4.7	IP - Funding sought from State and Federal government for priority projects including grant opportunities and included in revised Advocacy Document. Sustainable self-funded capital projects included in LTFP / FMS.
4.2	Advocate for increased availability of affordable housing with Homes Tasmania and land owners.	4.1, 4.2, 4.4, 1.8	IP - Sorell East 161ha Growth Area nominated for delivery of up to 2000 homes via Federal Gov First Home Buyers Program.
4.3	Undertake a review of our engagement activities, including Community Conversations and advisory groups, to ensure they are aligned with the updated Communication and Engagement Strategy.	4.1, 4.4, 4.6, 4.7	IP - Community Information Session held in Primrose Sands to replace Community Conversation October 2025. Access & Inclusion Advisory Group commenced in collaboration with Mission Australia May 2026.
4.4	Undertake a strategic review of population forecasts and demographics to inform planning and decision making.	4.1, 4.2	Staff and Councillors participated in LGAT Future Populations Network meetings.
4.5	Commence development of a Southern Beaches Structure Plan utilising completed on-site wastewater and on-site stormwater plan.	4.2, 4.4, 2.4	IP - Project commenced - due for completion December 26.



FINANCIAL STATEMENTS

FOR THE YEAR 1 JULY 2025 TO 30 JUNE 2026



CERTIFICATION OF THE FINANCIAL REPORT

The financial report presents fairly the financial position of the Sorell Council as at 30 June 2026 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.

Robert Higgins
Chief Executive Officer
28 September 2026

MANAGEMENT CERTIFICATION OF THE FINANCIAL REPORT

The accompanying financial statements of the Sorell Council are in agreement with the relevant accounts and records and have been prepared in compliance with:

- Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
- The *Local Government Act 1993*

I believe that, in all material respects, the financial statements present a view which is consistent with my understanding of Council's financial position as at 30 June 2026 and the results of its operations and cash flows for the year then ended.

At the date of signing this certification, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Scott Nicol
Acting Manager Finance
28 September 2026



Statement of Comprehensive Income

For the year ended 30 June 2026

Income from continuing operations	Note	Budget 2026 $'000	Actual 2026 $'000	Actual 2025 $'000
Recurrent income				
Rates and charges	2.1	20,656	20,682	19,678
Statutory fees and fines	2.2	662	788	605
User fees	2.3	581	722	626
Grants	2.4	3,088	3,992	2,088
Contributions - cash	2.5	331	616	185
Interest	2.6	1,194	1,232	1,198
Other income	2.7	661	744	678
Investment revenue	2.9	420	601	569
		27,593	**29,377**	**25,627**
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	5,253	4,529	6,280
Contributions - non-monetary assets	2.5	2,510	2,654	2,062
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8 (a)	241	(1,637)	(2,247)
Net gain/(loss) on de-recognition/recognition of property, infrastructure, plant and equipment	2.8 (b)	-	89	2
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	5.1	-	321	1,559
Fair value adjustments for investment property	6.2	-	-	100
		8,004	**5,956**	**7,756**
Total income from continuing operations		**35,597**	**35,333**	**33,383**
Expenses from continuing operations				
Employee benefits	3.1	(8,269)	(7,911)	(7,596)
Materials and services	3.2	(8,366)	(8,231)	(7,390)
Depreciation and amortisation	3.3	(7,268)	(7,363)	(6,518)
Finance costs	3.4	(95)	(95)	(90)
Other expenses	3.5	(2,037)	(2,078)	(1,879)
Total expenses from continuing operations		**(26,035)**	**(25,678)**	**(23,473)**
Net result for the year		**9,562**	**9,655**	**9,910**
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.2,9.1	-	873	517
Net asset revaluation increment/(decrement)	9.1	-	6,826	53,038
Total other comprehensive income		**-**	**7,699**	**53,555**
Total comprehensive result		**9,562**	**17,354**	**63,465**

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

Statement of Financial Position

As at 30 June 2026

	Note	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	4.1	6,458	7,593
Trade and other receivables	4.2	1,304	1,702
Investments	4.3	17,975	13,224
Inventories	4.4	74	39
Other assets	6.5	874	481
Total current assets		**26,685**	**23,039**
Non-current assets			
Trade and other receivables	4.2	2	3
Investments in associates accounted for using the equity method	5.1	8,773	8,451
Investment in water corporation	5.2	27,870	26,997
Property, infrastructure, plant and equipment	6.1	442,032	430,406
Investment property	6.2	753	753
Intangible assets	6.3	234	242
Right-of-use assets	6.4	27	5
Total non-current assets		**479,691**	**466,857**
Total assets		**506,376**	**489,896**
Liabilities			
Current liabilities			
Trade and other payables	7.1	1,576	1,475
Trust funds and deposits	7.2	445	567
Provisions	7.3	1,454	1,337
Lease liabilities	7.4	7	3
Contract liabilities	7.5	654	1,151
Interest-bearing loans and borrowings	8.1	224	217
Total current liabilities		**4,360**	**4,750**
Non-current liabilities			
Provisions	7.3	133	413
Lease liabilities	7.4	21	2
Interest-bearing loans and borrowings	8.1	2,035	2,259
Total non-current liabilities		**2,189**	**2,674**
Total liabilities		**6,549**	**7,424**
Net assets		**499,827**	**482,472**
Equity			
Accumulated surplus		166,742	157,087
Reserves	9.1	333,084	325,385
Total equity		**499,826**	**482,472**

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

Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 Inflows/ (Outflows) $'000	2025 Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates		20,530	19,595
Statutory fees and fines		792	611
User charges and other fines (inclusive of GST)		733	573
Grants (inclusive of GST)		3,992	2,306
Contributions - cash (inclusive of GST)		619	185
Interest received		1,015	1,267
Investment revenue	2.9	601	569
Other receipts (inclusive of GST)		641	719
Net GST refund/(payment)		1,737	1,800
Payments to suppliers (inclusive of GST)		(12,359)	(11,123)
Payments to employees		(8,112)	(7,700)
Finance costs paid		(95)	(86)
Net cash provided by (used in) operating activities	9.2	**10,094**	**8,716**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(11,187)	(12,591)
Proceeds from sale of property, infrastructure, plant and equipment		244	164
Capital grants		4,782	5,340
Proceeds/(payments) for investments		(4,751)	(2,154)
Repayment of long term recoverable property debt		-	29
Net cash provided by (used in) investing activities		**(10,912)**	**(9,212)**
Cash flows from financing activities			
Proceeds from trust funds and deposits		182	153
Repayment of trust funds and deposits		(275)	(258)
Repayment of lease liabilities (principal repayments)		(8)	(10)
Proceeds from interest bearing loans and borrowings		-	350
Repayment of interest bearing loans and borrowings		(216)	(246)
Net cash provided by (used in) financing activities	9.3	**(317)**	**(11)**
Net increase (decrease) in cash and cash equivalents		**(1,135)**	**(507)**
Cash and cash equivalents at the beginning of the financial year		7,593	8,100
Cash and cash equivalents at the end of the financial year	9.4	**6,458**	**7,593**
Restrictions on cash assets	4.1	2,687	3,468

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

Statement of Changes in Equity

For the year ended 30 June 2026

2026	Note	Accumulated Surplus 2026 $'000	Asset Revaluation Reserve 2026 $'000	Fair Value Reserve 2026 $'000	Other Reserves 2026 $'000	Total Equity 2026 $'000
Balance at beginning of the financial year		**157,087**	**326,645**	**(2,310)**	**1,050**	**482,472**
Net result for the year		9,655	-	-	-	9,655
Other comprehensive income:						
Fair value adjustment on equity investment assets	5.2,9.1	-	-	873	-	873
Net asset revaluation increment/(decrement)	9.1	-	6,826	-	-	6,826
Total comprehensive income		**166,742**	**333,471**	**(1,437)**	**1,050**	**499,826**
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		**166,742**	**333,471**	**(1,437)**	**1,050**	**499,826**

2025		Accumulated Surplus 2025 $'000	Asset Revaluation Reserve 2025 $'000	Fair Value Reserve 2025 $'000	Other Reserves 2025 $'000	Total Equity 2025 $'000
Balance at beginning of the financial year		**147,177**	**273,607**	**(2,827)**	**1,050**	**419,007**
Net result for the year		9,910	-	-	-	9,910
Other comprehensive income:						
Fair value adjustment on equity investment assets	5.2,9.1	-	-	517	-	517
Net asset revaluation increment/(decrement)	9.1	-	53,038	-	-	53,038
Total comprehensive income		**157,087**	**326,645**	**(2,310)**	**1,050**	**482,472**
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		**157,087**	**326,645**	**(2,310)**	**1,050**	**482,472**

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

Notes to the financial report

For the year ended 30 June 2026

Note 1 Overview

Note 1.1 Reporting entity

(a) The Sorell Council was established in 1862 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 47 Cole Street, Sorell, Tasmania.

(b) The purpose of the Council is to:

- provide for health, safety and welfare of the community;

- to represent and promote the interests of the community;

- provide for the peace, order and good government in the municipality.

Note 1.2 Basis of accounting

These financial statements are a general purpose financial report that consists of Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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.

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 dollars.

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

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full.

Note 1.3 Use of judgements and estimates

Judgements and assumptions
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 7.3.

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 9.5.

Fair value of property, infrastructure, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, infrastructure, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 6.1 and 9.10.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in notes 5.2 and 9.10.

Note 1.4 Material budget variations

Council's original budget was adopted by Council at the 24 June 2025 Special Council Meeting. In February 2026 Council reviewed and amended the original budget and completed the Mid Year Budget Review. The Mid Year Budget Review was adopted by Council at the 17 February 2026 Ordinary Council Meeting. The original projections on which the budget was based have been affected by a number of factors. These include State and Commonwealth Government decisions, new grant programs, changing economic activity, environmental factors, and decisions made by Council. Material variations from the Mid Year Budget Review figures of more than 10% and $50k are explained below.

Recurrent income

1 Statutory fees and fines

Statutory fees and fines was above budget by $126k (19%) for the 2025-26 financial year. The Sorell municipality continued to enjoy population growth and high levels of development during the 2025-26 financial year. As a result, Council experienced higher than expected activity levels in a number of areas. In particular, income from 132 & 337 certificate fees were above budget by $34k (18.5%), as well as income from town planning fees $93K (20%).

2 User fees

User fees was above budget by $141k (24.3%) for the 2025-26 financial year. The Sorell municipality continued to enjoy population growth and high levels of development during the 2025-26 financial year. As a result, Council experienced higer than expected activity levels in a number of ares. In particular, income from fire abatement charges were above budget by $38k (251.6%), income from plumbing applications were above budget by $36k (29.4%) and income from plumbing inspections were above budget by $34k (30.4%)

3 Grants

Grants was above budget by $904k (29.3%) for the 2025-26 financial year. This was due to the early receipt of the Commonwealth Government Financial Assistance Grant (FAG) funding. The Commonwealth Government provides FAG funding for local government in accordance with the Commonwealth Government's *Local Government (Financial Assistance) Act 1995* (the Australian Government Act). The FAG funding is provided to Council for general purpose use and the provision of local roads and bridges.
Since the 2011-12 financial year the Commonwealth Government has been making advance FAG funding payments for the following year. The FAG funding is a general grant that is untied and without performance obligations, therefore Council recognises the grant funding as revenue when the funds are received and control is obtained. In June 2026 Council received an advance FAG funding payment for the 2026-27 financial year of $2.475m. The effects of the early receipt of an instalment has resulted in FAG funding being above the budget in 2025-26 by $903m. This has impacted the Statement of Comprehensive Income resulting in the net result for the year being higher.

4 Contributions - cash

Contributions - cash income was above budget by $285k (86.06%) for the 2025-26 financial year. Contributions - cash income relates to public open space, traffic management treatment and stormwater contributions, as well as other sundry cash contributions. Due to the unpredictable nature of development activity this income stream is difficult to estimate. During the 2025-26 financial year development activity in the Sorell municipality was higher than estimated.

5 Other income

Other income was $83k (12.6%) above budget for the 2025–26 financial year. This favourable variance was primarily due to insurance recoveries, which exceeded budget by $64k (1,100%). The increase largely relates to a one-off insurance claim for water damage at the South East Stadium.

6 Investment revenue

Investment revenue was $181k (43.2%) above budget for the 2025–26 financial year. This favourable variance was primarily due to an unbudgeted dividend of $180k received from the Copping Refuse Disposal Site Joint Authority.

Capital income

7 Capital grants received specifically for new or upgraded assets

Capital grants was below budget by $724k (13.8%) for the 2025-26 financial year. This is due to works not progressing as predicted in relation to Commonweatlh Government grants for Smart Solar Upgrade to the value of $50k. Additionally, due to works not progressing as predicted in relation to State Government grants for Southern Beaches, Coastal and Estuarine Risk Mitigation Project and Sorell Men's Shed and Lion's Club Dual Purpose Facility and Sorell Park and Ride Bus Stop Upgrades and Carlton Beach and Park Beach Viewing Platforms and Harvesting and Resilient Landscape Upgrade to the value of $674k.

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

Net gain/(loss) on disposal of property, infrastructure, plant and equipment was below budget by $1.878m (779.6%) for the 2025-26 financial year. Due to the unpredictable nature of infrastructure asset disposals this income stream is difficult to estimate. The budget for net gain/(loss) on disposal of assets was based on actual disposals year-to-date at the time of the Mid Year Budget Review. The budget variance is a result of further disposals taking place in the second half of the 2025-26 financial year that resulted in a loss, including infrastructure asset disposals relating to renewal/replacement capital projects. Proceeds on disposals are not received for such infrastructure asset disposals due to the nature of the asset and there not being a market available for sale of such assets. Consequently losses on disposal are recorded.

