King Island Council

ANNUAL REPORT 2024/25

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KING ISLAND

At the western entrance to Bass Strait lies an idyllic place known as King Island. An Island rich in history, with shipwrecks, lighthouses and jagged reefs, bountiful with long stretching sandy beaches and lush green pasture.

Midway between Victoria and mainland Tasmania, 120 kilometres or forty-five minutes flying in either direction, the Island has become an ideal destination for a weekend escape.

The Island, which is 64 kilometres north to south, and 27 kilometres east to west, has a population of approximately 1,600 permanent residents, of which 800 reside in the township of Currie which is situated on the west coast. There are two other towns, Naracoopa on the east coast, and Grassy to the south east.

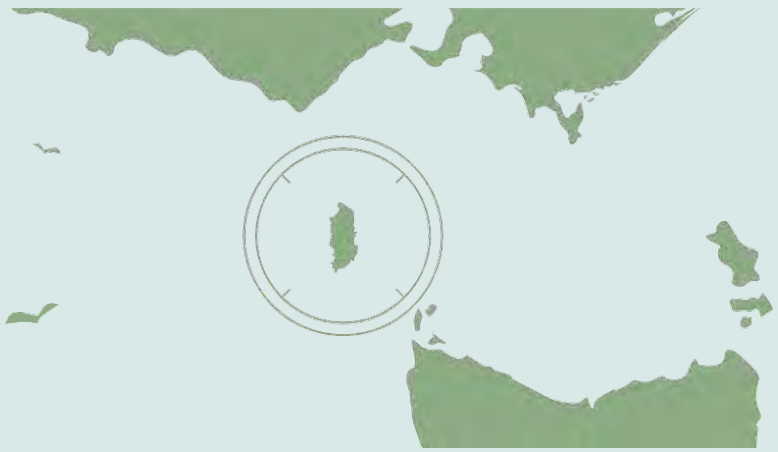
From our little paradise, some of Australia's finest natural foods are produced. We are probably best known for the production of fine beef, superior dairy produce, magnificent seafood and premium rain water products. King Island Dairies, with its award-winning cheeses, the abundant seafood and King Island Beef have all helped to establish King Island's reputation for fine foods.

The Kelp Industry is a major part of the Island economy with tourism thriving, in part thanks to the two internationally recognised golf courses at Ocean Dunes and Cape Wickham.

The Island offers a great number of attractions and activities which include visits to the museum, lighthouses, Sealers' Wall, Calcified Forest, pheasant shooting and mutton bird seasons, horse racing, the King Island Imperial 20 - a 32 kilometre coast to coast foot race, the Festival of King Island, the King Island Long Table Festival, recreational fishing, diving, bushwalking, beachcombing and much more.

Tourists appreciate the Island's natural attractiveness, exquisite cuisine, the surfing, fishing, challenging golf, maritime history and the relaxed way of life.

King Island has an interesting history, commencing with its discovery in 1798. Its geographic location in Bass Strait has resulted in a rich maritime history associated often with shipwrecks and tragedies that are well documented.



MAYOR'S MESSAGE

King Island Council and all ratepayers can again be very proud of our 2024-25 reporting period. Rising from recent years of trials and tribulation a significant turnaround commenced during 2024-25, rekindling community confidence and boldly returning our Island to an optimistic growth path.

As your elected Mayor I continued my personal commitment of working full time dealing with our existential and generational problems head on, ably supported by our incredible small Council team. As the first promoter and the first defender of KI, I fought many battles on our behalf and won most of them. It is my sacred duty to advocate on your behalf and when required, take one for the team. To serve is to make sacrifices and discipleship comes at a cost. You have all inspired me and the resolve our community resonates has recreated the King Island legend as a modern country beacon of hope and never surrender ethos. It is an honour to serve King Island, I assure you we are thought of very highly everywhere I go as our principal representative.

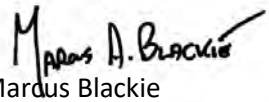
During 2024-25, Council successfully project managed and delivered several large capital works projects, namely our exciting new community Hub facility and upgrade of the Currie sporting courts, that quickly opened to high public usage and popularity. The long-awaited facelift of Main Street Currie commenced and was close to completion as the financial year ended. After a recruiting campaign with unprecedented applications, we selected and appointed our new Council General Manager Mr. Bryan Nicholson, from New Zealand. His experienced leadership will ensure ongoing reform and continuous improvement. Perhaps the crowning achievement of the past year was the announced closure and subsequent saving of our legendary cheese brand *King Island Dairy,* a story that put us on the front page of every newspaper and film annals of several new TV documentaries, spectacularly relaunching the King Island legend at home and abroad.

In June 25 Council passed the third biggest ever budget in our long 118-year history. Although the budget continues to be significantly bolstered by Federal and State grant funding it was still investment that King Island inspires and plugs directly into our bottom line. The bold aspirations we hold for the future of King Island are being funded. Importantly, our population continues to grow, underpinning our ambition for it to eventually climb back to about 3500, as it was during our halcyon late 1970's & early 1980's era, still the subject of much reminiscing. There is absolutely no reason why we can't enter another golden era, but we've got to make it happen. In spite of ongoing economic headwinds and higher freight costs driving increased costs of living pressures we have again kept Council fees/rates increases to amongst the lowest in the State, meeting our loyal constituents halfway during tough times and displaying commendable financial discipline.

I could not do my job without our dedicated Deputy Mayor and Councillors, who serve our community wholeheartedly. Local Government is democracy manifest, a majority rules system where robust and respectful debate on difficult issues should always be fostered and encouraged, delivering the best-informed Council decisions. Sometimes these decisions are tough ones and moral courage is required. Councils make decisions for the future we want to create and manifest, not to relive the recent past. Therefore, inherent risk and a leap of faith is always involved, that is where real leadership comes in. I acknowledge our Councillors commitment to frequent workshops and the specific expertise required on Council Working Groups. Special mention always goes to thank our hard-working Council employees, contractors and volunteers. As Mayor the unsung Garbo's and works crew are always on my mind, local heroes delivering our core Council services. We are a small Council by national standards but are self-sufficient and autonomous because of our geographical isolation, so punch well above our weight. Unlike some big city and suburban Councils, we never forget who we really work for, you the ratepayers and King Island constituents.

Although battle weary, we have recently survived some of the biggest existential challenges a small country community can ever face. Important that we take stock of that and give ourselves some credit. As the resolve of our great island continues to be tested, again make no mistake, we've got this. Metal sharpens metal and we are the little island that can. You can trust that your Mayor and Council will continue to fight the good fight on your behalf. In 2025 King Island is back!

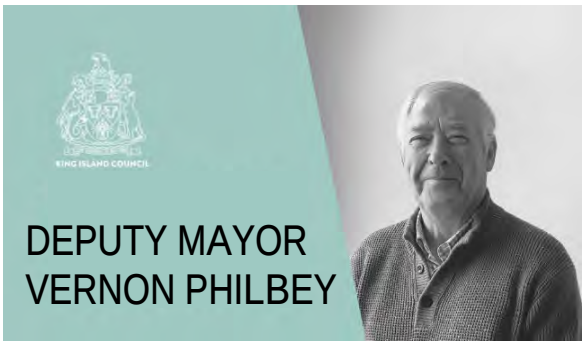
OUR STRENGTH IS OUR PRIDE



Marcus Blackie
Mayor

COUNCILLORS

INCOMING FY 2024/25



KING ISLAND COUNCIL

King Island Council
Responsibilities

Works & Services
- Capital Works Program
- HSE & WHS Protection
- Risk Management
- Asset mgmt
- Town & Parks maintenance
- Waste
- Fleet Mgmt
- Gravel
- Property Maintenance
- Traffic & Transport
- Stormwater & Drainage
- Quarries
- Roads
- Plant Equipment & Stores

Airport
- Airport Services
- Supervise ARO's
- Manage Airport Stakeholders
- CASA Compliance
- Facility Management

Community Development Services
- Community Development Services
- Cultural Development Service
- Events - Australia Day

Administration & Corporate Services
- Community Relations
- Customer Service
- Administration
- Human Resouce Management
- Governance
- Publications
- Service Requests
- Community Assistance Grants
- Sponsorship
- Australian Citizen Services
- IT & Software Managment
- Records Management
- Corporate Services
- Payroll Advisory
- Legal Documents
- Emergency Managment's
- Committees
- Risk Mgmt.
- Sport and Recreation

Finance
- Accounting Standards
- Finance Service
- Australia Taxation Office
- Tasmania Audit Office
- Payroll Processing
- Grants & Subsidies
- Rates & Valuations

Development Services & Compliance
- Development Services
- Compliance
- Environment Health
- Public Health
- Land Use Planning
- Infringement Law Enforcement
- Ranger Services

Growth & Strategy
- Economic Development
- Tourism
- Telecomms Projects
- Business Employment
- Assist with Grant Programs
- Brand

KEY ACHIEVEMENTS

King Island Hub

- Through FY2024-25, the King Island Hub evolved from an unused piece of land to a near finished building. Use of cross laminated timber (CLT) for the main structure saw the site move from concrete slab to full building, including roof and internal walls, in just five days. As the financial year drew to a close, the project team were completing the final internal fit-out and preparing for landscaping around the site ahead of the official opening on July 17th, 2025. The scope of works also included the repurposing of the existing house at 38 Lighthouse St for use as a study centre, as well as meeting rooms and ad hoc office spaces. Finally, works completed at 10 George St improved the Town Hall's functionality as an emergency recovery centre, providing a compliant DDA bathroom and two additional showers for use by King Island community who are displaced from their homes during emergency situations.
- The project was completed on budget, with negotiated grant milestones met and progress payments received. Federal grant funding of $5M was complimented with Council funding of $300k cash and the contribution of the land and existing building at 38 Lighthouse Street. Additional financial support was provided by Study King Island, TasTAFE, Events Tasmania and Heritage Tasmania.
- This project could not have been delivered without the support of the these partners, the project team and a host of specialist trades and consultants.
- Study King Island, the first official tenant of the Hub precinct, commenced operations in the Annexe at 38 Lighthouse Street in April 2025, providing the King Island community with a dedicated space and support to pursue tertiary and vocational education. Following the opening ceremony in July, the Hub building will be home to King Island Regional Development Organisation (KIRDO), Visitor Information and Online Access Centre.

Currie Courts Improvements

- Following the successful renegotiation of this Federal funding program, originally intended to construct a community gym at the Currie Oval, works to resurface the existing tennis and netball courts were completed over the summer of 2024-25. At the completion of the project, all five courts had been resurfaced, with line markings added for a range of sports. The top two courts are marked for netball and tennis, two bottom courts marked for tennis, pickleball and half-court basketball, and the third bottom court was resurfaced with synthetic turf and marked out for 5-a-side soccer.

Tourism Strategy

- Delivery against the King Island Tourism Strategy continued throughout FY2024-25. Key achievements included creation of an analysis model to facilitate interpretation of the Visitor Survey data collected at the King Island Airport, and the development of a range of tools for operators and local, regional and state tourism organisations to use in promoting King Island as a destination for visitors.

- A key deliverable of the Tourism Strategy is facilitating access to workshops and forums for tourism operators, and FY2024-25 saw a number of great events take place on King Island. West by North West and Tourism Industry Council Tasmania presented as part of King Island's Small Business Month in October 2024, as did Brand Tasmania, and Think Tourism; Tasmanian Hospitality Association delivered a Great Community Experience workshop in April 2025; Tourism Industry Council Tasmania delivered a positive impact workshop for tourism operators in mid-May; and, West by North West, Tourism Tasmania, Tourism Industry Council Tasmania and Tourism Australia delivered a King Island Tourism Forum at the KI Brewhouse before the end of the year.

LRCI projects

- The Local Roads and Community Infrastructure Program provided critical funding for numerous projects, including upgrading the electrical capability at the Town Hall for activation of an Emergency Recovery Centre, an electrical switchboard upgrade at the King Island Museum, replacement of the access ramp to the Currie Library and the installation of the Ablution Block at the Currie Oval, completed in 24/25, as well as some projects still ongoing for completion in early 25/26.

King Island Airport Café and Bar

- Council was thrilled to work with King Island Distillery Bass Strait to see them open the gorgeous King Island Airport Café and Bar. Serving up premium food and drinks, the Café is providing fabulous and much needed refreshment to travellers, visitors, and locals to the Island.

Cat Desexing Program

- King Island Council and Cradle Coast NRM partnered in securing the services of the National Desexing Network to run a subsidised Cat Desexing Program. Through this project, and the participation of King Island Vet Hospital and Bass Strait Veterinary, 52 cats were desexed at significantly reduced cost to the community. This proactive initiative helped the whole community by reducing unwanted litters and cat nuisance issues and predation on native wildlife. Desexing not only helps to ensure fewer unwanted animals, but research shows that desexed animals can live longer and healthier lives.

Municipal Emergency Management Plan

- In accordance with the *Emergency Management Act* 2006, the King Island Municipal Emergency Management Committee is required to develop a Municipal Emergency Management Plan. The King Island Emergency Management Plan was reviewed, updated and approved by the State Emergency Management Controller on 23 November 2024.

CCTV

- Public Safety Cameras were installed and commissioned in key locations in Currie as part of the Regional Towns Community Safety CCTV Project. Council carried out extensive consultation prior to engaging with this project and the support and feedback from the community was instrumental in discerning the scope and locations of cameras.

Easement at Tower Hill

- Council secured an easement over a portion of land at Tower Hill on Main Street, Currie. This easement guarantees access to the Council owned communications tower and ensures the continuity of critical television and radio services to the community for future years.

The King Island Local Provisions Schedule

- The King Island Local Provisions Schedule was approved by the Tasmanian Planning Commission in late 2024. Local Provisions Schedules, together with the State Planning Provisions, form the Tasmanian Planning Scheme for a municipal area. The gazettal of the King Island LPS was the culmination of a significant process and the engagement of King Islanders in this process helped shape a Planning Scheme to fit King Island.

Australia Day

- This year, Australia Day was a family-fun picnic day, celebrating our multiculturalism and unique King Island histories. This was a truly inclusive event, supporting as many community groups and businesses as possible. We especially aimed to highlight and support the King Island Lions Club, Top Shop and North end of the island.

Volunteer Coffee Catch Up

- A thank you to our many volunteers for giving their time so generously. Hosted at the airport and newly opened Airport Café, we supported a new local business and our community volunteers by buying them a coffee. This was a chance for volunteers to connect over a cuppa and give informal feedback to help strengthen volunteering on King Island.

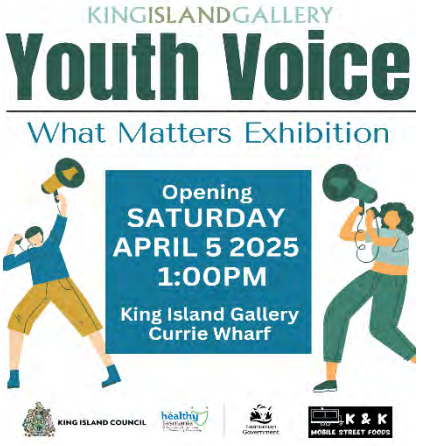
The King Island Service Providers Information Network (SPIN)

- continues to be an integral information sharing group among King Island service providers. The group has expanded in participation and reach, with more robust participation from local and off island representatives. The SPIN group meets bi-monthly and is regularly attended. The current structure allows for regular updates from service providers regarding new and ongoing events and offerings, as well as serving as a networking space to share and discuss new ideas and emerging issues - connecting group members for ongoing collaboration outside of the group.

Build support for young people's voice project

- This year, King Island Council celebrated Youth Week in April 2024 with two main events – Meet me at the Courts and Youth Voice, What Matters Exhibition.

Meet me at the courts:
An opportunity for King Island Youths to try something new!
We celebrated our new Currie Courts with fun, games, activities, music and free pizza for kids. Kids of all ages and their parents came down to take a swing, kick, throw, or whack at a totally new activity. We had soccer, football, netball, tennis, basketball, and even pickleball. Over one hundred people were in attendance. Mainly young people!



Youth Voice Exhibition: What do young people in our island community care about most? What dreams, struggles, and passions shape their world? *What Matters* was a powerful, youth-driven exhibition showcasing the voices of young islanders across all mediums—painting, photography, sculpture, digital art, music, performance, and more. Through their creative voice, our island's youth explore the issues that define their lives and identity. This exhibition is a space for them to speak, be heard and be seen. Join us in celebrating the perspectives, creativity, and bold ideas of the next generation of King Islanders. *What Matters* was about listening, learning from, & amplifying the voices that will shape our island's future.

Plans began for a new youth-led leadership and project group to commence early 2026. The aim of the group is to foster youth leadership and participation and bring regular events and activities to young people on the island, while building skills in advocacy, collaboration, project management and decision making. This project is a direct action upon the needs identified by young people in the Youth Voice project, where participants voiced concern over the lack of activities and opportunities on the island as being a key issue they were facing. A grant was applied for to support the delivery.

Safeguarding Children and Young People Policy

- A safeguarding Children and Young People Policy was Developed and we take steps as needed to ensure compliance with the Child and Youth Safe Organisations Act 2023.

Heritage, Arts and Cultural Development

- Through two successful grants and partnerships with Healthy Tasmania and TasPorts, we were able to carry out two fully funded community exhibitions and surrounding activities and workshops including but not limited to: Art Therapy, two Young Artist Workshops, Men's Shed Collaboration, Community Open Studio, Women in Agriculture Workshop, and more.

King Island Artist Showcase

- Showcasing our talented community of King Island Artists. Our local Artist Showcase was a celebration of our unique creative eye, bringing together a collection of works from 19 talented King Island artists. Each artist curated their own collection, offering an intimate look into their creative process, inspirations, and stories. Featuring over 100 works across various artistic mediums, this exhibition was a testament to our cultural identity and the diverse creative voices within our community.

Young Artist Workshops

- Young Artist Workshops explore new art forms, mediums, and methods, guided by professional artists and simplified for beginners. For young people ages 9-20, just after school. These workshops are free with all materials, snacks and drinks provided.

Local Artist Solo Exhibition:

- In Search of Phantoms by King Island local artist, Nubar Ghazarian was a retrospective exhibition of artworks created on King Island over the past twelve years. The exhibition encompasses Nubar's over-arching journey to get in touch with the figments of his imagination and the ghosts from the past that inhabit the island and appear in abstracted and dream-like forms, both natural and supernatural. This was Nubar's first solo exhibition.

Weathering Exhibition

- In the face of King Island's most severe drought in a hundred years, our community has demonstrated remarkable resilience. *Weathering* was a community gathering and exhibition celebrating our strength, highlighting the unwavering spirit of our farmers and the vital support provided by the Lions Club and *Need for Feed* initiative. *Weathering* aims to demonstrate the power of creativity in fostering greater social connectedness and supporting mental health and well-being. This exhibition was a welcoming space for creative reflection and storytelling, capturing the challenges and triumphs experienced through the drought.

STILL, a Creative Community Open Studio with resident artist, Olympia Antoniadis:

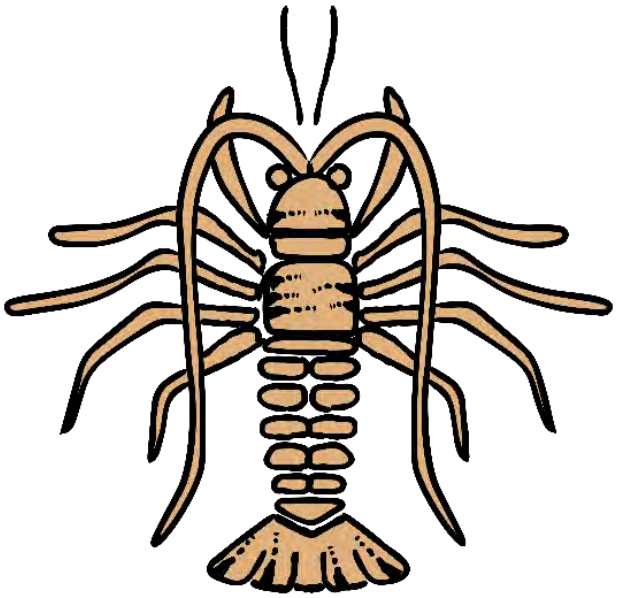
- STILL is a community studio that encourages participants to pause, observe, and engage in the creative process. As a qualified Art Therapist, Olympia draws inspiration from still-life traditions and the subtle symbolism of everyday objects. During her time on King Island, she fostered a space that allowed for gentle reflection and visual exploration. Participants were invited to bring their own art projects or meaningful objects—be it from daily life, nature, or memory—or simply come and create freely.

King Island Show Stall

- This year, we participated in the King Island Show. The feature of our marquee was an opportunity to create your very own King Island Show Portrait. Capturing the memory of your day at the show by creating a live portrait of your favourite cow, sheep, tractor, mate, anything! Materials were supplied as well as prizes for the most creative!

King Island Council Artist in Residency Annual Program

- This year, our Artist in Residency program attracted over eighty applicants from all over Australia. Nine extremely talented artists were offered a residency spot, and in turn engaged in a community performance or workshop. These artists represented a diverse range of practices, age groups, genders and stages in their career. Artists were selected by a Residency Panel of two local artists, an industry professional and the Community Development Manager.



DEVELOPMENT SERVICES

DEVELOPMENT APPLICATIONS

30 development applications were accepted during the financial year, with 29 approvals* granted. No applications were refused. Approvals ranged from new dwellings to farm sheds and visitor accommodation.

The total value of approvals was $12.48 million.

A comparison of development application use classes received during the 2023/24 and 2024/25 financial years is provided below:

APPLICATION TYPE	2023/24	2024/25
Dwelling and Dwelling Additions		
General Residential Zone	1	1
Low Density, Rural Living, Environmental Living & Village zones	1	2
Rural Resource	2	7
Residential Outbuildings		
General Business Zone	0	0
Low Density, Rural Living, Environmental Living & Village zones	2	1
Rural Resource	1	1
Other Development		
Agricultural Sheds	5	3
Subdivision and Boundary Adjustments	3	3
Multiple Dwelling Developments	0	0
Commercial	2	0
Tourism (including visitor accommodation)	9	6
Industrial and Utilities	1	2
Other	3	3
Total Applications	30	29

**Applications may be received in one financial year and approved in another, resulting in a variance between applications received and approved for the financial year.*

BUILDING APPLICATIONS

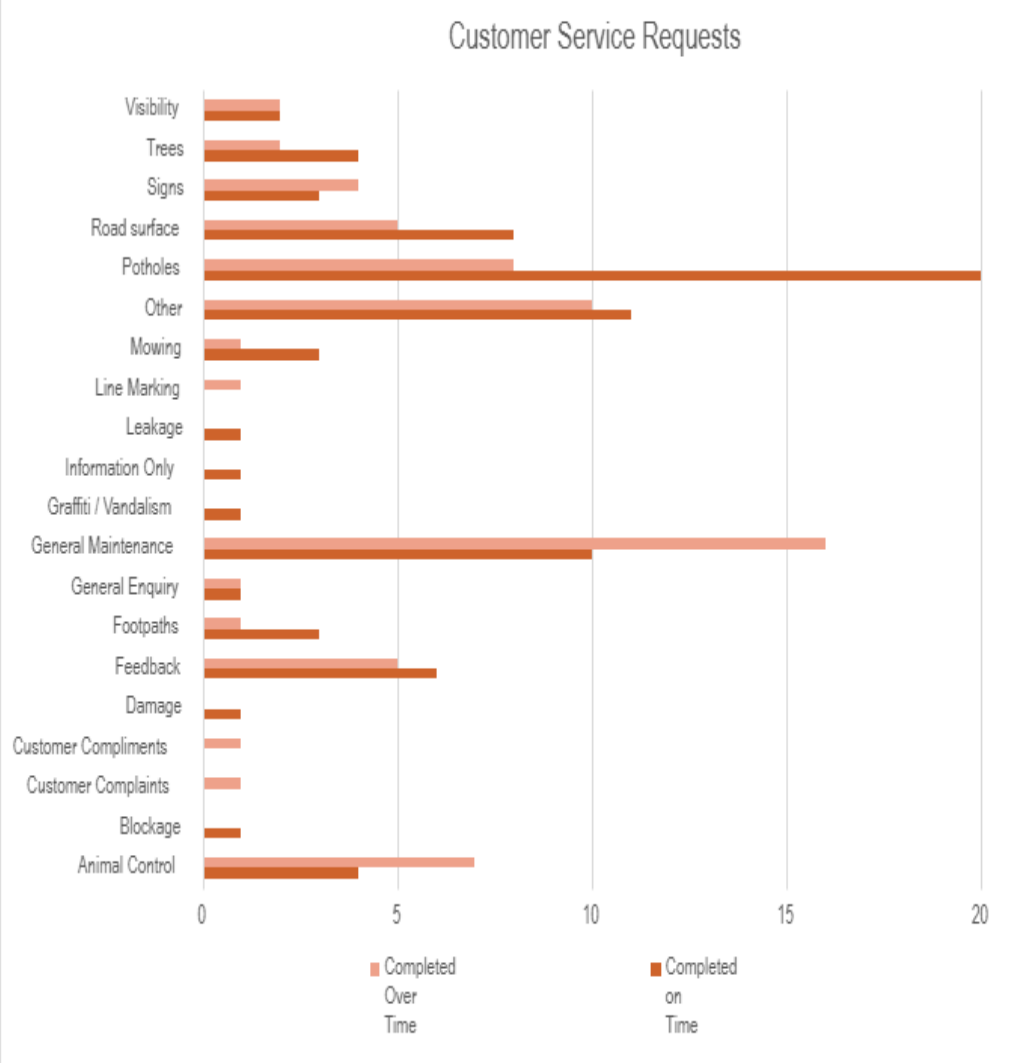
The number of building applications and notifications for the financial year was 21 which was an increase on the previous year.

APPLICATION TYPE	2023/24	2024/25
Dwelling	0	4
Dwelling Additions & Alterations	1	0
Outbuildings	3	6
Farm Buildings	2	2
Visitor Accommodation	4	3
Commercial/Industrial	4	5
Solar Panels	1	1
Total	15	21

CUSTOMER SERVICE REQUESTS AND COMPLAINTS

FY24/25

A total of 145 service requests were received, with 80 being completed on time and an additional 65 completed over time due to staffing and other constraints, which can include (not limited to), weather related events, human resourcing and budget constraints.



CUSTOMER SERVICE REQUESTS AND COMPLAINTS

Category	Customer Service Requests
Animal Control	11
Commercial Collection	1
Customer Compliments	1
Damage/Culverts	1
Feedback	11
Footpaths	4
General Enquiry	2
General Maintenance	26
Information Only	1
Leakage	1
Line Marking	1
Mowing	4
Other	21
Potholes	28
Road surface	13
Signs	7
Trees	6
Visibility	4
TOTAL	**145**

STATUTORY REPORTING REQUIREMENTS

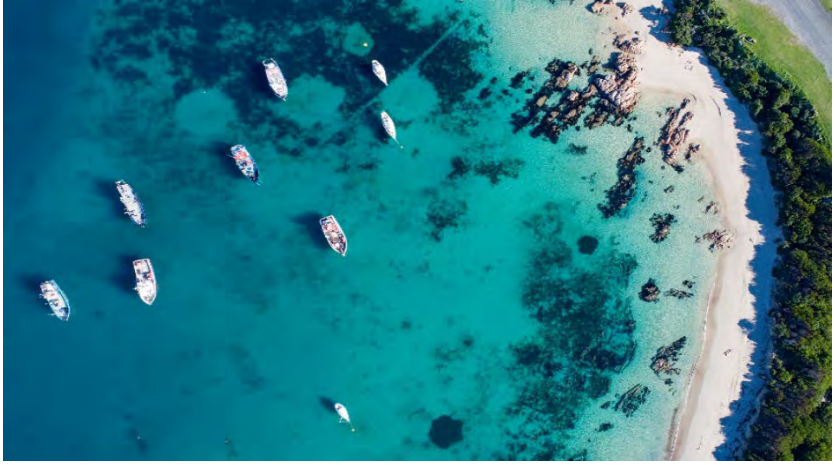
MEETING ATTENDANCE - SECTION 72(1) (CC)

	Ordinary Meeting Total Held 12	Closed Council Total Held 11	Council Workshop Total Held 14	Special Meeting Total Held 0	Closed Special Meeting Total Held 0	AGM Total Held 1	Total Attendance Total Held 38
Cr M Blackie	12	11	13	0	0	1	37
Cr V Philbey	12	11	14	0	0	1	37
Cr A Hely	10	10	8	0	0	1	29
Cr I Allan	10	10	13	0	0	1	34
Cr S Laidler	9	9	11	0	0		29
Cr G Green	11	11	13	0	0	1	36
Cr R Cooke	9	9	13	0	0	1	32
Cr I Cooke	12	11	12	0	0	1	36
Cr D Bowden	12	11	12	0	0	1	36

ELECTED MEMBERS - SECTION 72 (1) (CB)

Total allowances paid to Mayor, Deputy Mayor and Councillors during the FY24/25 were $139,374.67.