9 Other capital income

Capital income items were excluded from the 2025-26 budget due to their unpredictable nature. These include:

- Net gain/(loss) on de-recognition/recognition of property, infrastructure, plant and equipment
- Share of net profits/(losses) of associates accounted for by the equity method
- Fair value adjustments for investment property

Note 1.5 Functions/activities of the Council

(a) *Revenue, expenditure and assets attributable to each function as categorised in (c) below:*

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
	$'000	$'000	$'000	$'000	$'000	$'000
Governance and administration						
2025 - 2026	2,128	20,108	22,236	6,138	16,098	99,612
2024 - 2025	1,118	19,772	20,890	5,937	14,953	96,485
Transport infrastructure						
2025 - 2026	2,717	15	2,732	7,926	(5,194)	292,526
2024 - 2025	2,436	443	2,879	7,144	(4,265)	291,711
Stormwater						
2025 - 2026	1,151	468	1,619	1,788	(169)	68,933
2024 - 2025	1,502	(559)	943	1,757	(814)	67,856
Waste management						
2025 - 2026	-	4,077	4,077	3,047	1,030	-
2024 - 2025	2	3,793	3,795	2,795	1,000	-
Environmental health/management						
2025 - 2026	2	177	179	858	(679)	-
2024 - 2025	37	134	171	680	(509)	-
Planning services						
2025 - 2026	-	1,164	1,164	868	296	-
2024 - 2025	-	601	601	680	(79)	-
Building control						
2025 - 2026	-	406	406	159	247	-
2024 - 2025	-	399	399	174	225	-
Community amenities						
2025 - 2026	2,521	1,129	3,650	4,239	(589)	45,306
2024 - 2025	3,273	299	3,572	3,770	(198)	33,844
Community services						
2025 - 2026	2	129	131	655	(524)	-
2024 - 2025	-	133	133	409	(276)	-
Total						
2025 - 2026	**8,521**	**27,673**	**36,194**	**25,678**	**10,516**	**506,376**
2024 - 2025	**8,368**	**25,015**	**33,383**	**23,346**	**10,037**	**489,896**

Note 1.5 Functions/Activities of the Council (continued)

(b) *Reconciliation of Assets above with the Statement of Financial Position at 30 June:*

	2026 $'000	2025 $'000
Current assets	26,685	23,039
Non-current assets	479,691	466,857
	506,376	**489,896**

(c) *Governance and administration*

The governance and administration functions of Council include the operation and maintenance of the Council chambers, Council works depot, administration offices and Councillors. This includes the functions which support the provision of Council's key services, including; customer service and administration; business support administration; finance; information technology; human resources; communications; risk management; work health and safety and governance processes.

Transport infrastructure

The transport activities of the Council include infrastructure services and asset management functions, including construction, operations, maintenance and cleaning of sealed and unsealed roads, kerb and channel, footpaths and cycleways, bridges, parking facilities and traffic management devices.

Stormwater

The stormwater activities of Council include infrastructure services and asset management functions, including the construction, operation and maintenance of Council's stormwater assets, including stormwater pits, drains, open drains, culverts, gross pollution traps and end structures, and on occasions road drainage.

Waste management

The waste management activities of Council include collection, handling, processing and disposal of waste materials.

Environmental health/management

The environmental health function of Council includes health services, such as food business control and other regulatory health controls, including; food surveillance; caravan licences; public-use building standards; health education and promotion; immunisation services; and water quality monitoring.

Planning services

The planning services function of Council includes town planning services and development control, including the administration of the town planning scheme, subdivisions and urban and rural renewal programs.

Building control

The building control function of Council includes development and maintenance of building construction standards, building and plumbing inspections, the approval of building and plumbing applications and the issuing of building permits.

Community amenities

The community amenities function of Council includes the provision and asset management functions, including construction, maintenance and cleaning of sports fields, stadium, sporting clubrooms, community halls, parks and reserves, playgrounds, public toilets, tracks and trails and marine structures.

Community services

The community services function of Council includes animal management, including dog control activities, the administration and operation of dog registrations and the operation of a pound. This function also includes Community Relations. The Community Relations function helps Council build strong connections with our community through communication, community engagement and community development. It supports youth initiatives, community events, arts and cultural activities, advisory groups and civic ceremonies. Community Relations also leads the development of key strategies and plans that respond to community needs and help improve the wellbeing and quality of life of our community.

Note 2 Revenue

Note 2.1 Rates and charges

	2026 $'000	2025 $'000
Council uses the adjusted assessed annual value as the basis of valuation of all properties within the municipality. The adjusted assessed annual value of a property is its estimated annual rental value with an adjustment factor set for periods between revaluations, as determined by the Valuer-General. The valuation base used to calculate general rates for 2025-26 was $272.158m (2024-25, $211.478m). The 2025-26 general rate is a two tiered rating system with 37% (2024-25, 37%) of the general rate generated by a fixed rate of $588.61 (2024-25, $567.61), and the remaining generated by a rate of $3.344501 (2024-25, $4.1266688) cents in the dollar of the adjusted assessed annual value, varied according to the subcategories of use or predominant use of the land.		
Residential	13,023	12,169
Commercial	1,435	1,384
Industrial	171	154
Primary production	760	790
Community service	177	169
Vacant land	1,281	1,389
Boat sheds	119	117
Supplementary rates and rate adjustments	63	109
Fire levy	720	698
Garbage charge	3,954	3,664
Less: Pension remissions	(1,008)	(945)
Less: Charity remissions	(13)	(20)
Total rates and charges	**20,682**	**19,678**

The date of the latest general revaluation of land for rating purposes within the municipality was 4 April 2025, and the valuation was first applied in the rating year commencing 1 July 2025.

Accounting policy

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.

Note 2.2 Statutory fees and fines

Infringements	13	22
Town planning fees	550	417
Land information certificates	217	162
Permits	8	4
Total statutory fees and fines	**788**	**605**

Accounting policy

Statutory fees and fines

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Note 2.3 User fees

Animal registrations	103	103
Building services	91	90
Caravan licences	34	36
Engineering services	29	27
Fire abatements	53	10
Health services	56	33
Recreational vehicles	37	27

Note 2.3 User fees (continued)

	2026 $'000	2025 $'000
Plumbing application and inspections	304	283
Other fees and charges	15	15
Total user fees	**722**	**626**
User fees by timing of revenue recognition		
User fees recognised over time	-	-
User fees recognised at a point in time	722	626
Total user fees	**722**	**626**

Accounting policy

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.

Licences granted by Council are all either short-term or low value and all revenue is recognised at the time that the licence is granted rather than the term of the licence.

Note 2.4 Grants

Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	6,173	4,389
State funded grants	2,064	3,880
Other grants	284	99
Total grants	**8,521**	**8,368**
Grants - Recurrent		
Federal Financial Assistance Grant - General purpose	2,126	1,066
Federal Financial Assistance Grant - Roads	1,805	879
Federal Financial Assistance Grant - Bridges	37	11
State Department of Health - Immunisations	2	2
State Department of State Growth - Transport Tasmania	18	14
State Department of State Growth - Safer Rural Roads Programme 00015	-	27
State Northern Tasmanian Natural Resource Management Association	-	36
State Department of State Growth - Wielangta MTB trail project	-	50
State Department of Premier & Cabinet - Isolated Communities Resilience Grants – Additional	2	-
Other	2	3
Total recurrent grants	**3,992**	**2,088**
Capital grants received specifically for new or upgraded assets		
Federal Dept. of Infrastructure, Transport, Regional Development, Communications and the Arts - Roads to Recovery	779	522
Federal National Flood Mitigation Infrastructure Program	-	1,050
Federal Dept of Infrastructure, Transport, Regional Development, Communications and the Arts - Local Roads and Community Infrastructure (Phase IV) Buildings	-	84
Federal Dept of Infrastructure, Transport, Regional Development, Communications and the Arts - Local Roads and Community Infrastructure (Phase IV) Roads	-	382
Federal Dept, Department of Industry, Science & Resources - Smart Solar Upgrade	9	-
Federal Dept of Infrastructure, Transport, Regional Development, Communications and the Arts - Investigating in Our Communities Program	1,416	394
State Dept. of Police, Fire and Emergency Mgmt. - Coastal and Estuarine Risk Mitigation Program	1,151	451
State Department of Health - Public Health Services	-	98

Note 2.4 Grants (continued)

	2026 $'000	2025 $'000
State Department of State Growth - Blackspot Programme	-	21
State Department of State Growth - Safer Rural Roads Program 00010	-	150
State Department of State Growth - Safer Rural Roads Program 2324-R1-16	-	236
State Department of State Growth - Vulnerable Road User Program	-	192
State Department of State Growth - Active Tasmania	100	70
State Department of State Growth - Jobs Tasmania	450	2,396
State Department of State Growth - EX24-116	20	111
State Department of Communities Tasmania	31	27
State Department of Premier & Cabinet 5290 - Sorell Men's Shed and Sorell Lion's Club dual purpose facility	190	-
State Department of State Growth - Shelters at the South East Sports Complex	22	-
State Department of State Growth - All Access All Weather Bus Stop Upgrade Program Round 2	77	-
State Department of State Growth - All Access All Weather Bus Stop Upgrade Program Round 3	1	-
Other Local Government Association of Tasmania - Open Spaces Grant	283	96
Total capital grants	**4,529**	**6,280**
Total grants	**8,521**	**8,368**
Grants by timing of grant recognition		
Grants recognised over time	8,501	8,351
Grants recognised at a point in time	20	17
Total Grants	**8,521**	**8,368**

Unspent grants and contributions

Grants and contributions 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	**-**	**-**
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Balance of unspent funds at 30 June	**-**	**-**
Capital		
Balance of unspent funds at 1 July	**1,151**	**1,677**
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions		
Add: Funds received and not recognised as revenue in the current year	461	1,096
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(957)	(1,622)
Balance of unspent funds at 30 June	**655**	**1,151**
Total unspent funds held as a contract liability	**655**	**1,151**

Note 2.4 Grants (continued)

Accounting policy

Grants

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 income is recognised as obligations are fulfilled. For a detailed explanation of Council's total unspent funds as at 30 June 2026 refer to note 7.5.

The performance obligations are varied based on the agreement, but include that the Grant must only be undertaken for the approved purpose and that the approved purpose must commence and be completed by an agreed date. Further any unexpended part of the grant must be repaid, additionally any incorrect use of the grant must be repaid and breach of other circumstances per above can result in repayment of the grant.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have a 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.

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), a contract liability is recognised for the excess of the fair value of the transfer over any related amounts recognised as revenue as the unspent funds are expended at the point in time at which the required performance obligations are completed.

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 the acquisitions of assets, revenue is recognised when the asset is acquired and controlled by the Council.

In both years the Commonwealth Government has made early payment of the first two quarterly instalments of untied Financial Assistance Grant (FAG) funding for the following year. The early receipt of instalments resulted in Commonwealth Government FAG grants being above that originally budgeted in 2025-26 by $2.475m, (2024-25, $1.497m). This has impacted the Statement of Comprehensive Income for the year ended 30th June 2026 only, resulting in the net result for the year being greater than budget. Financial Assistance Grants are general grants and do not have sufficiently specific performance obligations. As a result, they are recognised as income when received.

Note 2.5 Contributions

	2026 $'000	2025 $'000
(a) Cash		
Parks, open space and streetscapes	554	154
Parking	9	23
Stormwater contributions	22	3
Other cash contributions	31	5
Total	**616**	**185**
(b) Non-monetary assets		
Land under roads	440	110
Roads	520	700
Footpaths and cycle ways	76	524
Kerb and channel	29	246
Stormwater	621	335
Land improvements	750	-
Formation earthworks	182	147
Computer & Telecommunications	36	-
Total	**2,654**	**2,062**
Total contributions	**3,270**	**2,247**

Accounting policy

Contributions

Council recognises contributions without performance obligations when received. In cases where the contribution 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.

Note 2.6 Interest

	2026 $'000	2025 $'000
Interest on rates	164	146
Interest on cash and cash equivalents	1,068	1,052
Total interest	**1,232**	**1,198**

Accounting policy

Interest

Interest is recognised progressively as it is earned.

Note 2.7 Other income

Community facility hire income	203	225
Copping Refuse Disposal Site land rental (Note 9.7)	84	104
Copping Refuse Disposal Site Joint Authority profit share (Note 9.7)	21	24
Leased properties rental income (Note 9.7)	209	119
Diesel fuel rebate	27	32
Insurance recoveries	70	37
Workers compensation reimbursements	39	2
Other income	91	135
Total other income	**744**	**678**
Other income by timing of revenue recognition		
Other income recognised over time	473	344
Other income recognised at a point in time	271	334
Total other income	**744**	**678**

Accounting policy

Other Income

Rents and other income 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.

Note 2.8 (a) Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	244	168
Written down value of assets disposed	(1,881)	(2,415)
Total	**(1,637)**	**(2,247)**

(b) Net gain/(loss) on de-recognition/recognition of property, infrastructure, plant and equipment

Recognition of property, infrastructure, plant and equipment	89	2
Total	**89**	**2**

Accounting policy

Gains and losses on asset disposals

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

Gains and losses on asset de-recognition / recognition

The gain on recognition of property, infrastructure, plant and equipment relates to the donation of non-monetary assets to Council. Non-monetary assets are commonly donated by developers in the form of subdivision related infrastructure assets. Council occasionally also receives donated assets from government bodies. The recognition of an asset is determined when control of the asset has irrevocably passed to Council.

Note 2.9 Investment revenue

	2026 $'000	2025 $'000
Dividend revenue received Water Corporation	421	389
Dividend revenue received Copping Refuse Disposal Site Joint Authority	180	180
Total investment revenue	**601**	**569**

Accounting policy

Investment revenue

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

Note 3 Expenses

Note 3.1 Employee benefits

Wages and salaries	6,626	6,444
Workers compensation	126	173
Superannuation	950	896
Fringe benefits tax	39	37
Payroll tax	376	378
Employee associated costs	130	119
	8,247	8,047
Less amounts capitalised	(336)	(451)
Total employee benefits	**7,911**	**7,596**

Accounting policy

Employee benefits

Expenses are recognised in the 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.