Under the Local Government Act Section 72 1(ba) & (bb) there were 0 code of conduct complaints during FY 24/25, all of which were dismissed. The total cost met by the Council during the preceding financial year in respect to all code of conduct complaints was $0.00



GRANTS AND BENEFITS

Section 77

King Island Council allocates annual funding to support community projects and programs that have a clear community benefit which may vary from sporting organisations, volunteer organisations to environmental organisations. Council determines its allocations during its budget deliberations, with applications open all year round.

A number of organisations also receive substantial in-kind support from Council.

A total of $48,874 was made available in FY24/25 for the following projects that benefit or support the community.

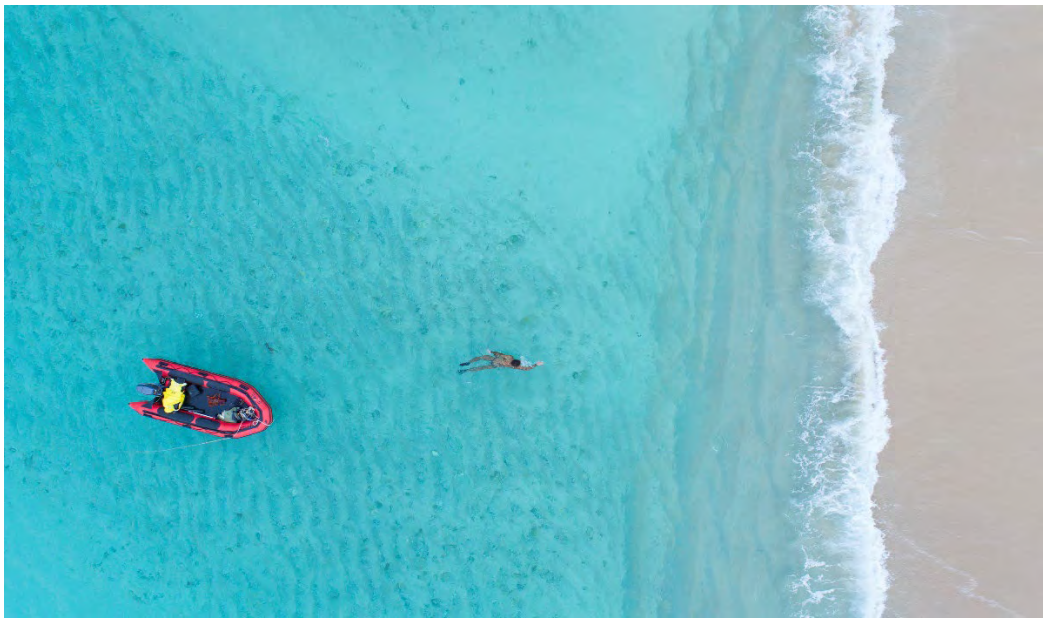
Recipients of funding included the following community organisations:

- King Island Natural Resources Management Group ($16,500)
- All Saints Anglican Church
- King Island Golf & Bowling Club
- King Island Chamber of Commerce (In Kind)
- King Island Community Car (In Kind)
- King Island Community Car Fundraising Group
- King Island Community Radio/King Island TV
- King Island Boat Club
- King Island Imperial 20 (including in kind)
- King Island Landcare Group
- Currie Football & Netball Club
- King Island RSL Sub Branch Incorporated
- King Island Regional Development Organisation
- Naracoopa Progress Association Incorporated
- Need for Feed Celebration (In kind)
- Snodgrass Park Incorporated
- King Island District Hight School - Bursary

PROCUREMENT REPORTING

The following tenders and requests for quote for supply of goods or services during FY 2024/25.

REF:	DESCRIPTION	TERM	ESTIMATED VALUE EX GST	PROCUREMENT PROCESS
KIC2025-003	Bridge Maintenance	N/A	$250,000	Public Tender
KIC2025-009	KIRDO Roof Replacement	N/A	$100,000	RFQ
KIC2025-006	Articulated Wheeled Loader	N/A	$425,000	LGAT Panel



LOCAL GOVERNMENT ACT 1993

Section 72A

Council reports no disputes with the Australian Taxation Office during the financial year relating to compliance with GST law.

LOCAL GOVERNMENT ACT 1993

Sections 72(1) (cd), 72(4) and 72(5)

Public Health Statement

The King Island Council recognises the importance and is committed to protecting the health and safety of its residents and visitors. Council is required to undertake numerous inspections and monitoring programs to ensure compliance with the Public Health Act 1997, Food Act 2003 and associated regulations and guidelines.

Council continued the engagement of a contracted Environmental Health Officer (EHO) who visited the island throughout the year as well as being available via phone, email or through development services staff. This equated to 0.06 full time equivalent for the EHO and approximately 5% of a full-time employee's time providing coordination and support services. Council's core Environmental Health functions are:

- Food safety, including registration and inspection of food businesses and education through an online training via Council's web site;
- Disease prevention and control; including immunisation programs through the local medical practice and notifiable disease investigations;
- Registration of private water suppliers;
- Licencing and inspection of public health risk activities.

The Environmental Health Officer is also responsible for on-site waste water management and level 1 activities such as quarries, sand pits and offal pits under the Building Act 2016 and Environmental Management and Pollution Control Act 1994.

The following summarises the activities carried out during FY 24/25:

Public Health Act 1997

- 0 private water supplier was registered.

Food Act 2003

- 37 fixed food premises and 5 mobile food vans were registered;
- 11 notify only food businesses were listed;
- 47 inspections were completed for food premises registered or notified;
- 0 improvement notices were issued
- 4 temporary food stall application were registered.

In addition, 5 assessments were undertaken for new or works to existing on-site wastewater management systems.

LOCAL GOVERNMENT ACT 1993

Sections 72(1) (cd), 72(4) and 72(5) cont.

Remuneration

Council is to include within its Annual Report a statement relating to the total remuneration paid to employees of the Council who hold positions designated by it as being senior positions. Total remuneration includes the salary paid, contributions to superannuation, fringe benefits and any other allowances.

Senior management total remuneration for FY 24/25 can be viewed in Note 10.1 of the Audited Financial Report.

PUBLIC INTEREST DISCLOSURE ACT 2002

King Island Council's procedures for dealing with matters under the Public Interest Disclosure Act 2002 can be viewed on the website:

www.kingisland.tas.gov.au/council/access-to-information/ or by requesting a copy from staff on 03 6462 9000.

Public Interest Disclosures FY23/24

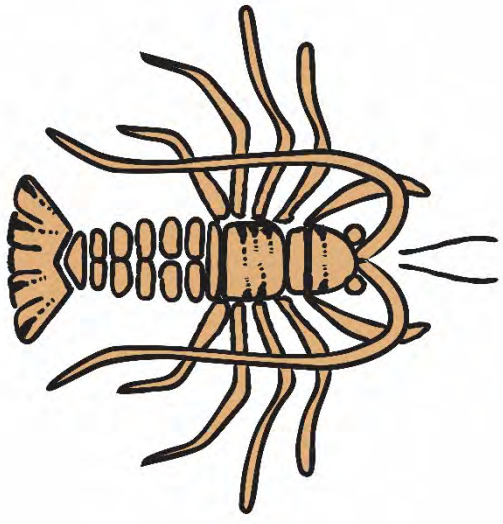
The number and types of disclosures made to King Island Council during the year.	0
The number of those disclosures determined to be public interest disclosures.	0
The number of disclosures determined by King Island Council to be public interest disclosures that it investigated during the year.	0
The number and types of disclosed matters referred to King Island Council during the year by the Ombudsman	0
The number and types of disclosures referred during the year by King Island Council to the Ombudsman to investigate.	0
The number and types of investigations taken over by the Ombudsman from the King Island Council during the year.	0
The number and types of disclosed matters that the King Island Council has decided not to investigate during the year.	0
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	0
Any recommendations made by the Ombudsman that relate to the King Island Council.	0

RIGHT TO INFORMATION ACT 2009

Number of applications for assessed disclosure of information received during FY24/25	1
Number of applications for assessed disclosure accepted for decision	1
Number of applications accepted for assessed disclosure during FY24/25 and decided during FY24/25	1
Number of applications accepted for assessed disclosure during FY23/24 and decided during FY24/25	0
The number of accepted applications decided during FY24/25 where the information was requested to be provided in full	1
The number of accepted applications decided during FY24/25 where the information was requested to be provided in part	0
The number of accepted applications decided during FY24/25 where none of the information requested was provided	0
Number of external reviews that were requested	0
For the external reviews decided in FY24/25, number where the original decision was upheld	0

MISCELLANEOUS

No land was donated by Council pursuant to Section 177 of the *Local Government Act 1993.*



ANNUAL PLAN 2024/25

INFRASTRUCTURE & FACILITIES

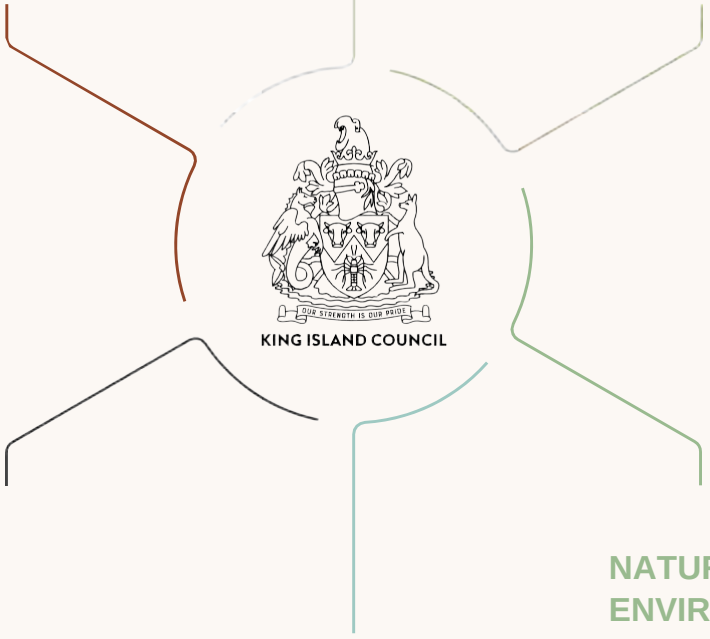
Support our population and future growth through public infrastructure, services, land use and development strategies that create a connected, sustainable and accessible community

TOURISM, MARKETING & EVENTS

Sustainably promote, develop and support the growth of King Island's tourism

ECONOMIC DEVELOPMENT

Achieve economic viability through facilitating economic development that supports appropriate and sustainable growth



COMMUNITY WELLBEING

Create a sustainable, resilient and adaptable community; through utilizing community development strategies

GOVERNANCE & ORGANISATIONAL DEVELOPMENT

Provide high quality professional governance, advocacy and leadership together with effective administration of Council resources

NATURAL ENVIRONMENT

Our Island's unique natural and built environment are sustainably respected and cared for

ANNUAL PLAN

2024-25

Progress definitions:

Completed: One off events/activities finished
In progress: One off events/activities underway
Ongoing: Continuous effort, not time specific, rolls over year to year
To be implemented in future years: Works planned for future
Discontinued: Discrete event/activity that is not going ahead
Under review: Matter subject to be reviewed by Council
Deferred: Work was underway or planned, but progress halted due to reallocation of resources/re-prioritising.

Note: Below are the strategies that have been identified as key focus areas for the Annual Plan 2023/24. Strategies not identified as a focus for the year 2023/24 have not been included in the Annual Report Progress update.

1. PROVISIONS OF ESSENTIAL INFRASTRUCTURE

LOCAL ROADS, BRIDGES, FOOTPATHS/WALKING TRACKS AND ASSOCIATED ASSETS

STRATEGY	PROGRESS UPDATE
Continue a program of regular road network and asset condition inspections and preventative maintenance and repairs to road surfaces, bridges, roadside drainage, and vegetation.	Ongoing
Continue a program of improving Council's strategic asset management capability through regular asset condition monitoring and management review, in order to: • Effectively manage asset and public safety risks and implement suitable control measures within the resources available, and in conjunction with the Department of State Growth. • Ensure expenditure on asset upgrades, renewal, and preventative maintenance programs is put to best use. • Support long-term financial planning, asset accounting, and financial reporting requirements. and • Maintain asset information, including periodic valuations, to meet compliance requirements in state legislation and submit data returns to the Local Government Division, the State Grants Commission, and the Tasmanian Audit Office.	Ongoing

Regularly review and update the long-term asset management plan for the maintenance and upgrading of roads, bridges, drainage, footpaths/walking tracks, street lighting and street furniture.	Ongoing
Prioritise allocations of revenue from government grants and other sources in the long-term financial and asset management plans to progressively seal major local gravel roads, improve local roads used by heavy vehicles and upgrade roadside drainage and footpaths.	Ongoing
Negotiate with the State Government to have heavy vehicle registration fees collected on the island transferred to Council to upgrade local roads used by heavy vehicles	Ongoing
Negotiate with the State Government to review and rationalise the island's road network to clarify heavy vehicle routes to be managed by the State Government and local roads to be managed by Council.	To be implemented in future years