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

Note 3.2 Materials and services

Advertising	77	76
Information technology	357	300
Consultants and contractors	986	691
Cleaning	349	339
Legal	117	119
Maintenance	2,707	2,444
Operating capital	233	70
Plant registration fees	42	39
Printing	34	34
Security services	20	15
Stationery and office consumables	41	36
Utilities	417	380
Valuation costs	32	171
Waste	2,811	2,664
Other materials and services	8	12
Total materials and services	**8,231**	**7,390**

Note 3.2 Materials and services (continued)

Accounting policy

Materials and services

Expenses are recognised in the 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.

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.

Note 3.3 Depreciation and amortisation

	2026 $'000	2025 $'000
Property		
Buildings and other structures	782	730
Plant and Equipment		
Plant, machinery and equipment	499	479
Fixtures, fittings and furniture	14	13
Computers and telecommunications	74	48
Infrastructure		
Roads	3,490	2,974
Bridges	388	293
Footpaths and cycle ways	266	237
Kerb and channel	99	92
Other transport infrastructure	161	125
Stormwater	1,035	1,002
Land improvements	538	508
Intangible assets		
Intangible assets	9	8
Right-of-use of assets		
Right-of-use of assets	8	9
Total depreciation and amortisation	**7,363**	**6,518**

Accounting policy

Depreciation and amortisation

Expenses are recognised in the 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.

Property, 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. Right-of-use assets are amortised over the lease term. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation and amortisation 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.

Land and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

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

Note 3.3 Depreciation and amortisation (continued)

Accounting policy (continued)

Property	Period
Buildings and other structures	
Buildings and building improvements	20 - 100 years
Other structures (including sheds, tanks, stairs and shelters)	20 - 200 years
Plant and equipment	
Plant, machinery and equipment	3 - 15 years
Fixtures, fittings and furniture	3 - 30 years
Computers and telecommunications	3 - 10 years
Roads	
Road sealed surface	20 - 80 years
Road unsealed surface	10 years
Road base	60 years
Road subbase	240 years
Road formation and earthworks	non-depreciable
Bridges	
Bridges super structure	20 - 80 years
Bridges sub structure	20 - 80 years
Footpaths and cycle ways	20 - 100 years
Footpaths - sand (not valued	0 years
Kerb and channel	80 years
Other transport infrastructure	
Bus shelters	40 - 100 years
Bus stops	10 - 240 years
Car parks	10 - 240 years
Traffic management devices	6 - 60 years
Stormwater	
Gross pollution traps (GPTs)	50 years
End structures	80 years
Drains	100 years
Pits	80 years
Culverts including headwalls	100 years
Open drains and raingardens	20 - 100 years
Land improvements	
Fences	40 - 100 years
Formal park assets	80 - 200 years
Irrigation	15 - 50 years
Lighting	15 - 50 years
Marine structures	60 - 200 years
Open space furniture	20 - 100 years
Park active areas	10 - 80 years

Note 3.3 Depreciation and amortisation (continued)

Accounting policy (continued)	
Park infrastructure	25 - 100 years
Park passive areas	20 - 400 years
Play equipment	20 years
Playgrounds	15 - 80 years
Retaining walls	70 - 100 years
Signs	20 - 60 years
Intangible assets	3 - 6 years
Right-of-use of assets	5 years

Note 3.4 Finance costs

	2026 $'000	2025 $'000
Interest - borrowings	94	89
Interest - lease liabilities	1	1
Total finance costs	**95**	**90**

Accounting policy

Finance costs

Expenses are recognised in the 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.
Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period, ($0).
Finance costs include interest on bank overdrafts, borrowings, leases and unwinding of discounts.

Note 3.5 Other expenses

External auditors' remuneration (Audit Tasmania)	53	48
Audit panel members' remuneration	10	7
Bank fees and charges	35	33
Councillors' allowances and expenses	241	230
Collection costs	27	22
Community development	62	30
Donations section 77	88	46
Election expenses	14	15
Environmental management expenses	34	20
Government fire contributions	689	665
Insurance	367	337
Internal auditors' remuneration	23	15
Land tax	106	103
Licences, memberships and subscriptions	102	81
Operating leases	10	9
Postage	53	51
Internet, telephone and other communication charges	60	53
Other expenses	104	114
Total other expenses	**2,078**	**1,879**

Note 3.5 Other expenses (continued)

Accounting policy
Other expenses
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset, or an increase of a liability has arisen that can be measured reliably.

Note 4 Current assets

Note 4.1 Cash and cash equivalents

	2026 $'000	2025 $'000
Cash on hand	1	1
Cash at bank	1,973	1,515
Investments at call	4,484	6,077
Total cash and cash equivalents	**6,458**	**7,593**
Council's cash and cash equivalents are subject to a number of external restrictions and internal commitments that limit amounts available for discretionary or future use. These include:		
Restricted funds		
i)Trust funds and deposits (note 7.2)	445	567
ii) Unspent grant funds with conditions (note 2.4)	654	1,151
	1,100	**1,718**
Internal committed funds		
iii) Employee provisions (note 7.3)	1,587	1,750
Committed funds	**2,687**	**3,468**
Total uncommitted cash and cash equivalents	**3,771**	**4,125**
Total Investments (note 4.3)	17,975	13,224
Total uncommitted funds	**21,747**	**17,349**

Accounting policy
Cash and cash equivalents
For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

Restricted and internally committed funds include:

i) Refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
ii) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.

iii) Monies set aside to meet employee provision obligations.

Note 4.2 Trade and other receivables

Current		
Rates debtors	796	609
Other debtors	243	915
Net GST receivable	265	178
Total	**1,304**	**1,702**
Non-current		
Long term recoverable property debt	2	3
Total	**2**	**3**
Total trade and other receivables	**1,306**	**1,705**

For ageing analysis of the financial assets, refer to note 9.9(b)

Note 4.2 Trade and other receivables (continued)

Accounting policy

Trade and other receivables

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.

Note 4.3 Investments

	2026 $'000	2025 $'000
Term deposits - more than 3 months	17,975	13,224
Total investments	**17,975**	**13,224**

Accounting policy

Investments

Investment in financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Note 4.4 Inventories

Inventories held for distribution	74	39
Total inventories	**74**	**39**

Accounting policy

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

Note 5 Other investments

Note 5.1 Investment in associates

Investment in associates accounted for by the equity method are:		
- CRDSJA (trading as Southern Waste Solutions)	8,773	8,451
Total investment in associates	**8,773**	**8,451**

Background

The Copping Refuse Disposal Site Joint Authority (CRDSJA) (trading as Southern Waste Solutions) was established under section 30 of the *Local Government Act 1993* by the Sorell Council, Clarence City Council and Tasman Council. Kingborough Council joined CRDSJA in 2009.

CRDSJA is located in Australia. The CRDSJA's principal activity is to operate a landfill.

Council maintains an ownership interest of 24% (2024-25 24%).

Council's share of accumulated surplus (deficit)		
Council's share of accumulated surplus(deficit) at start of year	6,068	4,882
Prior year adjustment	-	-
Reported surplus(deficit) for year	541	1,186
Surplus(deficit) adjustment*	(566)	-
Council's share of accumulated surplus (deficit) at end of year	**6,043**	**6,068**
Movement in carrying value of specific investment		
Carrying value of investment at start of year	8,451	6,891

Note 5.1 Investment in associates (continued)

	2026 $'000	2025 $'000
Council's share of prior year adjustments	-	-
Council's share of surplus(deficit) for year	541	1,186
Surplus(deficit) adjustment*	(566)	-
Council's share of contributions by owners for year	347	374
	322	1,560
Carrying value of investment at end of year	**8,773**	**8,451**

Council has derived returns from CRDSJA as disclosed at note 2.9.

*The adjustment recognised in the 2025-26 financial statements relates to a prior period error identified in the financial statements of Southern Waste Solutions. The amount recognised by Sorell Council represents its share of the prior period adjustment arising from the correction of that error.

Accounting policy

Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Statement of Comprehensive Income.

Note 5.2 Investment in water corporation

Opening balance	26,997	26,480
Fair value adjustments on equity investment assets	873	517
Total investment in water corporation	**27,870**	**26,997**

Council has derived returns from the water corporation as disclosed at note 2.9.

Accounting policy

Equity Investment

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 9.1) 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 the water corporation's net asset value at balance date. At 30 June 2026, Council held a 1.40% (2024-25, 1.40%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6 Non-current assets

Note 6.1 Property, infrastructure, plant and equipment

Summary		
at fair value as at 30 June	588,325	564,735
Less accumulated depreciation	(152,248)	(141,121)
	436,077	**423,614**
at cost as at 30 June	8,831	9,406
Less accumulated depreciation	(2,876)	(2,614)
	5,955	**6,792**
Total property, infrastructure, plant and equipment	**442,032**	**430,406**

Note 6.1 Property, infrastructure, plant and equipment (continued)

	2026 $'000	2025 $'000
Property		
Land		
at fair value as at 30 June	27,012	27,012
	27,012	**27,012**
Land under roads		
at fair value as at 30 June	56,603	56,151
	56,603	**56,151**
Total land	**83,615**	**83,163**
Buildings and other structures		
at fair value as at 30 June	48,486	30,348
Less accumulated depreciation	(12,368)	(4,994)
Total Buildings	**36,118**	**25,354**
Total Property	**119,733**	**108,517**
Plant and equipment		
Plant, machinery and equipment		
at cost	4,317	3,985
Less accumulated depreciation	(2,275)	(2,101)
	2,042	**1,884**
Fixtures, fittings and furniture		
at cost	335	300
Less accumulated depreciation	(255)	(241)
	80	**59**
Computers and telecommunications		
at cost	624	524
Less accumulated depreciation	(346)	(272)
	278	**252**
Total plant and equipment	**2,400**	**2,195**
Infrastructure		
Roads		
at fair value as at 30 June	191,072	190,876
Less accumulated depreciation	(88,889)	(87,267)
	102,183	**103,609**
Bridges		
at fair value as at 30 June	30,614	30,614
Less accumulated depreciation	(10,760)	(10,372)
	19,854	**20,242**

Note 6.1 Property, infrastructure, plant and equipment (continued)

	2026 $'000	2025 $'000
Footpaths and cycle ways		
at fair value as at 30 June	17,190	16,537
Less accumulated depreciation	(4,433)	(4,270)
	12,757	**12,267**
Kerb and channel		
at fair value as at 30 June	7,959	7,869
Less accumulated depreciation	(2,620)	(2,547)
	5,339	**5,322**
Other transport infrastructure		
at fair value as at 30 June	8,892	8,654
Less accumulated depreciation	(1,795)	(1,639)
	7,097	**7,015**
Stormwater		
at fair value as at 30 June	93,002	90,739
Less accumulated depreciation	(24,283)	(23,314)
	68,719	**67,425**
Land improvements		
at fair value as at 30 June	21,090	19,733
Less accumulated depreciation	(7,100)	(6,718)
	13,990	**13,015**
Formation earthworks		
at fair value as at 30 June	86,405	86,202
	86,405	**86,202**
Total Infrastructure	**316,344**	**315,097**
Works in progress		
Land improvements at cost	472	93
Buildings at cost	576	3,162
Plant and equipment at cost	5	8
Roads and related infrastructre at cost	2,288	903
Bridges at cost	-	-
Stormwater at cost	214	431
Total Works in progress	**3,555**	**4,597**
Total property, infrastructure, plant and equipment	**442,032**	**430,406**

Note 6.1 Property, infrastructure, plant and equipment (continued)

Reconciliation of property, infrastructure, plant and equipment

2026	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Written down value of de-recognitions	Transfers	Transfers between classes		Balance at end of financial year
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000		$'000
Property										
Land	27,012	-	-	-	-	-	-	-		27,012
Land under roads	56,151	452	-	-	-	-	-	-		56,603
Total land	83,163	452	-	-	-	-	-	-		83,615
Buildings and other structures	25,354	-	6,826	(782)	-	-	4,720	-		36,118
Total buildings and other structures	25,354	-	6,826	(782)	-	-	4,720	-		36,118
Total property	108,517	452	6,826	(782)	-	-	4,720	-	-	119,733
Plant and Equipment										
Plant, machinery and equipment	1,884	-	-	(499)	(95)	-	752	-		2,042
Fixtures, fittings and furniture	59	-	-	(14)	-	-	35	-		80
Computers and telecommunications	252	36	-	(74)	-	-	64	-		278
Total plant and equipment	2,195	36	-	(587)	(95)	-	851	-		2,400
Infrastructure										
Roads	103,609	545	-	(3,490)	(1,277)	-	2,796	-		102,183
Bridges	20,242	-	-	(388)	-	-	-	-		19,854
Footpaths and cycleways	12,267	76	-	(266)	(70)	-	750	-		12,757
Kerb and channel	5,322	51	-	(99)	(22)	-	87	-		5,339
Other transport infrastructure	7,015	-	-	(161)	(10)	-	253	-		7,097
Stormwater	67,425	647	-	(1,035)	(180)	-	1,862	-		68,719
Land improvements	13,015	750	-	(538)	(180)	-	943	-		13,990
Formation earthworks	86,202	189	-	-	(47)	-	61	-		86,405
Total infrastructure	315,097	2,258	-	(5,977)	(1,786)	-	6,752	-		316,344
Works in progress										
Land improvements	93	1,322	-	-	-	-	(943)	-		472
Buildings	3,162	2,134	-	-	-	-	(4,720)	-		576
Plant and equipment	8	848	-	-	-	-	(851)	-		5
Roads and related infrastructure	903	5,332	-	-	-	-	(3,947)	-		2,288
Bridges	-	-	-	-	-	-	-	-		-
Stormwater	431	1,645	-	-	-	-	(1,862)	-		214
Total works in progress	4,597	11,281	-	-	-	-	(12,323)	-		3,555
Total property, infrastructure, plant and equipment	**430,406**	**14,027**	**6,826**	**(7,346)**	**(1,881)**	**-**	**-**	**-**		**442,032**

Note 6.1 Property, infrastructure, plant and equipment (continued)

Reconciliation of property, infrastructure, plant and equipment (continued)