KING ISLAND AIRPORT

STRATEGY	PROGRESS UPDATE
Continue regular monitoring and management of airport operations, including annual technical inspections and reporting requirements, to meet safety and security compliance standards.	Ongoing
Update the emergency management and recovery plan as per legislation, and be prepared to implement the plan, as and when required.	Ongoing
Undertake regular asset condition inspections and implement preventative maintenance programs and repairs.	Ongoing
Monitor and maintain commercial lease agreements and support the delivery of customer-driven and efficient business services at the Airport.	Ongoing
Maintain professional working relationships with the regular passenger transport and charter operators, the Royal Flying Doctor Service, general aviation, the King Island Aeroclub and businesses and agencies operating at the airport.	Ongoing
Strive to manage airport operations on a financial cash-neutral basis.	Ongoing
Continue to improve aircraft apron parking and landside traffic management, parking, and pedestrian safety.	Ongoing
Implement the long-term asset and financial management plan for the airport and prioritise allocation of external grants and other available funds for future asset renewals and upgrades.	Deferred
Finalise the drainage master plan and update the airport master plan.	In progress
Develop Aviation Destination Prospectus, as per Tourism Tasmanian funding.	In progress
Update the airport keying system to an electronic based system for controlling airside access.	Under review
Undertake Runway and taxiway pavement assessment and rehabilitation design (consultancy) to address pavement failures and in preparation for the runway upgraded to accommodate larger aircraft.	Ongoing

Installation of new apron floodlighting to address lack of lighting during the winter months. (dependant on external funding)	Deferred
Facilitate plans for the further development of private commercial services for the travelling public and freight handing.	To be implemented in future years

WASTE MANAGEMENT

STRATEGY	PROGRESS UPDATE
Comply with operational conditions and requirements in Environment Protection Notices (EPN) for the Parenna and Charles Street landfill sites, including environmental monitoring and reporting to the Environment Protection Authority (which includes pest management, monitoring and capping – directed by the EPN & EPA).	Ongoing
Continue to minimise waste going to landfill and maximise the capacity of both landfills to extend their useful life by three years to 2032.	Ongoing
Implement an efficient waste collection service, glass, tyre recycling initiatives and investigate other on-island recycling and reuse initiatives, such as cardboard processing/compaction.	Ongoing
Collaborate with the King Island District High School Green Team, the Lions Club, residents, businesses, and industry to further promote and develop island-based, sustainable recycling, reuse, and waste processing solutions and education.	Ongoing
Work with the State Government, its agencies, and contractors to ensure state-wide waste management reforms are cost effective, workable, and affordable, and generate income through grants.	Ongoing
Implement the long-term asset and financial management plan for waste management and prioritise allocation of external grants and other available funds to improve reuse and recycling services.	Ongoing
Initiate the Recycling Modernisation Fund Project and Council Resolution regarding creating bays for recycling, plus Container Refund Scheme.	In progress

PARKS AND RECREATION FACILITIES

STRATEGY	PROGRESS UPDATE
Conduct annual audits of Council's parks, recreation and sporting facilities and areas to identify and address any non-compliance with safety standards.	Ongoing
Support recreation activities, sporting groups and events that encourage healthy active participation by the community.	Ongoing
Manage and maintain grounds and facilities in conjunction with lessees and agreed maintenance, budget, and safety programs.	Ongoing
Monitor and maintain lease agreements and user fees to maximise participation.	Ongoing
Continue to develop playground and recreational facilities in Currie, Grassy and Naracoopa that offer experience play areas, which engage and provide diverse spaces.	Ongoing

Progressively review recommendations in the Recreation Plan 2020-2029 and master plans, and prioritise projects to be included in the annual plan, in cooperation with community-based recreation groups, and sporting organisations.	Ongoing
Implement a system of rates, fees, and charges that supports and encourages community sporting and recreation groups.	Ongoing
Provide grants program to support community-based organisations with facility improvements, activities, and events.	Ongoing
Implement the Currie tennis court project.	Completed
Support investment by State and Commonwealth Governments, the private sector and off- island stakeholders to improve the island's sporting and recreation facilities, coastal and in-land walking tracks and toilet and visitor facilities Island wide.	To be implemented in future years

COUNCIL BUILDINGS, AMENITIES AND STRUCTURES

STRATEGY	PROGRESS UPDATE
Continue regular building condition inspections and implement preventative maintenance programs.	Ongoing
Maintain cleaning programs to protect the safety of users.	Ongoing
Monitor, manage and as required, update building leases.	Ongoing
Maintain clear, consistent, and fair provisions in leases across different properties and tenants.	Ongoing
Set rents and hire fees at levels which promote community use of Council-owned properties and recognises the financial savings achieved by community groups delivering services and activities, which Council would otherwise provide.	Ongoing
Implement the long-term asset and financial management plan for Council's buildings, amenities, and structures and utilise external grant opportunities to upgrade current facilities.	Ongoing
Periodically review Council property holdings to ensure they are fit-for-purpose and efficiently managed.	Ongoing

2. ADMINISTRATION OF STATUTORY, REGULATORY AND COMPLIANCE SERVICES

STATUTORY LAND USE PLANNING AND DEVELOPMENT ASSESSMENT

STRATEGY	PROGRESS UPDATE
Maintain efficient, timely and transparent systems to receive and process development applications consistent with Council's role as a statutory Planning Authority, planning legislation and the planning scheme.	Ongoing
Inform those initiating development applications and those potentially impacted by such applications, of the statutory rules and processes that govern planning decision making and appeal systems (where warranted include on-island assessments of biodiversity impacts associated with development proposals, such as advocating for sustainable development considerations such as inclusions of appropriate buffers between development and natural areas).	Ongoing
Maintain a professional relationship with applicants and those members of the community with an interest in particular development applications.	Ongoing
Monitor development construction works to ensure compliance with planning permits and, if necessary, commence enforcement procedures.	Ongoing
Monitor development trends and as required, update Council's King Island Land Use Plan to support future amendments to the planning scheme.	Ongoing
Work with the State Government to finalise a compliant draft King Island Local Provisions Schedule as part of the Tasmanian Planning Scheme and assist the Tasmanian Planning Commission with its assessment and community consultation.	Completed
Participate in the development of Tasmanian Planning Policies by the State Government and the review of the Cradle Coast Regional Land Use Strategy to ensure compatibility with the island's land use and development circumstances.	Ongoing

BUILDING AND PLUMBING

STRATEGY	PROGRESS UPDATE
Maintain and administer systems to receive, process and file applications and associated documentation related to building and plumbing works.	Ongoing
Administer building and plumbing systems in accordance with statutory processes and requirements.	Ongoing
Maintain good working relationships with builders, plumbers, building surveyors and relevant stakeholders in administering building and plumbing permit systems.	Ongoing
Inform those initiating building and plumbing work of the statutory processes and requirements.	Ongoing
Support the Permit Authority with continual progress in order to meet licencing obligation.	Ongoing

PUBLIC AND ENVIRONMENTL MANAGEMENT

STRATEGY	PROGRESS UPDATE
Develop and implement strategies to promote and improve public health.	Ongoing
Ensure that the provisions of the *Public Health Act 1997* and *Food Act 2003* and any guidelines are complied with and carry out any Minister or Director determinations.	Ongoing
Carry out any functions relating to Council obligations under the *Environmental Management and Pollution Control Act 1994*	Ongoing

DOG AND ANIMAL CONTROL

STRATEGY	PROGRESS UPDATE
Provide ranger services to respond to dog and animal control complaints and issues in accordance with legislative requirements and Council's dog management plan.	Ongoing
Inform dog and stock owners of their responsibilities and communicate authorised information provided by relevant state government authorities, professionals, and community organisations.	Ongoing
Maintain good working relationships with state government authorities and community organisations regulatory stakeholders, including, Natural Resources and Environment (NRE) Cradle Coast Authority (CCA) and Parks and Wildlife Service (PWS).	Ongoing
Maintain an up-to-date dog management policy and plan in consultation with the community.	In progress
Support King Island Land Care with the updating and implementation of the King Island Cat Management Plan.	Ongoing

EMERGENCY MANAGEMENT

STRATEGY	PROGRESS UPDATE
Administer and maintain compliance with emergency management structures, systems and requirements in State and Commonwealth government legislation.	Ongoing
Maintain a strong network with state government authorities and community volunteers to coordinate emergency management planning, resource allocation, training, and services.	Ongoing
Inform the community of authorised emergency management information and encourage residents and businesses to prepare and act when an emergency event occurs.	Ongoing
Identify and raise awareness of the island's remoteness and the need for appropriate emergency management plans and resources.	Ongoing
Update the emergency management plan 2023-2026.	Completed
Facilitate cross agency training for emergency first responders on King Island to build maturity of internal processes and systems to operate systematically and collaboratively during a multi-agency incident.	Ongoing
Coordinate desk-top exercises to develop capability, embedding plans, processes, and procedures to enhance knowledge and experience.	Ongoing
Ensure governance structures and mechanisms for local information sharing and decision making are clearly defined and agreed between MEMC agencies.	Ongoing
Develop 10 George Street as a fit-for-purpose emergency management and recovery centre.	In progress
Develop a program for planning and on-going maintenance of firebreaks, particularly in the town areas.	In progress

Review the MEMC Terms of Reference.	Completed
Continue to advocate for a new ambulance station, staffed with permanent paramedical personnel, and support the current volunteer ambulance service to attract, recruit and retain ambulance personnel and to upgrade its current interim accommodation.	Ongoing

ENVIONMENT RISKS AND CLIMATE CHANGE

STRATEGY	PROGRESS UPDATE
Investigate and support mitigation measures and controls to be applied to minimise negative environmental impacts associated with Council assets	Ongoing
Provide mechanisms for compliance and applicable policies, approval, licences, permits and legislation, where applicable	Ongoing
Work together with Landcare, Industry groups and relevant State Departments in the development and implementation of management plans and programs, to address the threats to the natural environment on King Island, such as climate change initiatives, waterways, public spaces and weed management including on roadsides.	Ongoing
Investigate strategies to reduce Council's operational carbon footprint and emissions.	Ongoing
Continue to support Landcare and advocate to government agencies for increased funding and resources.	Ongoing
Review the Biodiversity Management Plan.	To be implemented in future years
Investigate the feasibility of employing an Environmental Officer.	To be implemented in future years

3. FACILITATION OF SUSTAINABILITY

COMMUNITY AND SOCIAL DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Support and engaged actively with community of all ages, interests, and abilities.	Ongoing
Continue the annual community assistance and sponsorship program to support community-based development activities and events.	Ongoing
Work collaboratively with government and non-government agencies to address dynamic and emerging needs for social support structures, services and programmes for all demographics of the community.	Ongoing
Build support for young people's voice project	Ongoing
Develop a Community Development and Social Wellbeing Plan for strengthening and connecting with the community.	Discontinued
Develop and support the Child and Youth Safe Organisation Committee in accord with the 2003 Act.	Ongoing

HERITAGE, ARTS AND CULTURAL EVELOPMENT

STRATEGY	PROGRESS UPDATE
Facilitate partnerships with other agencies to bring arts and cultural resources to King Island	Ongoing
Promote a community-driven program of arts and cultural activities and events, in accordance with the Community Volunteer Strategy.	Ongoing
Nurture the Islands dynamic and creative resources while raising awareness and inclusion for all abilities and age groups	Ongoing
Support community and volunteer-led arts and culture activities, including the King Island Cultural Centre, King Island Historical Society, King Island Dramatic Society and the King Island Boathouse	Ongoing
Facilitate the use of arts, culture and heritage in developing individual and community wellbeing by Council agencies and other organisations	Ongoing
Continue the King Island Council Artist in Residency Annual Program	Ongoing

ENVIRONMENTAL AND RESOURCE MANAGEMENT

STRATEGY	PROGRESS UPDATE
Continue environment protection and compliance, with quarry, Environmental Protection Notices (EPNs) and Environmental Management Plans (EMPs).	Ongoing
Continue asset management and maintenance for quarry life plans, operations, including end of life and rehabilitation planning.	Ongoing
Working with the community and stakeholders to maintain requirements of rock and aggregate products to inform Council's forward planning and commercial services.	Ongoing
Negotiate with the Group 6 Metals to develop an agreement which outlines for both parties, the safe, effective, and efficient provision and supply of aggregate supply and crushing for construction.	Ongoing
Form a committee to administer the G6 Trustee Fund.	In progress

ECONOMIC DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Gather and review data on economic drivers for King Island to identify priority areas for actions	Deferred
Advocate to make connections with relevant state and federal bodies to improve the Island's availability of suitable housing.	Ongoing
Facilitate increased access to on-island skills, training and development.	Ongoing
Promote, support and investigate opportunities to seek private sector investment opportunities on the island.	Ongoing
Protect and promote the King Island Brand to ensure the economic viability of our core industries.	Ongoing
Advocate for improvement to sea, air, logistics and state roads on King Island, including the adoption of a more equitable freight equalisation scheme.	Ongoing
Promote, support and facilitate worker attraction.	Ongoing
Implement the recommendations of the King Island Tourism Strategy in partnership with West by Northwest and King Island Tourism Inc.	In progress
Acquit Tourism Tasmania funding for King Island Incentive Scheme	In progress
Continue development of the King Island Hub to support economic development on King Island	Ongoing
Continue to provide advocacy and support, in conjunction with other organisations and government agencies, for the agricultural sector throughout the drought and subsequent economic recovery.	Ongoing

SPORT AND RECREATION DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Advocate for adequate resourcing for recreation opportunities on Island.	Ongoing
Through Council policies improve participation and sports development opportunities.	Ongoing
Provide access to quality information and promotion of existing facilities and activities.	Ongoing
Continue to maintain the playing surfaces for Currie and Grassy Ovals	Ongoing
Develop strategies and infrastructure for sustainable service provision as outlined in the Recreation Plan 2020-2029.	Ongoing
Progressively plan and deliver a network of well managed tracks and trails.	Ongoing
Incorporate high quality landscape amenity and functionality of streetscape and public spaces in future plans.	Ongoing
Review the related policies for sport and recreation for Council	Ongoing

4. ADMINISTRATION OF, COUNCIL GOVERNANCE, MANAGMENT AND OPERATIONS

GOVERNANCE, MANAGEMENT AND OPERATIONS

STRATEGY	PROGRESS UPDATE
Provide high quality professional governance, advocacy and leadership together with effective administration and governance.	Ongoing
Continue to achieve long-term financial viability planning for the municipality.	Ongoing
Support, develop and employ skilled, experienced, accountable, community-minded motivated staff.	Ongoing
Actively facilitate the engagement of the community in setting council policy and strategic direction to inform decision making and implement processes that respond to the deferent needs of each group.	Ongoing
Continue to implement Continuous improvement processes in service delivery.	Ongoing
Investigate and respond to service requests made by the community in a timely manner.	Ongoing
Develop a Communications and Engagement Plan which outlines levels of public participation and decision-making of Council.	Ongoing
Align strategic priorities with staff member's workplans	Ongoing
Continue the implementation of the document management system	In progress
Continue to update Council's policies and procedures.	Ongoing
Maintain a list of 'shovel-ready' road, bridge, drainage, and footpath/walking track projects suitable for funding under State or Commonwealth Government grant programs.	In progress
Review of the adopted Mission, Vision and Values from 2022 for staff and Councillors	Completed
Implement telephone system update due to changes with the current system.	Deferred
Review the current procurement policy and procedures and undertake procurement training.	In progress
Prepare and plan for the next Enterprise Agreement	In progress