2025	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Written down value of de-recognitions	Transfers	Transfers between classes		Balance at end of financial year
			(note 9.1)	(note 3.3)				(a)		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000		$'000
Property										
Land	9,131	-	17,887	-	(6)	-	-	-		27,012
Land under roads	56,071	109	-	-	(29)	-	-	-		56,151
Total land	65,202	109	17,887	-	(35)	-	-	-		83,163
Buildings and other structures	25,969	-	-	(730)	-	-	115	-		25,354
Total buildings and other structures	25,969	-	-	(730)	-	-	115	-		25,354
Total property	91,171	109	17,887	(730)	(35)	-	115	-		108,517
										-
Plant and Equipment										
Plant, machinery and equipment	2,072	-	-	(479)	(33)	-	324	-		1,884
Fixtures, fittings and furniture	72	-	-	(13)	-	-	-	-		59
Computers and telecommunications	109	-	-	(48)	-	-	191	-		252
Total plant and equipment	2,253	-	-	(540)	(33)	-	515	-		2,195
										-
Infrastructure										
Roads	82,929	699	20,842	(2,974)	(900)	-	3,013	-		103,609
Bridges	14,097	-	6,382	(293)	(21)	-	77	-		20,242
Footpaths and cycle ways	11,123	525	(405)	(237)	(286)	-	1,547	-		12,267
Kerb and channel	4,885	246	90	(92)	(55)	-	248	-		5,322
Other transport infrastructure	6,282	-	727	(125)	(62)	-	187	6		7,015
Stormwater	66,845	337	-	(1,002)	(897)	-	2,142	-		67,425
Land improvements	13,065	-	-	(508)	(64)	-	522	-		13,015
Formation earthworks	78,116	147	7,516	-	(62)	-	491	(6)		86,202
Total infrastructure	277,342	1,954	35,152	(5,231)	(2,347)	-	8,227	-		315,097
Works in progress										
Land improvements	53	562	-	-	-	-	(522)	-		93
Buildings	210	3,067	-	-	-	-	(115)	-		3,162
Plant, machinery and equipment	-	523	-	-	-	-	(515)	-		8
Roads and related infrastructure	1,090	5,299	-	-	-	-	(5,486)	-		903
Bridges	-	77	-	-	-	-	(77)	-		-
Stormwater	394	2,179	-	-	-	-	(2,142)	-		431
Total works in progress	1,747	11,707	-	-	-	-	(8,857)	-		4,597
Total property, infrastructure, plant and equipment	**372,513**	**13,770**	**53,039**	**(6,501)**	**(2,415)**	**-**	**-**	**-**		**430,406**

Note 6.1 Property, infrastructure, plant and equipment (continued)

Accounting policy

Recognition and measurement of assets

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, plant and equipment and infrastructure 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.
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. For all assets, other than plant and equipment and land, the capitalisation thresholds consider both a monetary value ($) threshold and a percentage (%) of asset threshold. The monetary value ($) threshold or the percentage (%) of asset threshold must be met in order for an asset to be capitalised. Thresholds are applied at a component level.

	Threshold $'000	Threshold % of asset
Land		
Land	No threshold applies	No threshold applies
Land under roads	10	50%
Buildings		
Buildings and other structures - buildings and building improvements	5	50%
Buildings and other structures - other structures	1	100%
Plant and Equipment		
Plant, machinery and equipment	5	N/A
Fixtures, fittings and furniture	5	N/A
Computers and telecommunications	5	N/A
Infrastructure		
Roads	10	50%
Bridges	10	100%
Footpaths and cycle ways	10	50%
Kerb and channel	10	50%
Other transport infrastructure - bus shelters, bus stops and carparks	10	50%
Other transport infrastructure - traffic management devices	10	100%
Stormwater - thresholds are dependent on the cost of the asset component:		
	If cost is > $1 but < $5	50%
	If cost is > $5	100%
Land improvements - fences, park active areas, park passive areas and retaining walls	1	50%
Land improvements - formal areas and park infrastructure	1	50% - 100%
Land improvements - irrigation, lighting, open space furniture, playgrounds and signs	1	100%
Land improvements - marine structures	1	50%
Land improvements - play equipment - thresholds are dependent on the cost of the asset component:		
	If cost is > $1 but < $5	50%
	If cost is > $5	100%
Formation Earthworks	10	50%

Note 6.1 Property, infrastructure, plant and equipment (continued)

Accounting policy (continued)

Revaluation
Council has adopted the following valuation bases for its non-current assets:

Land	fair value
Land under roads	fair value
Buildings and other structures	fair value
Plant, machinery and equipment	cost
Fixtures, fittings and furniture	cost
Computers and telecommunications	cost
Roads	fair value
Bridges	fair value
Footpaths and cycle ways	fair value
Kerb and channel	fair value
Other transport infrastructure	fair value
Stormwater	fair value
Land improvements	fair value
Formation earthworks	fair value
Investment in water corporation	fair value

Subsequent to the initial recognition of assets, non-current physical assets, other than plant, machinery and equipment, furniture, fixtures and fittings and computers and telecommunications, 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.Between such valuations, Council considers, and when necessary, applies indexation to assets to ensure the carrying values continue to represent fair values.

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 of assets

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

Reversals of impairment losses are recognised in the Statement of Comprehensive Income under other revenue.

Note 6.2 Investment property

	2026 $'000	2025 $'000
Balance at beginning of financial year	753	653
Fair value adjustments	-	100
Balance at end of financial year	**753**	**753**

Council's investment property relates to Council's ownership interest in the Copping Refuse Disposal Site Land. Refer to note 9.10(c) for details on the valuation technique used to determine the fair value of Council's investment property.

Accounting policy

Investment Property

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Statement of Comprehensive Income in the period that they arise. Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term.

Note 6.3 Intangible assets

	2026 $'000	2025 $'000
Water rights	230	230
Computer software	4	12
Total intangible assets	**234**	**242**

Reconciliation of intangible assets

	Computer software $'000	Water rights $'000	Total $'000
Gross carrying amount			
Balance at 1 July 2024	251	230	481
Transfer of assets	-	-	-
Balance at 30 June 2025	251	230	481
Transfer of assets	-	-	-
Balance at 30 June 2026	**251**	**230**	**481**
Accumulated amortisation and impairment			
Balance at 1 July 2024	229	-	229
Amortisation expense	10	-	10
Balance at 30 June 2025	239	-	239
Amortisation expense	8	-	8
Balance at 30 June 2026	**247**	**-**	**247**
Net book value at 30 June 2025	12	230	242
Net book value at 30 June 2026	**4**	**230**	**234**

Note 6.3 Intangible assets (continued)

Accounting policy
Intangible assets
Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.
In accordance with Council's policy, the threshold limits applied when recognising intangible assets is $5,000 and consistent with the prior year.

The estimated useful lives for current and comparative periods are as follows:

Computer software	3-5 years
Municipal revaluation	6 years
Water rights	Unamortisable

Note 6.4 Right-of-use assets

	Total $'000
2026	
Gross carrying amount	
Opening Balance at 1 July 2025	5
Additions	30
Disposals	-
Depreciation expense	(8)
Balance at 30 June 2026	27
2025	
Opening Balance at 1 July 2024	14
Additions	-
Disposals	-
Depreciation expense	(9)
Balance at 30 June 2025	5

Accounting policy

Leases - 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. Refer to note 7.4 for details on the accounting policy of the lease liability.
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.
All right-of-use assets are measured as described in the accounting policy for property, infrastructure, plant and equipment in note 6.1. Also, Council applies 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 Council 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.

Note 6.5 Other assets

	2026 $'000	2025 $'000
Current		
Prepayments	234	168
Accrued Income	640	313
Total other assets	**874**	**481**

Note 7 Current and non-current liabilities

Note 7.1 Trade and other payables

	2026 $'000	2025 $'000
Current		
Trade payables	842	769
Rates and charges in advance	522	489
Accrued expenses	201	208
Other	11	9
Total trade and other payables	**1,576**	**1,475**

Accounting policy

Trade and other payables
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 amount received by Council prior to the commencement of the rating or charging period.

For ageing analysis of trade and other payables, refer to note 9.9 (b).

Note 7.2 Trust funds and deposits

Refundable application deposits	205	316
Retention amounts	240	251
Total trust funds and deposits	**445**	**567**

Accounting policy

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

Note 7.3 Provisions

	Annual leave $ '000	Long service leave $ '000	Rostered day off $ '000	Accrued day off $ '000	Total $ '000
2026					
Balance at beginning of the financial year	630	1,037	40	43	1,750
Additional provisions	582	22	96	62	762
Amounts used	(570)	(188)	(105)	(62)	(925)
Balance at the end of the financial year	**642**	**871**	**31**	**43**	**1,587**
Current	642	738	31	43	1,454
Non-current	-	133	-	-	133
Total provisions	**642**	**871**	**31**	**43**	**1,587**
2025					
Balance at beginning of the financial year	617	1,001	25	35	1,678
Additional provisions	580	197	116	66	959
Amounts used	(567)	(161)	(101)	(58)	(887)
Balance at the end of the financial year	**630**	**1,037**	**40**	**43**	**1,750**
Current	630	624	40	43	1,337
Non-current	-	413	-	-	413
Total provisions	**630**	**1,037**	**40**	**43**	**1,750**

	2026	2025
Employee numbers (full time equivalent)	74	68

Accounting policy

Employee benefits

i) 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.
ii) 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.

iii) Sick leave
No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

Note 7.3 Provisions (continued)

Accounting policy (continued)

iv) Defined benefit plans
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 employee to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of CareSuper. 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.

v) Defined contribution plans

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.

Note 7.4 Lease liabilities

	2026 $'000	2025 $'000
Lease liabilities	28	5
Total lease liabilities	**28**	**5**
Current	7	3
Non-current	21	2

Lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

Minimum lease payments due

	Within 1 year $ '000	1-2 years $ '000	2-3 years $ '000	3-4 years $ '000	4-5 years $ '000	After 5 years $ '000	Total $ '000
As at 30 June 2026							
Lease payments	8	7	6	6	1	-	28
Finance charges	-	-	-	-	-	-	-
Net present value	8	7	6	6	1	-	28
As at 30 June 2025							
Lease payments	3	1	1	-	-	-	5
Finance charges	-	-	-	-	-	-	-
Net present value	3	1	1	-	-	-	5

Accounting policy
Leases - Council as lessee
The lease liability is measured at the present value of outstanding payments that are not paid at balance date, discounted by using the rate implicit in the lease. Where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term leases and leases of low-value assets
Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is $10,000 or less. Council recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Note 7.5 Contract liabilities

	2026 $'000	2025 $'000
Current		
Funds received to acquire or construct an asset controlled by Council	654	1,151
Total contract liabilities	**654**	**1,151**
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Funds to construct Council controlled assets (note 2.4)	957	1,622
	957	**1,622**

Accounting policy

Council recognised the following contract liabilities:
The funds received are under a contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue.

i) Grant funds received to acquire or construct an asset controlled by Council includes funding for the:
- All access weather bus stops - Upgrading shelters and pedestrian accesses at bus stops to meet DDA requirements and provide protection from inclement weather.
- To construct a low wall at the entrance of the Sorell Memorial Hall to enhance and formalise the cenotaph for the Sorell RSL and provide additional space for their memorial plaques.
-Installation of solar photovoltaic (PV) systems, hybrid inverters, and battery storage at the Council Chambers and South East Stadium, two of our most energy intensive facilities, with the aim of reducing operational costs, improving energy efficiency, and enhancing the resilience and sustainability of operations.
-Installation of a rainwater harvesting tank and drought resistant native plants at Madison Lyden Park with the aim of enhancing drought resilience.
- Construction of a multipurpose facility in Sorell to accommodate and support the operations of local community organisations, the Sorell Men's Shed and the Sorell Lions Club.
- Construction of all-abilities viewing platforms at Carlton Beach and Park Beach to improve accessibility and inclusivity at these valued natural community spaces.

Note 8 Current and non-current liabilities

Note 8.1 Interest-bearing loans and borrowings

	2026 $'000	2025 $'000
Current		
Borrowings - secured	224	217
	224	**217**
Non-current		
Borrowings - secured	2,035	2,259
	2,035	**2,259**
Total interest-bearing loans and borrowings	**2,259**	**2,476**

Borrowings
Borrowings are secured by a Deed of Charge made between Sorell Council and Tasmanian Public Finance Corporation (TASCORP). As security for payment, as well as security for all of the Council's obligations under the Deed and each transaction document, the Council charges to TASCORP security property as defined in the Deed.

The maturity profile for Council's borrowings is:

Not later than one year	224	217
Later than one year and not later than five years	1,101	1,201
Later than five years	934	1,058
Total interest-bearing loans and borrowings	**2,259**	**2,476**

Note 8.1 Interest-bearing loans and borrowings (continued)

Accounting policy

Interest bearing liabilities

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

Interest is expensed as it accrues and no interest has been capitalised during the current or comparative reporting period. There have been no defaults or breaches of the loan agreement during the period.

Note 9 Other financial information

Note 9.1 Reserves

		Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
		$'000	$'000	$'000	$'000
(a) Asset revaluation reserve					
2026	**Property**				
	Land	25,434	-	-	25,434
	Land under roads	39,637	-	-	39,637
	Buildings	12,694	6,826	-	19,520
		77,765	**6,826**	**-**	**84,591**
	Infrastructure				
	Roads (all infrastructure excluding asset groups below)	182,122	-	-	182,122
	Bridges	14,485	-	-	14,485
	Stormwater	47,906	-	-	47,906
	Land improvements	4,312	-	-	4,312
		248,825	**-**	**-**	**248,825**
	Investment in associates	55	-	-	55
		55	**-**	**-**	**55**
	Total asset revaluation reserve	**326,645**	**6,826**	**-**	**333,471**
2025	**Property**				
	Land	7,547	17,887	-	25,434
	Land under roads	39,637	-	-	39,637
	Buildings	12,694	-	-	12,694
		59,878	**17,887**	**-**	**77,765**
	Infrastructure				
	Roads (all infrastructure excluding asset groups below)	153,353	28,769	-	182,122
	Bridges	8,103	6,382	-	14,485
	Stormwater	47,906	-	-	47,906
	Land improvements	4,312	-	-	4,312
		213,674	**35,151**	**-**	**248,825**
	Investment in associates	55	-	-	55
		55	**-**	**-**	**55**
	Total asset revaluation reserve	**273,607**	**53,038**	**-**	**326,645**

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

Note 9.1 Reserves (continued)

	Balance at beginning of reporting year $'000	Increment $'000	(Decrement) $'000	Balance at end of reporting year $'000
(b) Fair value reserve				
2026				
Equity investment assets				
Investment in water corporation	(2,310)	873	-	(1,437)
Total fair value reserve	**(2,310)**	**873**	**-**	**(1,437)**
2025				
Equity investment assets				
Investment in water corporation	(2,827)	517	-	(2,310)
Total fair value reserve	**(2,827)**	**517**	**-**	**(2,310)**

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.