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2025

KING ISLAND COUNCIL

King Island Council

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2025

King Island Council
Financial Report
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Statement of Comprehensive Income
For the Year Ended 30 June 2025

	Note	Budget 2025 $'000	Actual 2025 $'000	Actual 2024 $'000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	3,223	3,224	3,118
Statutory fees and fines	2.2	100	113	118
User fees	2.3	1,050	961	926
Operating Grants	2.4	2,637	1,814	2,380
Private Works	2.5	1,027	918	833
Interest	2.6	357	303	489
Other income	2.7	710	875	677
Investment revenue from Water Corporation	2.9, 5.1	66	79	79
		9,170	**8,287**	**8,620**
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	6,396	4,195	2,336
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	-	94	-
		6,396	**4,289**	**2,336**
Total income from continuing operations		**15,566**	**12,576**	**10,956**
Expenses from continuing operations				
Employee benefits	3.1	(3,637)	(3,616)	(2,934)
Materials and services	3.2	(3,626)	(4,317)	(3,604)
Depreciation	3.3	(2,303)	(2,307)	(2,201)
Finance costs	3.4	(17)	(24)	(25)
Other expenses	3.5	(1,500)	(1,547)	(2,021)
Total expenses from continuing operations		**(11,083)**	**(11,811)**	**(10,785)**
Result from continuing operations		**4,483**	**765**	**171**
Net result for the year		**4,483**	**765**	**171**
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.1,9.1	-	103	263
Net asset revaluation increment/(decrement)	9.1	-	1,479	14,353
Total Other Comprehensive Income		**-**	**1,582**	**14,616**
Total Comprehensive result		**4,483**	**2,347**	**14,787**

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

Statement of Financial Position
As at 30 June 2025

	Note	2025	2024
		$'000	$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	1,571	3,708
Trade and other receivables	4.2	1,550	1,395
Investments	4.3	2,930	4,176
Inventories	4.4	669	669
Other assets	4.5	22	110
Total current assets		**6,742**	**10,058**
Non-current assets			
Investment in water corporation	5.1	5,379	5,276
Property, infrastructure, plant and equipment	6.1	99,602	94,296
Total non-current assets		**104,981**	**99,572**
Total assets		**111,723**	**109,630**
Liabilities			
Current liabilities			
Trade and other payables	7.1	1,079	624
Trust funds and deposits	7.2	69	18
Provisions	7.3	690	512
Contract liabilities	7.4	588	1,448
Interest-bearing loans and borrowings	8.1	51	50
Total current liabilities		**2,477**	**2,652**
Non-current liabilities			
Provisions	7.3	1,564	1,592
Interest-bearing loans and borrowings	8.1	531	582
Total non-current liabilities		**2,095**	**2,174**
Total liabilities		**4,572**	**4,826**
Net Assets		**107,151**	**104,804**
Equity			
Accumulated surplus		33,324	32,070
Reserves	9.1	73,827	72,734
Total Equity		**107,151**	**104,804**

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

Statement of Cash Flows
For the Year Ended 30 June 2025

	Note	2025 Inflows/ (Outflows) $'000	2024 Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates		3,254	3,038
Statutory fees and fines		113	118
User charges and other fines (inclusive of GST)		872	975
Grants (inclusive of GST)		954	2,195
Private Works		1,010	916
Interest received		329	562
Investment revenue from water corporation	2.9	79	79
Other receipts (inclusive of GST)		875	688
Net GST refund/(payment)		401	271
Payments to suppliers (inclusive of GST)		(5,779)	(6,811)
Payments to employees		(3,466)	(2,832)
Finance costs paid		(24)	(25)
Other payments		(155)	(162)
Net cash provided by (used in) operating activities	9.2	**(1,537)**	**(988)**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(6,374)	(3,784)
Proceeds from sale of property, infrastructure, plant and equipment		332	-
Capital grants		4,195	2,336
Proceeds from sale of investments		1,246	872
Net cash provided by (used in) investing activities		**(601)**	**(576)**
Cash flows from financing activities			
Proceeds from trust funds and deposits		51	(1)
Repayment of interest bearing loans and borrowings	9.3	(50)	(49)
Net cash provided by (used in) financing activities		**1**	**(50)**
Net increase (decrease) in cash and cash equivalents		**(2,137)**	**(1,614)**
Cash and cash equivalents at the beginning of the financial year		3,708	5,322
Cash and cash equivalents at the end of the financial year	9.4	**1,571**	**3,708**
Restrictions on cash assets	4.1		
Financing arrangements	9.5		

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

Statement of Changes in Equity
For the Year Ended 30 June 2025

2025	Note	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves	Total Equity
		2025	2025	2025	2025	2025
		$'000	$'000	$'000	$'000	$'000
Balance at beginning of the financial year		32,070	68,498	728	3,508	104,804
Net result for the year		765	-	-	-	765
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,9.1	-	-	103	-	103
Net asset revaluation increment/(decrement)	9.1	-	1,479	-	-	1,479
Total comprehensive income		**765**	**1,479**	**103**	**-**	**2,347**
Transfers between reserves		489	-	-	(489)	-
Balance at end of the financial year		**33,324**	**69,977**	**831**	**3,019**	**107,151**

2024	Note	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves	Total Equity
		$'000	$'000	$'000	$'000	$'000
Balance at beginning of the financial year		29,478	54,145	464	5,930	90,017
Net result for the year		171	-	-	-	171
Other Comprehensive Income:						-
Fair Value adjustment on equity investment assets	5.1,9.1	-	-	263	-	263
Net asset revaluation increment/(decrement)	9.1	-	14,353	-	-	14,353
Total comprehensive income		**171**	**14,353**	**263**	**-**	**14,787**
Transfers between reserves		2,422	-	-	(2,422)	-
Balance at end of the financial year		**32,070**	**68,498**	**728**	**3,508**	**104,804**

The above statement should be read with the accompanying notes.

Note 1 Overview

1.1 Reporting entity

(a) King Island Council was established on 19 December 1907 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 10 George Street Currie 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.

1.2 Basis of accounting

These financial statements are a general purpose financial report that consists of a 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.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.3, 5.1, 6.1, 7.3 and 8.1.

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

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. Details of entities not included in this financial report based on their materiality are detailed in note 10.2.

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.

Financial report disclosures are rounded to the nearest thousand dollars.

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 9.6.

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 note 6.1.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.1.

Landfill / Quarry Rehabilitation

Assumptions and judgements are utilised in determining the value of Council's obligations to rehabilitate its landfill and quarry sites. These are discussed in note 7.3 (b)

1.4 Material Budget Variations

Council's original budget was adopted by the Council on 18 June 2024. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions, changing economic activity, the weather, and by decisions made by the Council. Material variations are explained below:

Income

(a) User fees
This under budget revenue was mainly due to lower than expected tip fees plus slightly lower than anticipated Airport landing fees.

(b) Grants
This income line item includes Financial Assistance Grants (FAG's) of $1.225m received in advance from the 2025/26 financial year. The 2024/25 actual result aligns to the budget as the corresponding FAG allocation, due for the current year, was received and reported in the prior 2023/24 financial year.

(c) Private works
Constraints on the supply of raw material supply have led to lower levels of state government private works.

(d) Interest
The lower interest rate is due to lower cash balances due to the higher than prior years capital works program.

(e) Other income
This line item mainly comprises income from the motor tax refund and is higher than budget.

Expenses

(a) Materials and services
Expenditure exceeds budget main due to unforeseen plant maintenance costs as well as higher than expected contractor costs for executive and airport staff.

Note 1.5 Functions/Activities of the Council

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

	Grants $'000	Other $'000	Total Revenue $'000	Total Expenditure $'000	Surplus/ (Deficit) $'000	Assets $'000
Government and administration						
2024 - 2025	3,233	652	3,885	2,440	1,445	25,152
2023 - 2024	2,617	559	3,176	2,027	1,149	20,743
Roads, bridges and stormwater						
2024 - 2025	949	618	1,567	2,411	(844)	64,753
2023 - 2024	1,656	572	2,228	2,362	(133)	64,206
Waste management						
2024 - 2025	-	916	916	1,287	(371)	758
2023 - 2024	-	876	876	1,045	(169)	864
Building, Planning and Environmental health						
2024 - 2025	-	75	75	216	(141)	-
2023 - 2024	-	96	96	273	(178)	-
Community amenities						-
2024 - 2025	108	30	138	635	(497)	-
2023 - 2024	-	38	38	467	(429)	-
Airport						
2024 - 2025	-	580	580	1,127	(547)	6,255
2023 - 2024	258	564	822	1,071	(249)	6,461
Community services						
2024 - 2025	105	4	109	580	(471)	-
2023 - 2024	97	5	102	556	(454)	-
Recreation facilities						
2024 - 2025	1,613	4	1,617	293	1,324	3,353
2023 - 2024	87	2	90	319	(229)	2,498
Other - not attributable						
2024 - 2025	1	3,688	3,689	2,822	867	11,452
2023 - 2024	-	3,529	3,529	2,665	863	14,859
Total						
2024 - 2025	**6,009**	**6,567**	**12,576**	**11,811**	**765**	**111,723**
2023 - 2024	**4,716**	**6,240**	**10,956**	**10,785**	**171**	**109,630**

Note 1.5 Functions/Activities of the Council (continued)

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

	2025	2024
Current assets	6,742	10,058
Non-current assets	104,981	99,572
	111,723	**109,630**

(c) *Governance and administration*
Operation and maintenance of council chambers, administration offices, and councillors.

Roads, streets and bridges
Construction, maintenance and cleaning of road, streets, footpaths, bridges, parking facilities and street lighting.

Waste Management
Collection, handling, processing and disposal of all waste materials.

Building, Planning and Environmental Health
Environmental Health includes disease control, food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries.

Administration of the town planning scheme, subdivisions and urban and rural renewal programs.

Building control and ensuring compliance with building constructions standards.

Airport
Operation and maintenance of Council's airport.

Community amenities
Operation and maintenance for Council buildings and property.

Community services
Administration and operation of community development, arts and culture, tourism, and economic development.

Recreation facilities
Operation and maintenance of sporting facilities (includes active and passive recreation and recreation centres).

Other - not attributable
Rates and charges and work not attributed elsewhere.

			2025 $'000	2024 $'000
Note	**2**	**Revenue**		
Note	**2.1**	**Rates and charges**		

Council uses Adjusted Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipality. The AAV of a property is the amount of annual rental it is assessed to earn by the Valuer-General of Tasmania.

The valuation base used to calculate general rates for 2024-25 was $55.100m (2023-24 $41.300m). The 2024-25 rate in each dollar of the AAV was 4.61784 cents, (2023-24, 5.84257 cents).

General rate	2,577	2,481
Fire levy	139	136
Non-commercial waste collection charge	508	501
Total rates and charges	**3,224**	**3,118**

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2017. In this current revaluation cycle, adjusted AAV (AAAV) applied from 1 July 2022.

Accounting policy

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

Building fees	10	8
Planning and development fees	55	67
Rates and land information certificates	19	22
Animal control registrations and fees	20	12
Licence and permit fees	9	9
Total statutory fees and fines	**113**	**118**

Accounting policy

Statutory 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

Airport user fees	549	547
Refuse disposal fees	400	365
Cemetery fees	8	8
Hall and facility hire	4	3
Other fees and charges	-	3
Total user fees	**961**	**926**

Accounting policy

Council recognised revenue from user fees and charges at a point in time or over time as the performance obligation is completed and the customer receives the benefit of the good / 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.

User fees timing of revenue recognition

User fees recognised over time	949	912
User fees recognised at a point in time	12	14
Total user fees	**961**	**926**

		2025 $'000	2024 $'000
Note 2.4	**Grants**		
	Grants were received in respect of the following:		
	Summary of grants		
	Federally funded grants	5,806	4,537
	State funded grants	203	178
	Total	**6,009**	**4,716**
	Grants - Recurrent		
	Commonwealth government financial assistance grants - general purpose (untied)	656	1,041
	Commonwealth government financial assistance grants - roads (untied)	945	1,241
	Tasmanian government - tourism support	85	91
	Tasmanian government - building and property	108	-
	Tasmanian government - arts and culture	10	-
	Commonwealth government - Australia Day	10	6
	Total recurrent grants	**1,814**	**2,380**
	Capital grants received specifically for new or upgraded assets		
	Commonwealth government - Roads to recovery	-	415
	Commonwealth government - Local roads and community infrastructure programme	582	1,576
	Commonwealth government - Airport	-	258
	Commonwealth government - community centre	3,000	-
	Tasmanian government - sporting facilities	-	87
	Other - sporting facilities	613	-
	Total capital grants	**4,195**	**2,336**
	Total grants	**6,009**	**4,716**
	Timing of revenue recognition		
	Grants recognised over time	1,804	2,374
	Grants recognised at a point in time	4,205	2,342
	Total Grants	**6,009**	**4,716**

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:

	Recurrent		
	Balance of unspent funds at 1 July	**85**	108
	Add: Funds received and not recognised as revenue in the current year	-	42
	Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(85)	(65)
	Balance of unspent funds at 30 June	**-**	**85**
	Capital		
	Balance of unspent funds at 1 July	**1,363**	**526**
	Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	225	1,000
	Add: Funds received and not recognised as revenue in the current year		
	Less: Funds received in prior year but revenue recognised and funds spent in current year	(1,000)	(163)
	Balance of unspent funds at 30 June	**588**	**1,363**
	Total unspent funds held as a contract liability	**588**	**1,448**

Accounting policy

Council recognises untied grant revenue and those without performance obligations when received. In cases where there is an enforceable agreement which contains sufficiently specific performance obligations, revenue is recognised as or when control of each performance obligations is satisfied. (i.e. when it transfers control of a product or provides a service.) A contract liability is recognised for unspent funds received in advance and then recognised as income as obligations are fulfilled.