	Balance at beginning of reporting year $'000	Transfers from $'000	Transfers to $'000	Balance at end of reporting year $'000
(c) Other reserves				
2026				
Plant replacement	5	-	-	5
Children's services	56	-	-	56
Tracks and trails	23	-	-	23
Stormwater southern beaches	900	-	-	900
Land	66	-	-	66
Total other reserves	**1,050**	**-**	**-**	**1,050**
2025				
Plant replacement	5	-	-	5
Children's services	56	-	-	56
Tracks and trails	23	-	-	23
Stormwater southern beaches	900	-	-	900
Land	66	-	-	66
Total other reserves	**1,050**	**-**	**-**	**1,050**

Other reserves represent the appropriation of surplus to reserves for future capital works projects

	2026 $'000	2025 $'000
Total Reserves	**333,084**	**325,385**

Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)

	2026 $'000	2025 $'000
Result from continuing operations	9,655	9,911
Depreciation/amortisation	7,355	6,509
Depreciation of right-of-use assets	8	9
(Profit)/loss on disposal of property, infrastructure, plant and equipment	1,637	2,247
(Profit)/loss on de-recognition/recognition of property, infrastructure, plant and equipment	(89)	(2)
Contributions - non-monetary assets	(2,654)	(2,062)
Share of net (profits)/losses of associates accounted for by the equity method	(321)	(1,559)
Fair value adjustments for investment property	-	(100)
Capital grants received specifically for new or upgraded assets	(4,529)	(6,280)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(374)	52
Decrease/(increase) in other assets	(336)	(12)
Decrease/(increase) in inventories	(35)	19
Increase/(decrease) in trade and other payables	(30)	(64)
Increase/(decrease) in provisions	(163)	71
Increase/(decrease) in other liabilities	(30)	(22)
Net cash provided by (used in) operating activities	**10,094**	**8,716**

Note 9.3 Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

	Interest-bearing loans and borrowings $'000	Lease liabilities $'000	Trust funds and deposits $'000
Balance as at 1 July 2025	2,476	5	567
Changes from financing cash flows:			
Cash received	-	31	182
Cash repayments	(216)	(8)	(275)
Trust funds and deposits - adjustments (non-cash)	-	-	(29)
	(216)	23	(122)
Balance as at 30 June 2026	**2,260**	**28**	**445**
Balance as at 1 July 2024	2,372	15	694
Changes from financing cash flows:			
Cash received	350	-	153
Cash repayments	(246)	(10)	(258)
Trust funds and deposits - adjustments (non-cash)	-	-	(22)
	104	(10)	(127)
Balance as at 30 June 2025	**2,476**	**5**	**567**

Note 9.4 Reconciliation of cash and cash equivalents

Cash and cash equivalents (note 4.1)	6,458	7,593
Total reconciliation of cash and cash equivalents	**6,458**	**7,593**

Note 9.5 Superannuation

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

For the year ended 30 June 2026 the Council contributed 15.5% (2025 15.00%) 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.

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

The financial assumptions used to calculate the Accrued Benefits for the Fund were:
Net Investment Return 4.50% p.a.
Salary Inflation 3.50% p.a.
Price Inflation n/a

The actuarial review concluded that:

The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2023.

The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2023.

Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2028.

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

The Actuary will continue to undertake a brief review of the financial position of the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2026 and is expected to be completed late in 2026.

Council also contributes to other accumulation superannuation schemes on behalf of a number of employees; however, the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

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

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

The 2023 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2020.

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

In terms of Rule 15.2 of the CareSuper Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit. However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions.

The application of Fund assets on CareSuper being wound-up is set out in Rule 20.2. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from CareSuper.

The Fund is a defined benefit Fund.

The Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus, the Fund is not able to prepare standard AASB119 defined benefit reporting.

Note 9.5 Superannuation (continued)

During the reporting period the amount of superannuation contributions paid to defined benefits schemes was $10,982 (2024-25, $10,609), and the amount paid to accumulation schemes was $943,208 (2024-25, $906,227).

During the next reporting period the expected amount of superannuation contributions to be paid to defined benefits schemes is $11,437 and the amount to be paid to accumulation schemes is $1,082,252.
As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2023. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2026.
An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2025, showed that the Fund had assets of $38.81 million and members' Vested Benefits were $28.97 million. These amounts represented 0.07% and 0.05% respectively of the corresponding total amounts for CareSuper.

As at 30 June 2025 the Fund had 55 members and the total employer contributions and member contributions for the year ending 30 June 2025 were $547,842 and $184,457 respectively.

	2026 $'000	2025 $'000
Fund		
Defined benefits fund		
Employer contributions to Quadrant Defined Benefits Fund	11	11
	11	11
Employer contributions payable to Quadrant Defined Benefits Fund at reporting date	1	1
	1	1
Accumulation funds		
Employer contributions to CareSuper	425	297
Employer contributions to all other superannuation funds	518	610
	943	907
Employer contributions payable to CareSuper at reporting date	49	30
Employer contributions payable to all other superannuation funds at reporting date	63	72
	112	102

Note 9.6 Commitments

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

2026	Not later than 1 year $'000	Later than 1 year and not later than 5 years $'000	Later than 5 years $'000	Total $'000
Capital expenditure commitments				
Buildings	1,007	-	-	1,007
Land Improvements	175	-	-	175
Stormwater	110	-	-	110
Roads	618	-	-	618
Plant, machinery and equipment	84	-	-	84
Total capital expenditure commitments	**1,994**	**-**	**-**	**1,994**
Contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial report are as follows:				
Garbage, recycling and green waste (FOGO) collection contract *(expires 30 June 2032)*	1,563	6,735	1,812	10,110
Street bins contract *(expires 30 September 2029)*	357	845	-	1,202
Green waste and hard waste bulk contract *(expires 30 June 2027)*	267	-	-	267
Recycling centre management contract *(expires 30 June 2027)*	213	-	-	213
Cleaning contract *(expires 30 June 2029)*	415	868	-	1,283
IT systems, support & help desk services contract *(expires 1 August 2026)*	14		-	14
Legal services contract *(expires 30 June 2027)*	114	-	-	114
Total contractual commitments	**2,943**	**8,448**	**1,812**	**13,203**

2025	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
	$'000	$'000	$'000	$'000
Capital expenditure commitments				
Buildings	533	-	-	533
Community	42	-	-	42
Stormwater	1,721	-	-	1,721
Roads	113	-	-	113
Plant, machinery and equipment	4	-	-	4
Total capital expenditure commitments	**2,413**	**-**	**-**	**2,413**
Contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial report are as follows:				
Garbage, recycling and green waste (FOGO) collection contract *(expires 30 June 2032)*	1,322	5,724	3,130	10,176
Street bins, green waste and hard waste contract *(expires 30 September 2029)*	286	995	-	1,281
Green waste and hard waste bulk contract *(expires 30 June 2026)*	226	-	-	226
Recycling centre management contract *(expires 30 June 2026)*	204	-	-	204
Cleaning contract *(expires 30 June 2026)*	400	-	-	400
IT systems, support & help desk services contract *(expires 1 August 2026)*	137	14	-	151
Legal services contract *(expires 30 June 2026)*	165	-	-	165
Total contractual commitments	**2,740**	**6,733**	**3,130**	**12,603**

Note 9.7 Operating leases as lessor

Council is a lessor and enters into agreements with a number of lessees. These include commercial and 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.
Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, 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 current replacement cost.
Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis and records the associated properties as investment property in accordance with AASB 140 *Investment Properties*. These properties are recognised at fair value. These leases may include incentives which have not been recognised in the Statement of Financial Position, on the basis the amounts are unlikely to be material and could not be reliably measured at balance date.

The future (undiscounted) lease payments to be received on an annual basis for all operating leases is as follows:

	2026	2025
	$'000	$'000
Maturity analysis of operating lease payments to be received		
Year 1	211	168
Year 2	152	133
Year 3	96	118
Year 4	92	119
Year 5	78	108
Later than 5 years	1,184	1,941
Total	**1,813**	**2,587**
The following table presents the amounts reported in profit or loss:		
Lease income on operating leases (note 2.7)	314	247

Note 9.8 Contingent liabilities and contingent assets

Contingent liabilities

Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Council has assessed contingent liabilities and found there to be no other contingent liabilities for the year ended 30 June 2026.

Guarantees for loans to other entities

Council had not guaranteed any loans to other entities for the year ended 30 June 2026.

Contingent assets

Council is aware of a number of subdivisions currently under development, however as these developments are yet to be finalised, and the developer contributions to be received in respect of these developments are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Council has assessed contingent assets and found there to be no other contingent assets for the year ended 30 June 2026.

Note 9.9 Financial instruments

Council has exposure to the following risks from its use of financial instruments:
(a) Interest rate risk
(b) Credit risk
(c) Liquidity risk; and
(d) Market risk.

The General Manager has overall responsibility for the establishment and oversight of Council's risk management framework. Risk management policies are established to identify and analyse risks faced by Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(a) Interest rate risk

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 used. Non-derivative interest bearing assets are predominantly short term liquid assets. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Council's loan borrowings are sourced from the Tasmanian Public Finance Corporation (TASCORP). 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.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1993*. Council 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.

The exposure to interest rate risk and the effective interest rates of financial assets and non-lease financial liabilities, both recognised and unrecognised, at balance date are as follows. For lease liabilities refer to note 7.4

Note 9.9 Financial instruments (continued)

(a) Interest rate risk (continued)

2026	Weighted average interest rate	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash and cash equivalents	4.33%	6,458	-	-	-	-	6,458
Investments	4.52%	-	17,975	-	-	-	17,975
Trade and other receivables	3.00%	796	-	-	-	245	1,041
Investment in water corporation		-	-	-	-	27,870	27,870
Total financial assets		7,254	17,975	-	-	28,115	53,344
Financial liabilities							
Trade and other payables		-	-	-	-	1,576	1,576
Trust funds and deposits		-	-	-	-	445	445
Interest-bearing loans and borrowings	3.96%	-	224	1,101	934	-	2,259
Total financial liabilities		-	224	1,101	934	2,021	4,280
Net financial assets (liabilities)		7,254	17,751	(1,101)	(934)	26,094	49,064

2025	Weighted average interest rate	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash and cash equivalents	3.76%	7,593	-	-	-	-	7,593
Investments	4.66%	-	13,224	-	-	-	13,224
Trade and other receivables	3.00%	609	-	-	-	918	1,527
Investment in water corporation		-	-	-	-	26,997	26,997
Total financial assets		8,202	13,224	-	-	27,915	49,341
Financial liabilities							
Trade and other payables		-	-	-	-	1,475	1,475
Trust funds and deposits		-	-	-	-	567	567
Interest-bearing loans and borrowings	3.91%	-	217	1,201	1,058	-	2,476
Total financial liabilities		-	217	1,201	1,058	2,042	4,518
Net financial assets (liabilities)		8,202	13,007	(1,201)	(1,058)	25,873	44,823

(b) Credit 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 Statement of Financial Position. To help manage this risk:

- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in Sorell Council's 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 balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of Council's contingent liabilities are disclosed in note 9.8.

Note 9.9 Financial instruments (continued)

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial institutions (AA credit rating)	Financial institutions (BBB+ credit rating)	Government agencies (AA+ credit rating)	Other	Total
2026					
Cash and cash equivalents	6,458	-	-	-	6,458
Trade and other receivables	-	-	-	1,041	1,041
Investments and other financial assets	11,500	6,475	-	-	17,975
Total contractual financial assets	**17,958**	**6,475**	**-**	**1,041**	**25,474**
2025					
Cash and cash equivalents	7,593	-	-	-	7,593
Trade and other receivables	-	-	-	1,527	1,527
Investments and other financial assets	7,000	6,224	-	-	13,224
Total contractual financial assets	**14,593**	**6,224**	**-**	**1,527**	**22,344**

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:

	2026 $'000	2025 $'000
Current - not yet due	49	393
Current - past due by up to 30 days	21	427
Current - past due between 31 and 180 days	67	31
Current - past due between 181 and 365 days	622	421
Non-current - past due by more than 1 year	283	255
Total trade and other receivables	**1,042**	**1,527**

(c) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:
- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;

- have readily accessible standby facilities and other funding arrangements in place;

- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;

- 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 non-lease Financial Liabilities. For lease liabilities refer to note 7.4.

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

Note 9.9 Financial instruments (continued)

2026	6 mths or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	>5 years $'000	Contracted cash flow $'000	Carrying amount $'000
Trade and other payables	1,546	-	32	17	2	1,597	1,597
Trust funds and deposits	101	72	10	28	235	446	446
Interest-bearing loans and borrowings	111	113	472	630	934	2,260	2,260
Total financial liabilities	1,758	185	514	675	1,171	4,303	4,303

2025	6 mths or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	>5 years $'000	Contracted cash flow $'000	Carrying amount $'000
Trade and other payables	1,418	-	36	14	7	1,475	1,475
Trust funds and deposits	57	74	1	136	299	567	567
Interest-bearing loans and borrowings	108	109	456	744	1,059	2,476	2,476
Total financial liabilities	1,583	183	493	894	1,365	4,518	4,518

(d) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Refer to the previous Interest Rate risk discussion for details on market risk exposures.

Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 2% and -2% 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.