The performance obligations are varied based on the agreement, but include undertaking the construction and development of specific infrastructure assets or conducting events on agreed terms.

	2025 $'000	2024 $'000

Note 2.4 Grants (Continued)

Accounting policy (continued)

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 and revenue as the unspent funds are expended at the point in time at which 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 the 2024-25 year the Commonwealth has made early payment of the first two quarterly instalments of untied Financial Assistance Grants for the following year. In the 2023-24 year the Commonwealth has made early payment of the four quarterly instalments, excluding adjustments, of untied Financial Assistance Grants for the following year. The net impact of these in advance transactions has resulted in the Financial Assistance Grants being below that originally budgeted in 2024-25 by $823k, (2023-24, $190,000 above budget). This has impacted the Statement of Comprehensive Income resulting in the net result for the year being lower by the same amount. Financial Assistance Grants are general grants and do not have sufficient specific performance obligations. As a result, they are recognised as income when received.

Note 2.5 Private Works

Works performed for Tasmanian government	760	671
Works performed for other entities	158	162
Total Private Works	**918**	**833**

Accounting policy

Private Works income is recognised as revenue when the service has been provided or when the payment is received, whichever occurs first.

Note 2.6 Interest

Interest on rates	52	51
Interest on cash, cash equivalents and investments	251	438
Total	**303**	**489**

Accounting policy

Interest is recognised progressively as it is earned.

Note 2.7 Other income

Motor Tax refund	618	572
Insurance recovery	74	-
Rental/Lease income	57	27
Reimbursements	3	1
Commission	4	4
Royalties	28	41
Other income	66	6
Fuel tax credit	25	26
Total other income	**875**	**677**

		2025 $'000	2024 $'000
	Other income		
	Other income recognised over time	89	71
	Other income recognised at a point in time	786	606
		875	**677**

Accounting policy

Rental income

Rents are recognised as revenue when the payment is due. Rental payments received in advance are recognised as a payable until they are due.

Motor Tax refund income

Motor Tax refund income is recognised as revenue when the payment is due or the payment is received, whichever occurs first.

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

Proceeds of sale	332	-
Written down value of assets disposed	(238)	-
Total	**94**	**-**

Note 2.9 Investment revenue from water corporation

Dividend revenue received	79	79
Total investment revenue from water corporation	**79**	**79**

Accounting policy

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	3,020	2,405
Workers compensation	65	52
Personal/carers/sick leave	17	53
Superannuation	351	299
Fringe benefits tax	11	11
Payroll tax	99	87
Other employee costs	53	27
Total employee benefits	**3,616**	**2,934**

Accounting policy

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

Consultants	712	1,070
Contractors	2,628	2,021
Materials	838	340
Freight	13	47
Printing	12	15
Utilities	114	111
Total materials and services	**4,317**	**3,604**

Accounting policy

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 the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

		2025 $'000	2024 $'000
Note 3.3	**Depreciation**		
	Property		
	Buildings	103	103
	Jetties	15	15
	Plant and Equipment		
	Plant, machinery and equipment	375	409
	Fixtures, fittings and furniture	4	4
	Computers and telecommunications	31	13
	Infrastructure		
	Roads	983	963
	Bridges	200	188
	Airport	310	220
	Drainage	19	19
	Recreational and community facilities	135	135
	Waste management	130	130
	Quarries	2	2
	Total	**2,307**	**2,201**

Accounting policy

Land improvements, buildings, Infrastructure, plant and equipment and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and remaining values and a separate depreciation rate is determined for each component.

Land, heritage and road earthwork assets are not depreciated as 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 periods used are listed below and are consistent with the prior year unless stated:

	Period
Buildings	
buildings	20-130 years
jetties	30-50 years
heritage buildings	50-100 years
Plant and Equipment	
plant, machinery and equipment	5-25 years
fixtures, fittings and furniture	5-20 years
computers and telecommunications	3-5 years
Roads	
road pavements and seals	6-80 years
road formation	80-100 years
road footpath, kerb, channel and minor culverts	50-80 years
Bridges	
bridge decks	30-60 years
bridge substructures	20-80 years
Other Infrastructure	
drainage	70-150 years
recreational and community facilities	20-60 years
waste management	10-40 years
airport	10-90 years
quarries	2-60 years

		2025 $'000	2024 $'000
Note 3.4	**Finance costs**		
	Interest - borrowings	24	25
	Total finance costs	**24**	**25**

Accounting policy

Finance costs are expensed as incurred using the effective interest rate method and relate to interest expense for Council's fixed term loans.

Note 3.5	**Other expenses**		
	Advertising	28	30
	Audit Panel Fees	7	6
	Bank Fees	7	6
	Commissions Paid	31	28
	Community Grants and sponsorship expenses	44	43
	Conferences and training	45	7
	Council rates	17	25
	Councillors' allowances	139	126
	Election expenses	10	3
	External auditors' remuneration (Tasmanian Audit Office)	44	41
	Fire Service Levy	135	128
	Insurance and registration	337	350
	Land Tax	52	29
	Licences and permits	99	52
	Subscriptions and memberships	112	110
	TasWater charges	54	53
	Telecommunications and internet	23	18
	Travel and accommodation	40	49
	Low-value leases	15	13
	Telecommunications Maintenance project	-	821
	Other expenses	308	83
	Total	**1,547**	**2,021**

Accounting policy

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.

			2025 $'000	2024 $'000
Note	**4**	**Current Assets**		
Note	**4.1**	**Cash and cash equivalents**		
		Cash at bank	569	3,008
		Cash invested at call	1,002	699
		Total cash and cash equivalents	**1,571**	**3,707**

Council's cash and cash equivalents and, term deposits are subject to a number of external restrictions and internal commitments that limit amounts available for discretionary or future use. The internal commitments are created by Council's Reserves Policy. Amounts committed in accordance with the policy are supported by specific investment accounts. Refer to Notes 2.04, 7.2, 7.3 and 9.01 for details of the Policy.

Total funds subject to restrictions and commitments		
Cash and cash equivalents	1,571	3,708
Term deposits - more than 3 months (note 4.3)	2,930	4,176
Total Funds	**4,501**	**7,884**
Restricted funds		
i)Trust funds and deposits (note 7.2)	69	18
ii) Unspent grant funds with conditions (note 2.4)	588	1,448
Total Restricted funds	**657**	**1,466**
Internally committed funds		
i) Strategic reserves (note 9.1)	2,546	3,075
ii) Minor reserves (note 9.1)	473	433
iv) Employee provisions (7.3)	-	689
Committed funds	**3,019**	**4,197**
Total unrestricted and uncommitted cash and cash equivalents and investments	**825**	**2,221**

Accounting policy

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.

Note	**4.2**	**Trade and other receivables**		
		Current		
		Rates debtors	151	181
		Other receivables	1,459	1,274
		Provision for expected credit loss - other debtors	(60)	(60)
		Total trade and other receivables	**1,550**	**1,395**
		Reconciliation of movement in expected credit loss		
		Carrying amount at 1 July	60	60
		Carrying amount at 30 June	**60**	**60**

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

Accounting policy

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on a simplified expected credit loss (ECL) basis.
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.

		2025 $'000	2024 $'000
Note 4.3	**Investments**		
	Current		
	Term deposits - more than 3 months	2,930	4,176
		2,930	**4,176**

Accounting policy

Term deposits 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. As Council's managed funds are actively managed and their performance is evaluated on a fair value basis, these term deposits are mandatorily required to be measured at fair value through profit or loss.

Note 4.4	**Inventories**		
	Inventories held for distribution	669	669
	Total inventories	**669**	**669**

Accounting policy

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

Note 4.5	**Other assets**		
	Current		
	Prepayments	22	84
	Accrued income	-	26
	Total	**22**	**110**

Note 5	**Other Investments**		
Note 5.1	**Investment in water corporation**		
	Opening balance	5,276	5,013
	Fair Value adjustments on equity investment assets	103	263
	Total investment in water corporation	**5,379**	**5,276**

Council has derived returns from the water corporation as disclosed at note 2.90.

Accounting policy

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 at 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 (b) Fair value reserve) 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. Council holds 0.28% 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

	2025	2024
	$'000	$'000
Summary		
at cost	15,098	10,941
Less accumulated depreciation	(5,933)	(5,376)
	9,165	**5,566**
at fair value	144,213	138,666
Less accumulated depreciation	(53,776)	(49,936)
	90,437	**88,730**
Total	**99,602**	**94,296**
Property		
Land		
at fair value	5,656	5,769
	5,656	**5,769**
Land under roads		
at fair value	8,320	8,320
	8,320	**8,320**
Total Land	**13,976**	**14,090**
Buildings		
at fair value	11,520	9,561
Less accumulated depreciation	(5,773)	(4,912)
	5,747	**4,649**
Jetties		
at cost	931	931
Less accumulated amortisation	(235)	(220)
	696	**711**
Heritage buildings		
at fair value	65	57
Less accumulated depreciation	(39)	(34)
	26	**23**
Total Buildings	**6,469**	**5,383**
Total Property	**20,445**	**19,473**
Plant and Equipment		
Plant, machinery and equipment		
at cost	6,048	5,520
Less accumulated depreciation	(4,246)	(3,871)
	1,802	**1,649**
Fixtures, fittings and furniture		
at cost	114	114
Less accumulated depreciation	(103)	(99)
	11	**15**
Computers and telecommunications		
at cost	258	258
Less accumulated depreciation	(226)	(195)
	32	**63**
Total Plant and Equipment	**1,845**	**1,727**

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

	2025 $'000	2024 $'000
Infrastructure		
Roads		
at fair value	80,890	80,325
Less accumulated depreciation	(24,745)	(23,762)
	56,145	**56,563**
Bridges		
at fair value	13,069	11,994
Less accumulated depreciation	(8,789)	(8,062)
	4,280	**3,932**
Airport		
at fair value	14,932	14,828
Less accumulated depreciation	(8,803)	(8,493)
	6,129	**6,335**
Drainage		
at fair value	2,613	2,165
Less accumulated depreciation	(1,062)	(863)
	1,551	**1,302**
Recreational and community facilities		
at fair value	7,148	5,648
Less accumulated depreciation	(4,565)	(3,812)
	2,583	**1,836**
Waste Management		
at cost	1,670	1,646
Less accumulated depreciation	(1,094)	(964)
	576	**682**
Quarries		
at cost	135	135
Less accumulated depreciation	(29)	(26)
	106	**109**
Total Infrastructure	**71,370**	**70,759**
Works in progress at cost		
Buildings	4,707	1,270
Computers and Telecommunications	110	86
Roads	7	7
Airport	126	126
Recreation and community facilities	770	661
Quarries	40	5
Waste management	182	182
Total Works in progress	**5,942**	**2,337**
Total property, infrastructure, plant and equipment	**99,602**	**94,296**

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

Reconciliation of property, infrastructure, plant and equipment

2025	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation (note 3.3)	Written down value of disposals	Transfers	Balance at end of financial year
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property							
Land	5,769	125	-	-	(238)	-	5,656
Land under roads	8,320	-	-	-	-	-	8,320
Total land	14,089	125	-	-	(238)	-	13,976
Buildings	4,649	515	686	(103)	-	-	5,747
Jetties	711	-	-	(15)	-	-	696
Heritage buildings	23	-	3	-	-	-	26
Total buildings	5,383	515	689	(118)	-	-	6,469
Total property	19,472	640	689	(118)	(238)	-	20,445
Plant and Equipment							
Plant, machinery and equipment	1,649	528	-	(375)	-	-	1,802
Fixtures, fittings and furniture	15	-	-	(4)	-	-	11
Computers and telecommunications	63	-	-	(31)	-	-	32
Total plant and equipment	1,727	528	-	(410)	-	-	1,845
Infrastructure							
Roads	56,563	564	-	(983)	-	-	56,144
Bridges	3,931	288	261	(200)	-	-	4,280
Airport	6,335	104	-	(310)	-		6,129
Drainage	1,302	7	261	(19)	-	-	1,551
Recreational and community facilities	1,836	616	266	(135)	-	-	2,583
Waste management	682	24	-	(130)	-	-	576
Quarries	109	-	-	(2)	-	-	107
Total infrastructure	70,758	1,603	788	(1,779)	-	-	71,370
Works in progress							
Buildings	1,271	3,436	-	-	-	-	4,707
Computers and Telecommunications	86	24	-	-	-	-	110
Roads	7	-	-	-	-	-	7
Airport	126	-	-	-	-	-	126
Recreation and community facilities	662	108	-	-	-	-	770
Quarries	5	35					40
Waste management	182	-	-	-	-	-	182
Total works in progress	2,339	3,603	-	-	-	-	5,942
Total property, infrastructure, plant and equipment	**94,296**	**6,374**	**1,477**	**(2,307)**	**(238)**	**-**	**99,602**

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

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

2024	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation (note 3.3)	Written down value of disposals	Transfers	Balance at end of financial year
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property							
Land	5,644	125	-	-	-	-	5,769
Land under roads	2,534	-	5,786	-	-	-	8,320
Total land	8,178	125	5,786	-	-	-	14,089
Buildings	4,238	514	-	(103)	-	-	4,649
Jetties	726	-	-	(15)	-	-	711
Heritage buildings	23	-	-	-	-	-	23
Total buildings	4,987	514	-	(118)	-	-	5,383
Total property	13,165	639	5,786	(118)	-	-	19,472
Plant and Equipment							
Plant, machinery and equipment	1,614	444	-	(409)	-	-	1,649
Fixtures, fittings and furniture	19	-	-	(4)	-	-	15
Computers and telecommunications	14	31	-	(13)	-	31	63
Total plant and equipment	1,647	475	-	(426)	-	31	1,727
Infrastructure							
Roads	48,951	616	7,959	(963)	-	-	56,563
Bridges	4,119	-	-	(188)	-	-	3,931
Airport	5,262	686	607	(220)	-	-	6,335
Drainage	1,321	-	-	(19)	-	-	1,302
Recreational and community facilities	1,884	87	-	(135)	-	-	1,836
Waste management	812	-	-	(130)	-	-	682
Quarries	111	-	-	(2)	-	-	109
Total infrastructure	62,460	1,389	8,566	(1,657)	-	-	70,758
Works in progress							
Buildings	447	824	-	-	-	-	1,271
Bridges	-	-	-	-	-	-	-
Computers and Telecommunications	31	86	-	-	-	(31)	86
Roads	7	-	-	-	-	-	7
Airport	126	-	-	-	-	-	126
Recreation and community facilities	333	329	-	-	-	-	662
Quarries	-	5	-	-	-	-	5
Waste management	145	37	-	-	-	-	182
Total works in progress	1,089	1,281	-	-	-	(31)	2,339
Total property, infrastructure, plant and equipment	**78,361**	**3,784**	**14,352**	**(2,201)**	**-**	**-**	**94,296**

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. 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.