		Interest rate risk			
		-2%		2%	
		-200 basis points		+200 basis points	
2026	$'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Financial assets:					
Cash and cash equivalents	6,458	(129)	(129)	129	129
Investments	17,975	(359)	(359)	359	359
Financial liabilities:					
Interest-bearing loans and borrowings	2,259	(45)	(45)	45	45

		Interest rate risk			
		-2%		2%	
		-200 basis points		+200 basis points	
2025	$'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Financial assets:					
Cash and cash equivalents	7,593	(152)	(152)	152	152
Investments	13,224	(264)	(264)	264	264
Financial liabilities:					
Interest-bearing loans and borrowings	2,476	(50)	(50)	50	50

Fair value

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

Note 9.9 Financial instruments (continued)

Financial instruments	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	6,458	7,593	6,458	7,593
Other financial assets	17,975	13,224	17,975	13,224
Trade and other receivables	1,041	1,527	1,041	1,527
Investment in water corporation	27,870	26,997	27,870	26,997
Total financial assets	53,344	49,341	53,344	49,341
Financial liabilities				
Trade and other payables	1,576	1,475	1,576	1,475
Trust funds and deposits	445	567	445	567
Interest-bearing loans and borrowings	2,259	2,476	2,159	2,411
Total financial liabilities	4,280	4,518	4,180	4,453

Note 9.10 Fair value measurements

Council measures and recognises the following assets at fair value on a recurring basis:
Investment property
Investment in water corporation

Property, infrastructure, plant and equipment
- Land
- Land under roads
- Buildings and other structures
- Transport infrastructure including roads, formation earthworks, footpaths and cycle ways, kerb and channel and other transport infrastructure
- Bridges
- Stormwater
- Land improvements

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

(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 30 June 2026.
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.

As at 30 June 2026	Note	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000
Recurring fair value measurements					
Investment property	6.2	-	753	-	753
Investment in water corporation	5.2	-	-	27,870	27,870
Land	6.1	-	27,012	-	27,012
Land under roads	6.1	-	56,603	-	56,603
Buildings and other structures	6.1	-	-	36,118	36,118
Transport infrastructure	6.1	-	-	213,780	213,780
Bridges	6.1	-	-	19,854	19,854
Stormwater	6.1	-	-	68,719	68,719
Land improvements	6.1	-	-	13,990	13,990
		-	84,368	380,331	464,699

Note 9.10 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

As at 30 June 2025	Note	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000
Recurring fair value measurements					
Investment property	6.2	-	753	-	753
Investment in water corporation	5.2	-	-	26,997	26,997
Land	6.1	-	27,012	-	27,012
Land under roads	6.1	-	56,151	-	56,151
Buildings and other structures	6.1	-	9,849	15,505	25,354
Transport infrastructure	6.1	-	-	214,416	214,416
Bridges	6.1	-	-	20,242	20,242
Stormwater	6.1	-	-	67,425	67,425
Land improvements	6.1	-	-	13,015	13,015
		-	93,765	357,600	451,365

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 during the year and no other transfers between levels 2 and 3.

(b) Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.

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

Investment property

Council's investment property relates to Council's ownership interest in the Copping Refuse Disposal Site land as disclosed in note 6.2. Fair value was determined by using Council's ownership interest against the land fair value at balance date. At 30 June 2026, Council held a 30% ownership interest in the land. The land fair value was determined by the Valuer-General, using the municipal fresh valuations, effective 1 July 2024. This valuation technique is supported by market evidence and is not sensitive to unobservable inputs and is therefore classified as level 2 in the fair value hierarchy. The next full revaluation is planned for 30 June 2031.

Investment in water corporation

Council's investment in TasWater is valued at its fair value at balance date as disclosed in note 5.2. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2026, Council held a 1.40% (2024-25, 1.40%) ownership interest in TasWater, which is based on schedule 2 of the corporation's constitution and reflects the Council's voting rights. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income.

Land

Land was revalued in the 2024-25 financial year, using land fair values determined by the Valuer-General. This valuation technique is supported by market evidence and is not sensitive to unobservable inputs and is therefore classified as level 2 in the fair value hierarchy. The next full revaluation is planned for 30 June 2031.

Land under roads

The value of the Land Under Road network at 30 June 2025 is based on valuation data determined by the Valuer-General, effective 30 June 2024. The valuation approach uses adjusted land values and areas for all properties within the municipality depending upon its classification and then applying a discount appropriate to the respective classification. This adjustment is an unobservable input in the valuation. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land under road values range between $0.57 (primary production) and $42.04 (commercial) per square metre. The next full revaluation is planned for 30 June 2030.

Buildings and other structures

The fair value of buildings and other structures was determined by a qualified independent valuer, Modelve Pty Ltd, effective 30 June 2026.

Modelve Pty Ltd determined the fair value of Council's specialised buildings and other structures using the cost approach and significant unobservable inputs (Level 3). This method involves determining the current replacement cost of a modern equivalent asset (or reproduction cost where appropriate) and adjusting for physical deterioration, functional obsolescence and economic obsolescence.

The valuation was based on gross current values derived using a top-down costing approach, informed by local project data where available, local market knowledge and other relevant data sources. Key data sources included published reference rates from Rawlinsons Australian Construction Handbook 2026. Asset size, complexity, and finishing standards were also considered in determining replacement cost rates.

Assets were disaggregated into significant components with differing useful lives and patterns of consumption. Modelve Pty Ltd assessed the remaining service potential of each component having regard to factors including age, condition, functionality, construction type and remaining useful life.

Note 9.10 Fair value measurements (continued)

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

The valuation incorporates significant unobservable inputs, including asset condition, replacement cost rates, useful life, remaining service life and residual value assumptions. Modelve Pty Ltd assessed the sensitivity of the valuation to changes in these inputs. As these unobservable inputs are significant to the overall valuation, the fair value measurement has been classified as Level 3, for non-specialised buildings previously valued using the market approach, Council and the valuer determined that there was insufficient reliable and observable market evidence within the Sorell area to support a market-based valuation. Accordingly, the Current Replacement Cost (CRC) method was adopted as the most appropriate valuation approach for determining fair value. As the valuation relies on significant unobservable inputs, these assets have also been classified as Level 3 fair value measurements.

The next full valuation is planned for 30 June 2031.

Infrastructure assets

Infrastructure assets were measured at fair value using the cost approach in accordance with AASB 13, including the AASB 13 2022-10 clarifications. Under this approach, fair value is estimated as the Current Replacement Cost (CRC) of a modern equivalent asset, adjusted for physical deterioration, and where applicable, functional and economic obsolescence. The CRC reflects the amount a market participant would incur to acquire or construct a cost-effective and efficient configuration of modern equivalent assets, capable of delivering the same level of service in the asset's existing location.

CRC was determined based on the lowest cost to provide the service capacity of the asset in the normal course of business. Unit rates (inclusive of labour and materials) and quantities were derived using current market pricing and reflect all expenditures necessary to replace the asset's service capacity, including components not typically replaced (e.g. formation or substructure works). Adjustments were also made for expected construction constraints, access limitations, and disruption costs that a market participant would reasonably anticipate. Costs relating to the removal, demolition, or disposal of the subject asset were excluded.

Adjustments for obsolescence were applied to reflect the reduction in service capacity. These were based primarily on observed physical condition and, where relevant, consideration of factors such as design inefficiencies, technological change, or reduced demand. This reflects the requirements of AASB 13 that the cost approach must account for all forms of obsolescence that a market participant would consider.

The valuation involved the use of unobservable inputs (Level 3 in the fair value hierarchy), including assumptions and professional judgement regarding asset condition, cost estimation, and expected service capacity. Although these inputs were developed by appropriately qualified personnel, alternative assumptions could produce materially different results. The sensitivity of the valuation to changes in significant unobservable inputs is disclosed in Note 9.10(d). Estimated useful lives for each asset class are provided in Note 3.3.

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

Transport infrastructure

Roads, including formation earthworks, footpaths and cycleways, kerb and channel, and other transport infrastructure, were valued by an independent qualified valuer, Modelve, as at 30 June 2025. The fair value of these assets was determined using Level 3 inputs, applying the Current Replacement Cost method under the cost approach, in accordance with AASB 13 Fair Value Measurement.

The development of replacement costs and unit rates relied, where available, on local project data and local knowledge. These unit rates were verified using first-principles calculations and data sources, including published reference rates from the Rawlinsons Construction Handbook.

Where appropriate, Council componentises transport assets, namely roads, car parks, and bus stops, to comply with the requirements of AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

The useful life of an asset represents the estimated period between the date it is placed into service and the date it is expected to be retired, either due to obsolescence or because it no longer provides the minimum level of service or benefits for which it was originally intended. In essence, it reflects the period over which the future economic benefits or service potential of the asset are expected to be consumed by users.

Council determines the useful lives of assets and their components with reference to recognised industry standards, including the International Infrastructure Management Manual (IIMM) and the IPWEA Asset Management and Financial Management Guidelines, specifically Practice Note 12 (2017) – Useful Life of Infrastructure. These estimates are supported by evidence-based information, including known construction dates, condition assessments, and visual inspections.

Obsolescence adjustments have primarily been based on observed physical deterioration. For minor assets that were not physically inspected, the existing remaining useful life was reviewed and assessed for reasonableness. All inspections and condition ratings were carried out in accordance with relevant reference materials, including guidelines published by IPWEA, to ensure consistency and comparability, and were undertaken by experienced contractors.

The next full valuation is planned for 30 June 2030.

Note 9.10 Fair value measurements (continued)

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

Bridges

Bridge assets were revalued by independent qualified valuers, Modelve, with specialist input from AusSpan, effective 30 June 2025. Each bridge was assessed individually and componentised into sub-assets, specifically the substructure and superstructure, to reflect differences in construction materials, function, and condition.

Valuation inputs were developed based on the construction materials used for each component, supported by local construction data and annual reviews of relevant bridge tenders to ensure unit rates reflect current market conditions. The valuation was performed using the cost approach, applying the Current Replacement Cost method, in accordance with AASB 13 Fair Value Measurement.

Useful lives were determined for each structure on an individual basis, using evidence-based inputs such as known construction dates, condition assessments, and visual inspections. These assessments were informed by the Bridge Design Standard (AS 5100-2004) and aligned with recognised industry guidelines.

While limited market evidence exists for certain bridge elements (indicative of Level 2 inputs), the valuation relied primarily on Level 3 unobservable inputs, such as condition ratings, estimated remaining life, and cost assumptions. As these inputs were significant to the valuation outcome, the overall fair value measurement has been classified as Level 3 under the fair value hierarchy in AASB 13.

The next full valuation is planned for 30 June 2030.

Stormwater

The fair value of stormwater was determined by a qualified independent valuer, Brightly Software Australia Pty Ltd, effective 30 June 2022. Brightly Software Australia Pty Ltd determined the fair value of Council's stormwater assets using fair value level 3 valuation inputs using the cost approach. This method is based on determining the replacement cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking in account a range of factors. Brightly Software Australia Pty Ltd valuation technique used gross current values, which were determined using local projects/data if available, local knowledge and available data sources and verified with first principle calculations. Data sources included published reference rates from Rawlinson's (Australian Construction Handbook) 2022. The size of the asset and finishing standard were also considered. The gross current value unit rates used for the valuation included allowances for all existing assets reaching the end of their useful lives being renewed in accordance with current industry design standards and replaced like for like, where possible, and also included allowances for project management and all incurred reasonable costs.

In determining the level of accumulated depreciation the assets are disaggregated into significant components which exhibit materially significant parts, which in turn have materially different lifecycles and must be depreciated separately.

Council applied an index of 17.03% to all stormwater assets as at 30 June 2024, using Rawlinson's (Australian Construction Handbook) 2024 as a base resource. The next full valuation is planned for 30 June 2027.

Land improvements (inclusive of marine structures)

The fair value of land improvements was determined by a qualified independent valuer, Brightly Software Australia Pty Ltd, effective 30 June 2023 (with a prior period adjustment applied). Brightly Software Australia Pty Ltd determined the fair value of Council's land improvement assets using fair value level 3 valuation inputs using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Brightly Software Australia Pty Ltd's valuation technique used gross current values, which were assessed on the basis of replacement with a new asset having similar service potential and included allowances for project management and all incurred reasonable costs. The gross current values were derived from and included allowances for; all existing assets reaching the end of their useful life to be renewed in accordance with current industry design standards and replaced like for like, where possible; and reference from Rawlinson's (Australian Construction Handbook) 2023, using the high end of the nominate cost scale for greater accuracy, the base rate was taken from the main capital city of the state and the loading index applied, if applicable, and where applicable a country loading was applied to Council.

In determining the level of accumulated depreciation the assets were disaggregated into significant components which exhibit materially significant parts, which in turn have materially different lifecycles and must be depreciated separately. Brightly Software Australia Pty Ltd derived Council's land improvement assets useful lives by using; evidence based information (including known construction dates and visual inspections); reference and benchmarking with the International Infrastructure Manual and neighbouring municipalities; and local knowledge of past construction practices and current environment. Depreciation values were determined using the change in written down value over a predictable time period, based on the asset's remaining service life profile. The remaining service life profile was derived from Brightly Software Australia Pty Ltd's suite of benchmark profiles.

The gross current values used can be supported by market evidence (level 2), however, Brightly Software Australia Pty Ltd noted the key unobservable inputs (level 3) used in the valuation as; condition; unit rates; and useful and remaining life. Brightly Software Australia Pty Ltd also assessed how changes in the inputs would affect fair value, including a fair value sensitivity analysis of unobservable inputs. These unobservable inputs were significant to the valuation and therefore the overall valuation has been classified as level 3.

The next full valuation is planned for 30 June 2028.

AusSpan determined the fair value of Council's marine structures, using fair value level 3 valuation inputs effective 30 June 2021. Each marine structure is assessed individually and componentised. Construction estimates are based on the construction material used, local construction data and financial year reviews, to ensure rates used reflect current tendering. The useful lives were evaluated on an individual basis for each structure and were based on evidence based information (including known construction dates and visual inspections). Useful lives are determined by construction material used and assessment against industry standards. The revaluation can be supported by market evidence (level 2), however key unobservable inputs (level 3) have been used which were significant to the valuation and therefore the overall valuation has been classified as level 3.

The next full valuation is planned for 30 June 2028.

Note 9.10 Fair value measurements (continued)

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Buildings and other structures	36,118	Condition, useful and remaining life, and unit rates	Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	Significant increases (decreases) in the rated condition, useful and remaining life of assets in isolation would result in significantly higher (lower) fair value measurement. Significant increases (decreases) in the adopted unit rates would result in significantly higher (lower) fair value measurement.
Transport infrastructure	213,780		Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	
Bridges	19,854		Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	
Stormwater	68,719		Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	
Land improvements	13,990		Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	
Investment in water corporation	27,870	Refer to note 9.10 (c) for a description of the valuation techniques and the inputs used to determine the fair value of this asset.		

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 property, infrastructure, plant and equipment assets with recurring fair value measurements are detailed in note 6.1. Investment in water corporation, which is classified as level 3 has been separately disclosed in note 5.2.

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

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in associates, investment in water corporation and investment property (recurring fair value measurements) is set out in notes 5.1, 5.2, 6.1, and 6.2 respectively.
Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

(g) 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 Statement of Comprehensive Income when incurred. The fair value of borrowings disclosed in note 8.1 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).

Note 9.11 Events occurring after balance date

No events occurring after balance date have been identified which would materially impact these statements.

Note 10 Other matters

Note 10.1 Related party transactions

(i) Councillor Remuneration 2026

Name	Position	Period	Short term employee benefits: Allowances $	Total compensation AASB 124 $	Expenses[1] $	Total allowances and expenses section 72 $
J Gatehouse	*Mayor*	*Full Year*	66,914	66,914	1,003	67,917
C Wooley	*Deputy Mayor*	*To 18/09/25*	8,016	8,016	194	8,210
S Campbell	*Councillor Deputy Mayor (from 21/10/25) &*	*Full Year*	19,119	19,119	547	19,666
M Larkins	*Councillor*	*Full Year*	31,875	31,875	642	32,517
M Le Roux	*Councillor*	*Full Year*	19,119	19,119	277	19,396
B Nichols	*Councillor*	*Full Year*	19,119	19,119	868	19,987
M Reed	*Councillor*	*Full Year*	19,119	19,119	766	19,885
N Reynolds	*Councillor*	*Full Year*	19,119	19,119	176	19,295
B Shaw	*Councillor*	*From 6/10/25*	14,184	14,184	545	14,729
C Torenius	*Councillor*	*Full Year*	19,119	19,119	405	19,524
Total			**235,703**	**235,703**	**5,423**	**241,126**
Councillor Remuneration 2025						
J Gatehouse	*Mayor*	*Full Year*	62,916	62,916	260	63,176
C Wooley	*Deputy Mayor*	*Full Year*	35,053	35,053	1,123	36,176
S Campbell	*Councillor*	*Full Year*	17,977	17,977	899	18,876
M Larkins	*Councillor*	*Full Year*	17,977	17,977	665	18,642
M Le Roux	*Councillor*	*Full Year*	17,977	17,977	383	18,360
B Nichols	*Councillor*	*Full Year*	17,977	17,977	957	18,934
M Reed	*Councillor*	*Full Year*	17,977	17,977	845	18,822
N Reynolds	*Councillor*	*Full Year*	17,977	17,977	202	18,179
C Torenius	*Councillor*	*Full Year*	17,977	17,977	493	18,470
Total			**223,808**	**223,808**	**5,827**	**229,635**

[1] Section 72(1)cb of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors. Expenses in the 2024-25 and 2025-26 financial year are for travel.

(ii) Key management personnel remuneration 2026

Remuneration band	Number of Employees	Short term employee benefits: Salary[1] $	Vehicles[2] $	Other allowances and benefits[3] $	Post employment benefits: Superannuation[4] $	Termination benefits[5] $	Non-monetary benefits[6] $	Total $
$280 001 - $300 000	1	236,424	21,826	-	28,873	-	2,219	289,342
$200 001 - $220 000	1	159,865	17,930	-	26,897	-	(496)	204,196
Total		**396,289**	**39,756**	**-**	**55,770**	**0**	**1,723**	**493,538**

Note 10.1 Related party transactions (continued)

Key management personnel remuneration 2025

Remuneration band	Number of Employees	Short term employee benefits			Post employment benefits			
		Salary[1]	Vehicles[2]	Other allowances and benefits[3]	Superannuation[4]	Termination benefits[5]	Non-monetary benefits[6]	Total
		$	$	$	$	$	$	$
$260 001 - $280 000	1	219,720	20,709	-	32,941	-	(11,725)	261,645
$180 001 - $200 000	1	149,052	17,129	-	22,166	-	(831)	187,516
$80 001 - $100 000 Part Year[7]	1	68,922		-	7,926	12,448	-	89,296
$40 001 - $60 000	1	43,194		-	6,298	-	-	49,492
$20 001 - $40 000 Part Year[7]	1	81,692		-	12,060	6,759	(63,145)	37,366
Total		**562,580**	**37,838**	**-**	**81,391**	**19,207**	**(75,701)**	**625,315**

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

[2] Motor vehicle reportable fringe benefits amount.
[3] Other allowances and 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.

[4] Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were not applicable to any of the key management personnel for the 2024-25 and 2025-26 financial years.

[5] Non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc).

[6] Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

[7] The employees left Council employment during the financial year.

(iii) Remuneration principles

Councillors

Councillor allowances are set by the Department of Premier and Cabinet and reviewed annually in November. Councillor expenses include expenses paid to Councillors in accordance with Council's Payment of Councillors Expenses and Provision of Facilities Policy.

Executives

Remuneration levels for key management personnel are set in accordance with the specifications of each individual position and in line with market conditions.
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 executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period prior to termination of the contract. Senior executive contracts extend automatically, with the exception of the General Manager's contract. In regards to the General Manager's contract, whilst not automatic, the contract can be extended by Council.

Short term incentive payments

The Council sets fixed performance targets with goals and indicators aligned to the position description, annual and strategic plans. Where an employee has exceeded the set targets and key performance indicators a bonus not exceeding $2,000 may be approved.

There were no short term incentive payments awarded during the current year to key management personnel.

Termination benefits

There were no termination benefits awarded during the current year to key management personnel.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence.
Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

Note 10.1 Related party transactions (continued)

(iv) Transactions with subsidiaries, associates and joint ventures

Transactions with associates

The Copping Refuse Disposal Site Joint Authority (CRDSJA) (trading as Southern Waste Solutions) was established under section 30 of the *Local Government Act 1993* by the Sorell Council, Clarence City Council and Tasman Council. Kingborough Council joined CRDSJA in 2009. During the 2025-26 financial year Council maintained an ownership interest of 24% (2024-25, 24%).

All transactions between Council and Southern Waste Solutions during the 2025-26 financial year were based on normal rates for such supplies and were due and payable under normal payment terms. The following transactions occurred between Council and Southern Waste Solutions during the 2025-26 financial year:

Nature of the transaction	Amount of the transactions during the year (including GST where applicable)	Outstanding balances, including commitments at year end	Terms and conditions
Council expense - waste disposal fees	$485,665	Accounts Payable - $32,568	30 day invoice terms
Council income - Copping Refuse Disposal Site land rental	$47,727	Accounts Receivable - $5,225	In accordance with the signed lease agreement, the Copping Refuse Disposal Site land valuation and Council's ownership interest.
Council income - Copping Refuse Disposal Site 2025-26 land tax	$27,158	Nil	In accordance with the signed lease agreement.
Council income - Council's share of CRDSJA's 2025-26 profit share	$23,105	Nil	In accordance with the signed lease agreement and Council's ownership interest.
Council income - Council's share of CRDSJA's Dividend paid 2025-26	$180,000	Nil	In accordance with Authority rules 219-221.
CRDSJA income tax equivalents received by Council and reinvested in CRDSJA	$406,103	Nil	All CRDSJA Participating Councils have agreed to reinvest all income tax equivalents in CRDSJA. The amount was transferred to equity.

(v) Transactions with related parties

During the period Council entered into the following transactions with related parties:

Nature of the transaction	Amount of the transactions during the year (including GST where applicable)	Outstanding balances, including commitments at year end	Terms and conditions	Provision for doubtful debts related outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
Payment of Industrial Rates[1]	$5,689	Nil	In accordance with Council's approved Rates & Charges Policy and 2025/2026 Rates & Charges Resolution	Nil	Nil
SERDA contributions[2]	$2,654	Accounts Payable - Nil	30-day terms on invoices	Nil	Nil
SERDA expenditure reimbursements[3]	$76	Accounts Receivable - Nil	30-day terms on invoices	Nil	Nil
Subdivision Application (planning)[4]	$1,530	$1,530	In accordance with Land Use Plannig and Approvals Act 1993 & Council's approved fees & charges	Nil	Nil

1 Council purchased miscellaneous materials during the 2023-24 financial year from Rural Solutions Tasmania Pty Ltd and Torenius Timber Pty Ltd. Rural Solutions Tasmania Pty Ltd and Torenius Timber Pty Ltd are companies which are controlled by members of Council's key management personnel (KMP). The member of Council's KMP who controls Rural Solutions Tasmania Pty Ltd resigned on the 9 May 2024. Amounts were invoiced based on normal rates for such supplies and were due and payable under normal payment terms.

1 During the 2025-26 financial year, a close family members of a member of Council's KMP paid rates on a property classified by the Valuer-General as non-vacant industrial I13 Sawmill. This property is the industrial site for Torenius Timber Pty Ltd, a company which is jointly controlled by a member of Councils KMP and close family members. The rates were raised by Council in accordance with Council's approved Rates & Charges Policy and approved 2025-26 Rates & Charges Resolution. The rates were paid in full during the 2025-26 financial year, with an outstanding balance of $0 as at 30 June 2026.

2 South East Region Development Association (SERDA) is an incorporated association, which is an economic and community development association between Clarence Council, Glamorgan Spring Bay Council, Tasman Council and Sorell Council. Two of Council's key management personnel are on the committee of SERDA, in the positions of President and Secretary/Public Officer. Along with the other three partnering Council's, Council make contributions on an annual basis to SERDA. SERDA's accounting function is completed by Council's Finance Department, with the financial statements audited on an annual basis. Amounts were invoiced based on normal rates and were due and payable under normal payment terms.

3 South East Region Development Association (SERDA) is an incorporated association, which is an economic and community development association between Clarence Council, Glamorgan Spring Bay Council, Tasman Council and Sorell Council. Two of Council's key management personnel are on the committee of SERDA, in the positions of President and Secretary/Public Officer. On a monthly basis where applicable Council invoice SERDA for a reimbursement of miscellaneous expenses. SERDA's accounting function is completed by Council's Finance Department, with the financial statements audited on an annual basis. Amounts were invoiced based on normal rates and were due and payable under normal payment terms where applicable.

4 A subdivision application for a one-lot subdivision was received from a member of Council KMP. The application was lodged on 29 June 2026; however, the prescribed application fees remained outstanding as at 30 June 2026. As the required fees had not been paid, the application had not progressed to the assessment stage and was not being processed as at 30 June 2026. Once the outstanding fees are received, the application will proceed to assessment by Council's internal Planner in accordance with the Land Use Planning and Approvals Act 1993.

In accordance with section 84(2)(b) of the *Local Government Act 1993*, the General Manager has been notified in respect to interests in the following entities with which the Council has major financial dealings:

One of Council's Councillors is on the Board of Bendigo Bank's Sorell & District Community Bank Branch. Council held term deposits with Bendigo Bank throughout the 2025-26 financial year, with a total balance of $1,036,850 at 30 June 2026. This balance made up 4.2% of Council's total cash, cash equivalents and investments as at 30 June 2026. All transactions between Council and Bendigo Bank are made at arm's length and are based on the same terms and conditions available to the general public. All Council's investments during 2025-26 financial year were made in accordance with Council's Treasury Management Policy.

Council's Mayor is a representative on the Board of Business and Employment Southeast Tasmania Inc. (BEST). BEST provides Council free social media advertising for recruitment purposes. Note this service is not exclusive to Council, all customers of BEST receive this free service.

Note 10.1 Related party transactions (continued)

(vi) Loans and guarantees to/from related parties

There were no aggregate amounts of loans in existence at balance date that had been made, guaranteed or secured by the Council to a related party.

(vii) Commitments to/from related parties

There were no aggregate amounts of commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

(viii) 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 in accordance with Council's approved Rates & Charges Policy and approved 2025-26 Rates & Charges Resolution.
- Payment of development applications for residential structures in accordance with Council's normal application process and terms and conditions.

- Payment of dog registrations.

- Use of Council's community facilities.

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.

Note 10.2 Special committees and other activities

Council has the following Special Committee:

-Copping Hall and Reserves Committee

The above Special Committee financial transactions have been included within the financial statements for the year ended 30 June 2026.

Note 10.3 Other material accounting policies and pending 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 Tax 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 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) Impairment of non-financial assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Other Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

(c) 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.

(d) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

(e) Contingent assets, contingent liabilities and commitments

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

Note 10.3 Other material accounting policies and pending accounting standards (continued)

(f) Budget

The estimated revenue and expense amounts in the Statement of Comprehensive Income represent revised budget estimates (approved by Council at the 17 February 2026 Council Meeting) and are not audited.

(g) 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.

All new and amended standards effective during the period were assessed by management and determined to have no material impact on the Council's recognition, measurement, presentation or disclosure requirements.

(h) Pending accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards. As at 30 June 2026 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2026 that are expected to impact Council.

Note 10.4 Significant business activities

Council has assessed the significant business activities regulations and found there to be no activities that meet the regulations.