Revaluation

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

Land	fair value
Land under roads	fair value
Plant, machinery and equipment	cost
Fixtures, fittings and furniture	cost
Computers and telecommunications	cost
Roads	fair value
Bridges	fair value
Buildings	fair value
Recreational and community facilities	fair value
Jetties	cost
Airport	fair value
Drainage	fair value
Heritage buildings	fair value
Waste management	cost
Quarries	cost

Subsequent to the initial recognition of assets, non-current physical assets, other than: plant, machinery and equipment; fixtures, fittings and furniture; computers and telecommunications; jetties; waste management; and quarries 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.

Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. Valuations are 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.

Land under roads

Council recognised the value of land under roads it controls at fair value.

		2025	2024
		$'000	$'000
Note 7	**Current liabilities**		
Note 7.1	**Trade and other payables**		
	Trade payables	376	326
	Rates and charges in advance	26	92
	Net GST payable / (receivable)	37	(24)
	Accrued expenses	640	230
	Total trade and other payables	**1,079**	**624**

Accounting policy

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

Rates and charges in advance represents amounts received by Council prior to the commencement of the rating or charging period. Revenue is recognised by Council at the beginning of the rating or charge period to which the advance payment relates.

Note 7.2	**Trust funds and deposits**		
	Refundable building deposits	58	11
	Other refundable deposits	11	7
	Total trust funds and deposits	**69**	**18**

Note 7.3	**Provisions**	Annual leave	Long service leave	Land Fill & quarry rehabilitation	Total
	2025	**$'000**	**$'000**	**$'000**	**$'000**
	Balance at beginning of the financial year	359	330	1,415	2,104
	Additional provisions	171	55	149	375
	Amounts used	(199)	(26)	-	(225)
	Balance at the end of the financial year	**331**	**359**	**1,564**	**2,254**
	Current	331	159	200	690
	Non-current	-	200	1,364	1,564
	Total	**331**	**359**	**1,564**	**2,254**
	2024				
	Balance at beginning of the financial year	356	230	1,415	2,001
	Additional/(reduction in) provisions	199	174	-	373
	Amounts used	(196)	(74)	-	(270)
	Balance at the end of the financial year	**359**	**330**	**1,415**	**2,104**
	Current	359	153	-	512
	Non-current	-	177	1,415	1,592
	Total	**359**	**330**	**1,415**	**2,104**

Accounting policy

(a) 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.

	2025	2024
	$'000	$'000

Note 7.3 Provisions (continued)

Accounting policy (continued)

(a) Employee benefits (continued)

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.

(b) Land fill and quarry rehabilitation

Accounting policy

Under Council undertaking, Council is obligated to restore the landfill site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs. Council does not expect to receive reimbursement from a third party.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate 3.3%
- index rate 1.7%

Note 7.4 Contract Liabilities

Current

Funds received to acquire on construct an asset controlled by Council	588	1,448
	588	**1,448**

Accounting policy

Council recognised the following contractual liabilities:

i) Grant funds received in advance includes the upgrade of sporting facilities. The funds received are under an enforceable contract which requires 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. Revenue is expected to be recognised in the next 12 months.

ii) Upfront payments of funds from contracts with customers are recognised as a contract liability until performance obligations are satisfied. Revenue is recognised as performance obligations are progressively fulfilled.

		2025	2024
		$'000	$'000
Note 8	**Non-current liabilities**		
Note 8.1	**Interest-bearing loans and borrowings**		
	Current		
	Borrowings - secured	51	50
		51	**50**
	Non-current		
	Borrowings - secured	531	582
		531	**582**
	Total	**582**	**632**

Borrowings

Under the terms of its Deed of Charge with the Tasmanian Public Finance Corporation, Council's borrowings are secured by a floating charge over its property.

The maturity profile for Council's borrowings is:		
Not later than one year	52	50
Later than one year and not later than five years	530	582
Total	**582**	**632**

Bank Overdraft		
Overdraft limit	1,000	300
	1,000	**300**

Accounting policy

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.

			2025 $'000	2024 $'000
Note	**9**	**Other financial information**		
Note	**9.1**	**Reserves**		
		Asset revaluation reserve	69,977	68,498
		Fair value reserve	831	728
		Strategic reserves	2,546	3,075
		Minor reserves	473	433
		Total	**73,827**	**72,734**

	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
(a) Asset revaluation reserve	**$'000**	**$'000**	**$'000**	**$'000**
2025 Property				
Land	4,882	-	-	4,882
Land under roads	5,786	-	-	5,786
Buildings and Recreational and community facilities	3,431	956	-	4,387
	14,099	**956**	**-**	**15,055**
Infrastructure				
Roads and Bridges	48,902	262	-	49,164
Drainage	1,126	261	-	1,387
Airport	4,371	-	-	4,371
	54,399	**523**	**-**	**54,922**
Total asset revaluation reserve	**68,498**	**1,479**	**-**	**69,977**
2024 Property				
Land	4,882	-	-	4,882
Land under roads	-	5,786	-	5,786
Buildings and Recreational and community facilities	3,431	-	-	3,431
	8,313	**5,786**	**-**	**14,099**
Infrastructure				
Roads and Bridges	40,942	7,960	-	48,902
Drainage	1,126	-	-	1,126
Airport	3,764	607	-	4,371
	45,832	**8,567**	**-**	**54,399**
Total asset revaluation reserve	**54,145**	**14,353**	**-**	**68,498**

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

(b) Fair value reserve				
2025 Equity Investment assets				
Investment in water corporation	728	103	-	831
Total fair value reserve	**728**	**103**	**-**	**831**
2024 Equity Investment assets				
Investment in water corporation	465	263	-	728
Total fair value reserve	**465**	**263**	**-**	**728**

Council has 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.

Note 9.1 Reserves (continued)

(c) Other reserves	Balance at beginning of reporting year $'000	Increment $'000	(Decrement) $'000	Balance at end of reporting year $'000
2025 Strategic reserves				
Community Reserve	1,031	-	-	1,031
Asset Development Reserve	-	290	-	290
Grants in Advance Reserve	2,044	1,225	(2,044)	1,225
Total strategic reserves	**3,075**	**1,515**	**(2,044)**	**2,546**
2025 Minor reserves				
Lighthouse Reserve	167	-	-	167
Naracoopa Jetty Reserve	255	-	-	255
Grassy Mine Infrastructure Reserve	11	40	-	51
Total minor reserves	**433**	**40**	**-**	**473**
Total other reserves	**3,508**	**1,555**	**(2,044)**	**3,019**
2024 Strategic reserves				
Community Reserve	1,688	156	(813)	1,031
Grants in Advance Reserve*	2,847	2,044	(2,847)	2,044
Total strategic reserves	**4,535**	**2,200**	**(3,660)**	**3,075**
2024 Minor reserves				
Lighthouse Reserve	159	8	-	167
Naracoopa Jetty Reserve	201	54	-	255
Grassy Mine Infrastructure Reserve	10	1	-	11
Housing Reserve	439	21	(460)	-
Total minor reserves	**809**	**84**	**(460)**	**433**
Employee Entitlement Reserve	586	-	(586)	-
Total other reserves	**5,930**	**2,284**	**(4,706)**	**3,508**

Strategic Reserves
Funds held for the purpose of major infrastructure development and/or to provide funding for future one off costs or asset investment. Strategic reserve support a mix of capital funding sources that is cross generational. Capital projects funded from a mix of reserves, rates and borrowings are paid by pa present and future generations respectively.

Community Reserve
In return for transferring water and sewer assets to Cradle Mountain Water (now TasWater) in 2009, Council received payment of a capital sum. The funds are reserved to finance discretionary projects to benefit the King Island community.

Asset Development Reserve

This reserve is primarily created to support future infrastructure development and asset investment including:
- Seed funding to attract future capital government grants.
- Contributions towards future asset development works within the municipality.
- Property acquisition for the purpose of staff housing.

Grants in Advance Reserve*

Funds held from grant monies, to be expended in future financial years, and not recognised in the Balance Sheet as 'Unearned income / Contract liabilities'. External restrictions may or may not apply in line with individual funding agreements. Grants in Advance Reserve previously termed Restricted Funds Reserve.

Minor Reserves
Funds put aside for a specific community group or for the maintenance of an identified community asset.

Lighthouse Reserve
Ownership of the Currie Lighthouse was transferred to Council from the Federal Government. Council received an initial capital grant to be used for the ongoing maintenance of the Lighthouse.

Naracoopa Jetty
Ownership of the jetty was transferred to Council in 2008. Council received an initial capital grant for its upgrading and ongoing maintenance.

Grassy Mine Infrastructure Reserve
A reserve was established and managed under conditions prescribed in a Part V Agreement attached to the planning permit issued to King Island Scheelite. The purpose of the reserve is to provide infrastructure to benefit the Grassy community.

Housing Reserve

Council established a separate reserve in 2018 after the sale of a Council-owned house. The purpose of the reserve is to contribute to future accommodation needs. This reserve is not specifically identified in Council's Financial Reserves Policy.

		2025 $'000	2024 $'000
Note 9.2	**Reconciliation of cash flows from operating activities to surplus (deficit)**		
	Result from continuing operations	765	170
	Depreciation	2,307	2,201
	(Profit)/loss on disposal of property, infrastructure, plant and equipment	(94)	-
	Capital grants received specifically for new or upgraded assets	(4,195)	(2,335)
	Change in assets and liabilities:		
	Decrease/(increase) in trade and other receivables	(156)	(1,123)
	Decrease/(increase) in other assets	88	36
	Decrease/(increase) in inventories	-	(330)
	Increase/(decrease) in trade and other payables	458	(523)
	Increase/(decrease) in provisions	150	103
	Increase/(decrease) in contract liabilities	(860)	814
	Net cash provided by/(used in) operating activities	**(1,537)**	**(987)**

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		
Balance at beginning of the financial year	632	681
Cash repayments	(50)	(49)
Balance at the end of the financial year	**582**	**632**

Note 9.4 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 4.1)	1,571	3,708
Total reconciliation of cash and cash equivalents	**1,571**	**3,708**

Note 9.5 Financing arrangements

Bank overdraft	1,000	220
Unused facilities	**1,000**	**220**

Note 9.6 Superannuation

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

For the year ended 30 June 2025 Council had no need to contribute to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, Council is required to meet its share of the deficiency.

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

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

- Net Investment Return 4.5% p.a.
- Salary Inflation 3.00% p.a.
- Price Inflation n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2023.
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2023.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2028.

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

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

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

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

- The Trust Deed does not contemplate the Fund withdrawing from Spirit Super.

  * Pursuant to a trust deed of 1 October 2025, Spirit Super merged with Care Super and is now known as Care Super.

Note 9.6 Superannuation (Continued)

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported 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 2024, showed that the Fund had assets of $41.80 million and members' Vested Benefits were $32.60 million. These amounts represented 0.14% and 0.11% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2024 the Fund had 55 members and the total employer contributions and member contributions for the year ending 30 June 2024 were $668,923 and $151,839 respectively.

Fund	2025 $'000	2024 $'000
Accumulation funds		
Employer contributions to all employees' funds	351	299
	351	**299**

Note 9.7 Commitments

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.

Capital Expenditure Commitments		
Plant and equipment	-	211
Recreational and community facilities	978	1,677
Total Capital expenditure commitments	**978**	**1,888**

Note 9.08 Contingent liabilities and contingent assets

Contingent liabilities

Council has determined that it does not have any contingent liabilities.

Guarantees for loans to other entities

Council has not provided a guarantee to any other entity.

Contingent assets

Council has determined that it does not hold any contingent assets.

Note 9.9 Financial Instruments

Managing financial risk

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

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

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

(a) Interest Rate Risk

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

2025

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	4.50%	1,571	-	-	-	-	1,571
Investments	4.90%	-	2,930	-	-	-	2,930
Trade and other receivables	9.85%	151	-	-	-	1,399	1,550
Investment in water corporation		-	-	-	-	5,379	5,379
Total financial assets		**1,722**	**2,930**	**-**	**-**	**6,778**	**11,430**
Financial liabilities							
Trade and other payables		-	-	-	-	1,079	1,079
Trust funds and deposits		-	-	-	-	69	69
Interest-bearing loans and borrowings	4.30%	-	51	531	-	-	582
Total financial liabilities		**-**	**51**	**531**	**-**	**1,148**	**1,730**
Net financial assets (liabilities)		**1,722**	**2,879**	**(531)**	**-**	**5,630**	**9,700**

2024

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	4.50%	3,708	-	-	-	-	3,708
Investments	4.90%	-	4,176	-	-	-	4,176
Trade and other receivables	9.85%	181	-	-	-	1,214	1,395
Investment in water corporation		-	-	-	-	5,277	5,277
Total financial assets		**3,889**	**4,176**	**-**	**-**	**6,491**	**14,556**
Financial liabilities							
Trade and other payables		-	-	-	-	624	624
Trust funds and deposits		-	-	-	-	18	18
Interest-bearing loans and borrowings	3.79%	-	50	582	-	-	632
Total financial liabilities		**-**	**50**	**582**	**-**	**642**	**1,274**
Net financial assets (liabilities)		**3,889**	**4,126**	**(582)**	**-**	**5,849**	**13,282**

Note 9.9 Financial Instruments (continued)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per Statement of Financial Position		Aggregate net fair value	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Financial assets				
Cash and cash equivalents	1,571	3,708	1,571	3,708
Investments	2,930	4,176	2,930	4,176
Trade and other receivables	1,550	1,395	1,550	1,395
Investment in water corporation	5,379	5,277	5,379	5,277
Total financial assets	**11,430**	**14,556**	**11,430**	**14,556**
Financial liabilities				
Trade and other payables	1,079	624	1,079	624
Trust funds and deposits	69	18	69	18
Interest-bearing loans and borrowings	582	632	592	669
Total financial liabilities	**1,730**	**1,274**	**1,740**	**1,311**

(c) Credit Risk

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

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from the Tasmanian Public Finance Corporation (Tascorp). The overdraft is arranged with a major Australian bank. 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*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Note 9.9 Financial Instruments (continued)
(d) Risks and mitigation (continued)

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 has exposure to credit risk on some financial assets included in our Statement of Financial Position. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

Credit risk arises from Council's financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable policy note. Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables.
It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.
In addition, receivable balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

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

	Financial Institutions $'000 (AAA credit rating)	Other $'000 (min BBB credit rating)	Total $'000
2025			
Cash and cash equivalents	1,571	-	1,571
Trade and other receivables	-	1,550	1,550
Investments and other financial assets	2,930	-	2,930
Total contractual financial assets	**4,501**	**1,550**	**6,051**
2024			
Cash and cash equivalents	3,708	-	3,708
Trade and other receivables	-	1,395	1,395
Investments and other financial assets	4,177	-	4,177
Total contractual financial assets	**7,885**	**1,395**	**9,280**

Ageing of Trade and Other Receivables

	2025 $'000	2024 $'000
Current (not yet due)	1,255	1,192
Past due by up to one month	104	61
Past due between one and six months	80	130
Past due by more than six months	113	12
Total Trade & Other Receivables	**1,552**	**1,395**

Note 9.9 Financial Instruments (continued)
(d) Risks and mitigation (continued)
Credit risk (Continued)

Individually impaired Trade and Other Receivables
At balance date, trade and other receivables with a nominal value of $1.552m (2023-24: $1.395m) were assessed as being impaired. The amount of the provision for expected credit losses raised against these debtors was $60,000 (2023-24: $60,000). The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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.