Note 10.5 Management indicators

		Benchmark	2026 $'000	2025 $'000	2024 $'000	2023 $'000
(a)	**Underlying surplus or deficit**					
	Net result for the year		9,655	9,910	17,509	8,663
	Less non-operating income					
	Capital grants		4,529	6,280	2,771	2,108
	Contributions - non-monetary assets		2,654	2,062	12,021	2,803
	Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(1,637)	(2,247)	(1,057)	(1,133)
	Net gain/(loss) on de-recognition/recognition property, infrastructure, plant and equipment		89	2	9	16
	Share of net profits/(losses) of associates and joint ventures accounted for by the equity method		321	1,559	1,379	1,185
	Fair value adjustments for investment property		-	100	68	182
	Commonwealth Financial Assistance Grant received in advance		978	(854)	(432)	828
	Add non-operational expenses		-	-	-	-
	Underlying surplus/deficit	> $0	2,721	3,007	2,750	2,673

The intent of the underlying result is to show the outcome of Council's normal or usual day to day operations. The surplus result is above the benchmark.

(b)	**Underlying surplus ratio**					
	Underlying surplus or deficit		2,721	3,007	2,750	2,673
	Recurrent income*		28,399	26,481	25,580	22,895
	Underlying surplus ratio %	> 0%	10%	11%	11%	12%

*Recurrent income is calculated using the total recurrent income per the Statement of Comprehensive Income and then the Commonwealth Financial Assistance Grant received in advance movement at note 10.5 (a) is subtracted. This ratio serves as an overall measure of financial operating effectiveness.

Another positive result for Council in 2026 further demonstrates financial operating effectiveness.

(c)	**Net financial liabilities**				
	Liquid assets**	25,143	21,950	19,943	19,398
	Less total liabilities	6,549	7,424	8,864	7,838
	Net financial liabilities	18,594	14,526	11,079	11,560

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.

Note 10.5 Management indicators (continued)

	Benchmark	2026 $'000	2025 $'000	2024 $'000	2023 $'000
**Liquid assets	Note				
Cash and cash equivalents	4.1	6,458	7,593	8,100	7,039
Investments	4.3	17,975	13,224	11,070	11,388
Other - accrued income	6.5	640	313	439	334
Trade and other receivables - current - not yet due	9.9 (b)	49	393	327	73
Trade and other receivables - current - past due by up to 30 days	9.9 (b)	21	427	7	564
		25,143	21,950	19,943	19,398
(d) Net financial liabilities ratio					
Net financial liabilities		18,594	14,526	11,079	11,560
Recurrent income*		28,399	26,481	25,580	22,895
Net financial liabilities ratio %	0% - (50%)	65%	55%	43%	50%
Transport infrastructure and bridges					
Fair value (carrying amount)		233,636	234,656	197,432	189,182
Current replacement cost		342,131	340,752	310,251	300,139
Asset consumption ratio %	> 60%	68%	69%	64%	63%
Buildings					
Fair value (carrying amount)		36,118	25,354	25,969	18,094
Current replacement cost		48,486	30,348	30,233	21,628
Asset consumption ratio %	> 60%	74%	84%	86%	84%
Stormwater					
Fair value (carrying amount)		68,719	67,425	66,845	51,215
Current replacement cost		93,002	90,739	89,508	69,811
Asset consumption ratio %	> 60%	74%	74%	75%	73%

This ratio indicates the net financial obligations of Council compared to its recurrent income.
A positive result for Council in 2026, after a similar result in previous years, further demonstrating a strong liquidity position and an ability to meet ongoing liabilities from recurrent income.

(e) 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.

This ratio indicates the level of service potential available in Council's existing asset base.
Council has had asset management and long term financial plans since June 2014. The funding requirements for all categories of assets are reviewed on an annual basis. All ratio calculations indicate a high level of service potential is available in Council's existing asset base.

(f) 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 and bridges					
Projected capital funding outlays***		56,222	48,764	50,463	49,679
Projected capital expenditure funding****		56,222	48,764	50,463	46,464
Asset renewal funding ratio %	90-100%	100%	100%	100%	107%
Buildings					
Projected capital funding outlays***		5,526	3,024	1,367	13,067
Projected capital expenditure funding****		5,526	3,024	1,367	13,489
Asset renewal funding ratio %	90-100%	100%	100%	100%	97%
Stormwater					
Projected capital funding outlays***		2,823	5,389	3,658	10,992
Projected capital expenditure funding****		2,823	5,389	3,658	11,633

Note 10.5 Management indicators (continued)

	Benchmark	2026 $'000	2025 $'000	2024 $'000	2023 $'000
Asset renewal funding ratio %	90-100%	100%	100%	100%	94%

*** 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.

This ratio measures Council's capacity to fund future asset replacement requirements.

The result for all categories meet the benchmark indicating Council is accumulating funds sufficiently to provide for asset renewal needs.

(g) Asset sustainability ratio

Capex on replacement/renewal of existing assets		5,539	4,603	7,368	3,963
Annual depreciation expense		7,363	6,518	6,171	5,289
Asset sustainability ratio %	100%	75%	71%	119%	75%

The Asset Sustainability Ratio is a high-level indicator that compares Council's annual expenditure on asset renewal with the depreciation of those assets. While it provides a general indication of whether we are keeping pace with asset wear and tear, it does not always reflect actual renewal needs. As such, the ratio should be interpreted in context and assessed alongside other key measures, such as the Asset Renewal Funding Ratio, Asset Consumption Ratio, and Long-Term Financial Plan, to support informed and balanced decisions around long-term asset management and financial sustainability.
It's also important to recognise that the ratio can be affected by the presence of long-life assets in good condition, such as stormwater infrastructure, which may not require renewal for extended periods. This can result in a lower ratio even when assets are being managed appropriately.

2026 By asset class	Capital renewal expenditure $'000	Capital new /upgrade expenditure $'000	Total capital expenditure $'000
Transport infrastructure and bridges	4,555	678	5,233
Stormwater	116	1,629	1,745
Land and buildings	204	2,333	2,537
Other	664	1,105	1,769
Total	5,539	5,745	11,284

2025 By asset class	Capital renewal expenditure $'000	Capital new /upgrade expenditure $'000	Total capital expenditure $'000
Transport infrastructure and bridges	3,847	1,505	5,352
Stormwater	99	1,909	2,008
Land and buildings	8	3,073	3,081
Other	649	617	1,266
Total	4,603	7,104	11,707



Audit Opinion

Audit Tasmania

Independent Auditor's Report

To the Councillors of Sorell Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Sorell Council (Council), which comprises the statement of financial position as at 30 June 2026 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification signed by the General Manager.

In my opinion, the accompanying financial report:

(a) presents fairly, in all material respects, Council's financial position as at 30 June 2026 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 Council 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.

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

Other Information

The General Manager is responsible for the other information. The other information comprises the information included in Council's annual report for the year ended 30 June 2026, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 Council'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 Council'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 Council'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 Council 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.

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.



Monique Langridge
Director – Financial Audit and Practice Management
Delegate of the Auditor-General

29 September 2026
Hobart



Sorell Audit Panel Report

Sorell Council Annual Report 2025-2026

Sorell Council Audit Panel
Annual Report 2025-26

BACKGROUND/INTRODUCTION

Sorell Council's Audit Panel was established in 2014 under Section 85 of the *Local Government Act*. Its role is documented in the Panel Charter that aligns with the *Local Government (Audit Panels) Order 2014* and approved by Council.

PURPOSE

The Audit Panel is a review and advisory body, with no management responsibility or decision-making authority. Its primary purpose is to assist Councillors to fulfill their responsibilities in relation to the review of Council's performance and effectiveness, as well as safeguarding its long-term financial position. In meeting its Charter, the Panel is mindful of Council's size, scale and resource constraints.

AUDIT PANEL MEMBERSHIP AND MEETINGS

Membership

The Panel comprises three independent members, including the Chair, and two elected members of Council. There were no changes to the membership of the Panel during the year.

Meetings

The Panel continued to operate in accordance with a comprehensive work plan to meet its role and responsibilities under its Charter. The work plan specifies at least four meetings each year which are scheduled to align with the timing of key activities required under the Charter. Other meetings are convened as needed, though none were required in the financial year. From time to time, Panel members attend other workshops, presentations and briefings.

This year, the Panel met four times in August and November 2025, and February and June 2026. Meeting attendances in 2025-26 were:

Panel Members	Eligible to attend	Attended
Ric De Santi (Chair)	4	4
Councillor Melinda Reed	4	4
Councillor Beth Nichols	4	4
Heather Salisbury	4	4
David Strong	4	3

The General Manager and Acting Finance Manager attended all meetings, along with other senior managers and subject matter experts when relevant to the meeting agenda. Council's legislated external auditor, Audit Tasmania (AT) had a standing invitation to attend all meetings. Throughout the year, the external auditors attended when necessary and the Panel met with them, without management present, as needed. Council's internal auditors also attended most Panel meetings to discuss their work and other relevant matters.

FOCUS IN 2025-26

The Panel addressed all its responsibilities under its Charter during the year, however it particularly focused on a number of key areas. These are outlined below.

Audit Panel Performance

During the year the Panel reviewed a self-assessment evaluation of its performance noting overall results were positive. The Panel also undertook continuous improvement initiatives such as:

- Developing a Panel skills register.
- Commencing in-camera sessions of the Panel.
- Added an Acknowledgement of Country at the commencement of meetings.
- Initiated presentations from departments to better understand the Council operations and risks.

Risk management

The Panel continued to support management in ongoing enhancement of Council's approach to risk management by providing advice and feedback on key documents such as the risk management framework, risk management policy and organisational risk register as well as discussing emerging risks at each meeting.

The Panel received a Risk Workshop Outcome Report noting Council's strategic risk profile continues to mature. The Panel commends Council for the strong progress it has made in improving its risk management framework including identification and assessment of key strategic risks.

Strategic Asset Management

The Panel received regular updates on the review of Council's Strategic Asset Management Plan noting this will be finalised once a revaluation of transport assets is completed.

The Panel observed Council partnered with Modelve to create a cloud-based modelling piece of software which is intended to improve reporting of each major asset category.

The Panel discussed and provided feedback on Council's Asset Management Policy and Asset Management Strategy 2024-2028.

External And Internal Audit

Internal audit

This year saw a continuation of Council's internal audit function. The Panel acknowledges funding provided by Council to facilitate the internal audit function which is an important aspect of Council's financial governance. Internal audit provides Council with independent and objective review and assurance services to continually improve and add value to Council's operations, business performance and help prevent fraud.

The three-year rolling Internal Audit Strategy and Annual Plan 2026/27-2028/29 was reviewed and endorsed by the Panel. After considering a number of possible future projects, a review of the Strategic Asset Management Plan is scheduled for 2026-27; Cyber Security (including AI governance), 2027-28, and People and Culture, 2028-29.

During the year a Business Continuity Review was completed. This highlighted Council has developed a strong foundation of documentation for business continuity and incident management. Four low risk findings and two future considerations were identified.

The Panel records and monitors actions taken on recommendations arising from internal audit during the year.

The performance of internal audit was evaluated with the overall positive results.

External audit

A number of areas related to the 2024-25 financial audit were considered including the Annual Audit Outcomes Report, Report to Those Charged with Governance and the Audit Opinion on the Financial Statements.

For the 2025-26 audit the Panel oversaw the planning process, discussing the Financial Audit Strategy for 30 June 2026 with AT staff who noted key areas of focus being data analytics, payroll and AI as well as ongoing attention on assets and revaluations.

Findings from AT's Annual Audit Outcomes Report for the year ended 30 June 2026 were reviewed. It was pleasing to note no new findings were raised for 2026 with two prior findings resolved leaving one moderate risk finding which is due for finalisation in September 2026.

The Panel also monitored AT Reports to identify matters of relevance for Council. Some were:

- Auditor-General's Annual Plan 2025-26
- Auditor-General's report on the financial statements of State entities - Volume 1 – Annual Audit Update 30 June 2025 (September 2025)
- Financial statements of State entities - Volume 4 – Local Government for year ended 30 June 2025 (March 2026)
- Follow up report on Council general manager recruitment, appointment and performance assessment (March 2026)

The Panel continued to record and monitor actions taken on recommendations arising from TAO financial and relevant performance audits during the year.

The Panel decided evaluation of external audit performance was not necessary this year.

Other Panel Activities During the Year

During the year under review the Audit Panel also:

- Received a report on the key areas for the 2025/2026 financial statements including Building assets revaluation at 30 June 2026, Fair Value Assessment of Council non-current financial asset classes, Significant Business Activities and significant transactions.
- Reviewed and provided continuous improvement suggestions on Council's Financial Statements for the financial year ended June 2025.
- Reviewed commentary in the 2024-25 Annual Report to ensure consistency with the Financial Statements.
- Regularly reviewed and commented on Management Finance Reports which provide an overview of Council's financial position, including a summary of the key operating income, operating expenses, and capital income permanent and temporary variances.
- Was updated on Council's mid-year budget review process along with outcomes of that review.
- Received a report on the 2026-27 budget process, estimates and assumptions and noted Council's final operating and capital budgets.
- Considered Council's 2026-27 Annual Plan. The Panel congratulated Council on the alignment of the Plan to Council's Strategic Plan and the quality of the document.
- The Financial Management Strategy 2026-2036 (FMS) was presented and discussed by the Panel. The Panel congratulated Council on the quality of the FMS.
- Reviewed Council's insurance cover.
- Continued to review and advocate for implementation of outstanding audit recommendations.
- Received departmental presentations from: Health and Compliance; Community Relations; Town Planning
- Reviewed Council's Policy Register and provided feedback and improvement suggestions on the following Council policies:
    - Asset management
    - Information and Communication Technology

    - Risk management policy and framework
    - Fraud control and corruption prevention
    - Credit cards
- Monitored WHS processes through updates and review the Workplace Health and Safety Committee minutes.
- Monitored significant emerging risks, legal claims and council decisions against recommendations, regulatory changes and legislative compliance.
- Monitored progress against the Audit Panel's annual work plan.

The Panel thanks the General Manager, Acting Manager Finance, the Accountant, Development Officer Risk & Strategy and Manager Infrastructure and Assets for their diligent support to, and positive engagement with, the Panel during the year.

Ric De Santi
Audit Panel Chair
19 August 2026



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