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

2025	6 mths or less $'000	6-12 months $'000	1-2 years $'000	3-5 years $'000	>5 years $'000	Contracted Cash Flow $'000	Carrying Amount $'000
Trade and other payables	1,079	-	-	-	-	1,079	1,079
Trust funds and deposits	11	58	-	-	-	69	69
Interest-bearing loans and borrowings	25	26	53	141	337	582	582
Total financial liabilities	**1,115**	**84**	**53**	**141**	**337**	**1,730**	**1,730**

2024	6 mths or less $'000	6-12 months $'000	1-2 years $'000	3-5 years $'000	>5 years $'000	Contracted Cash Flow $'000	Carrying Amount $'000
Trade and other payables	624	-	-	-	-	624	624
Trust funds and deposits	7	11	-	-	-	18	18
Interest-bearing loans and borrowings	25	25	52	148	382	632	632
Total financial liabilities	**656**	**36**	**52**	**148**	**382**	**1,274**	**1,274**

Note 9.9 Financial Instruments (continued)

(e) Sensitivity disclosure analysis

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

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

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

		Interest rate risk			
		-1.00%		1.00%	
2025	$'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Financial assets:					
Cash and cash equivalents	1,571	(16)	(16)	16	16
Investments	2,930	(29)	(29)	29	29
Financial liabilities:					
Interest-bearing loans and borrowings	582	6	6	(6)	(6)

		Interest rate risk			
		-1.00%		1.00%	
2024	$'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Financial assets:					
Cash and cash equivalents	3,708	(37)	(37)	37	37
Investments	4,177	(42)	(42)	42	42
Financial liabilities:					
Interest-bearing loans and borrowings	632	6	6	(6)	(6)

Fair Value

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

Financial Instruments	**Total carrying amount as per the Statement of Financial Position**		**Aggregate net fair value**	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Financial assets				
Cash and cash equivalents	1,571	3,708	1,571	3,708
Investments	2,930	4,176	2,930	4,176
Trade and other receivables	1,550	1,395	1,550	1,395
Investment in water corporation	5,379	5,277	5,379	5,277
Total financial assets	**11,430**	**14,556**	**11,430**	**14,556**
Financial liabilities				
Trade and other payables	1,079	624	1,079	624
Trust funds and deposits	69	18	69	18
Interest-bearing loans and borrowings	582	632	533	529
Total financial liabilities	**1,730**	**1,274**	**1,681**	**1,171**

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
- Roads
- Bridges
- Airport
- Drainage
- Recreation and community facilities

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 2025.

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 2025

	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements		**$'000**	**$'000**	**$'000**	**$'000**
Investment in water corporation	5.1	-	-	5,379	5,379
Land	6.1	-	5,656	-	5,656
Land under roads	6.1	-	-	8,320	8,320
Buildings and Heritage buildings	6.1	-	-	5,773	5,773
Roads	6.1	-	-	56,145	56,145
Bridges	6.1	-	-	4,280	4,280
Drainage	6.1	-	-	1,551	1,551
Airport	6.1	-	-	6,129	6,129
Recreational and community facilities	6.1	-	-	2,583	2,583
		-	**5,656**	**90,160**	**95,816**

As at 30 June 2024

	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements		**$'000**	**$'000**	**$'000**	**$'000**
Investment in water corporation	5.1	-	-	5,276	5,276
Land	6.1	-	5,769	-	5,769
Land under roads	6.1	-	-	8,320	8,320
Buildings and Heritage buildings	6.1	-	-	4,672	4,672
Roads	6.1	-	-	56,563	56,563
Bridges	6.1	-	-	3,932	3,932
Drainage	6.1	-	-	1,302	1,302
Airport	6.1	-	-	6,335	6,335
Recreational and community facilities	6.1	-	-	1,836	1,836
		-	**5,769**	**88,236**	**94,005**

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

(b) Highest and best use

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 in water corporation

Refer to Note 5.1 for details of valuation technique used to derive fair value.

Land

Valuation of land (excluding land under roads) was undertaken by the Valuer General (VG) as at 1 July 2016 and is proposed to be revalued during the FY 2024-25. This valuation of land was at fair value, being market value based on highest and best use permitted by relevant land planning provisions. In the financial year ended 30 June 2022 these values were indexed by between 40% to 90%, depending on the classification of the respective property. The indexation factors were taken from the adjustment factors for the municipal area, as gazetted by the VG during the year.

Land under roads

The value of the Land Under Road network at 30 June 2024 is based on valuation data determined by the Valuer-General. The valuation approach uses adjusted land values and areas for all properties within the municipality depending upon its classification and then applying a discount appropriate to the respective classification. This adjustment is an unobservable input in the valuation. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between $0.84 and $7.56 per square metre.

Note 9.10 Fair Value Measurements (continued)

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

Buildings, Recreational and community facilities

Building and Heritage Building assets were indexed as at 30 June 2025 by 15.1% for a period of 36 months since the last revaluation as at 30 June 2022. Recreation and community facility assets were indexed as at 30 June 2025 by 15.66% for a period of 36 months since the last revaluation as at 30 June 2022.

Index rates were provided by Council's consulting engineer based on available construction rate annual cost movements.

Infrastructure assets

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in note 6.1.

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

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

Roads, including footpaths, cycleways & culverts

A full valuation of the roads asset class was undertaken by Council's consulting engineers, effective 30 June 2024. The valuation comprised gross replacement cost less accumulated depreciation calculated on the basis of such cost (current replacement cost) to reflect the already consumed or expired future economic benefits of the asset.

Roads have been valued by Moloney Asset Management Systems (MAMS). Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

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

Bridges

Bridge assets were indexed as at 30 June 2025 by 7.0% for a period of 24 months since the last revaluation as at 30 June 2023. Index rates were provided by Council's consulting engineer based on available construction rate annual cost movements.

The previous full valuation of bridges assets was undertaken by independent valuers, Auspan, during the year ended 30 June 2023. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area. No material movement was identified since the 2023 valuation.

Drainage

Drainage assets were indexed as at 30 June 2025 by 20.3% for a period of 48 months since the last revaluation as at 30 June 2021. Index rates were provided by Council's consulting engineer based on available construction rate annual cost movements.

A full valuation of drainage infrastructure was undertaken by Council's consulting engineers, effective 30 June 2021. While no material movement was identified subsequent to this valuation, this asset class is to be reassessed for revaluation during the 2024/25 financial year. Drainage assets are managed in segments, pits and pipes being the major components.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

Airport

In the financial year ended 30 June 2024 the carrying values of airport assets were revalued by applying an indexation factor of 12% based on the movement in the asset subclasses. The 12% indexation was applied to 30 June 2022 values being the date of the last full revaluation.

Similar to other categories, the airport is managed in segments, the airstrip, taxiways and buildings being the major components. Each component was individually assessed. The valuation comprises the asset's current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Other Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position.

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
Investment in Water Corporation	5,379	Refer to note 5.1 for a description of the valuation basis.		

***** 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 plant and equipment assets with recurring fair value measurements are detailed in note 6.1 (Property, infrastructure, plant and equipment). Investment in water corporation, which is classified as level 3, has been separately disclosed in note 5.1.

	2025 $'000	2024 $'000
Balance at beginning of reporting period	**73,408**	**64,666**
Gain/(loss) recognised in other comprehensive income		
Fair value adjustments on equity investment assets	103	263
Net asset revaluation increment/(decrement)	522	8,567
Purchases	963	1,302
Depreciation	(1,512)	(1,390)
Closing balance	**73,484**	**73,408**

(f) Valuation processes

Council's current policy for the valuation of the investment in the water corporation and property, infrastructure, plant and equipment (recurring fair value measurements) is set out in notes 5.1 and 6.1 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 profit or loss 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 matters or circumstances have arisen since the end of the reporting period which require disclosure in the financial report.

Note 10 Other matters

Note 10.1 Related party transactions 01.07.24 - 30.06.25

(i) Councillor Remuneration Full Year

Name	Position	Period	Short term employee benefits: Allowances $	Short term employee benefits: Vehicles $	Total Compensation AASB 124 $	Expenses[1] $	Total allowances and expenses section 72 $
2025							
Cr Marcus Blackie	*Mayor*	*Full Year*	38,678	-	38,678	1,295	39,973
Cr Vernon Philbey	*Deputy Mayor*	*Full Year*	22,716	-	22,716	1,406	24,122
Cr Ian Allan	*Councillor*	*Full Year*	11,051	-	11,051	-	11,051
Cr David Bowden	*Councillor*	*Full Year*	11,051	-	11,051	-	11,051
Cr Anna Hely	*Councillor*	*Full Year*	11,051	-	11,051	-	11,051
Cr Robert (Ira) Cooke	*Councillor*	*Full Year*	11,051	-	11,051	-	11,051
Cr Gina Green	*Councillor*	*Full Year*	11,051	-	11,051	-	11,051
Cr Sarina Laidler	*Councillor*	*Full Year*	11,051	-	11,051	-	11,051
Cr Alistair (Duncan) McFie	*Councillor*	*01.07.24 to 20.08.24*	2,630	-	2,630	-	2,630
Cr Rowan Cooke	*Councillor*	*01.11.24 to 30.06.25*	7,210		7,210		7,210
Total			**137,540**	**-**	**137,540**	**2,701**	**140,241**
2024							
Cr Marcus Blackie	*Mayor*	*Full Year*	36,914	-	36,914	2,071	38,985
Cr Vernon Philbey	*Deputy Mayor*	*Full Year*	21,680	-	21,680	-	21,680
Cr Ian Allan	*Councillor*	*Full Year*	10,548	-	10,548	-	10,548
Cr David Bowden	*Councillor*	*Full Year*	10,548	-	10,548	-	10,548
Cr Anna Hely	*Councillor*	*Full Year*	10,548	-	10,548	-	10,548
Cr Robert (Ira) Cooke	*Councillor*	*Full Year*	10,548	-	10,548	-	10,548
Cr Gina Green	*Councillor*	*Full Year*	10,548	-	10,548	93	10,641
Cr Sarina Laidler	*Councillor*	*01.07.23 - 03.12.23 & 29.01.24 - 30.06.24*	7,858	-	7,858	-	7,858
Cr Alistair (Duncan) McFie	*Councillor*	*01.07.23 - 19.02.24*	6,711	-	6,711	-	6,711
Total			**125,902**	**-**	**125,902**	**2,164**	**128,066**

1 Section 72(1)cb of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors. Expenses reimbursed relate to Councillors travelling on Council-authorised business and are governed by Council's Policy. Travel costs mainly comprise motor vehicle expenses, use of mobile telephone and, where appropriate, flight expenses.

Note 10.1 Related party transactions (continued)

(ii) Key Management Personnel Remuneration

Salary Remuneration Band		Number of employees	Short term employee benefits				Post employment benefits		Non-monetary Benefits	Total
			Salary[1]	Short-term Incentive Payments[2]	Vehicles[3]	Other Allowances and Benefits[4]	Super-annuation[5]	Termination Benefits[6]	Non-monetary Benefits[7]	
			$	$	$	$	$	$	$	$
2025										
$180,000 - $200,000		1	183,241		6,000		21,608			210,849
$0 - $20,000	* part-time	1	10,673		480		1,227			12,380
Sub-total			**193,914**	**-**	**6,480**	**-**	**22,835**	**-**	**-**	**223,229**
Non-employee remuneration										
Non-employee KMP[9]	4 roles		361,309		-					361,309
Sub-total			**361,309**	**-**	**-**	**-**	**-**	**-**	**-**	**361,309**
				-	-	-	-	-	-	-
Total			**555,223**	**-**	**6,480**	**-**	**22,835**	**-**	**-**	**584,538**
2024										
$120,000 - $140,000	* part-time	1	126,970	-	-	-	14,924	-	15,856	157,750
$80,000 - $100,000	* part-time	1	90,663	-	5,833	-	18,063	-	14,238	128,797
Sub-total			**217,633**	**-**	**5,833**	**-**	**32,988**	**-**	**30,094**	**286,547**
Non-employee remuneration										
Non-employee KMP9	6 roles		576,959							576,959
				-						
Sub-total			576,959	**-**	**-**	**-**	**-**	**-**	**-**	576,959
Total			**794,592**	**-**	**5,833**	**-**	**32,988**	**-**	**30,094**	**863,506**

Note 10 Other matters

Note 10.1 Related party transactions (continued)

(ii) Key Management Personnel Remuneration (Continued)

1 Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts. Values include all payments for the entire year, even if the person was not a member of key management for the entire year.

2 Employment contracts for key management personnel do not provide for short term incentives.

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

4 Other allowances and benefits includes all other forms of employment allowances (excluding reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable. Subsidised housing is provided to some key management personnel according to the provisions of their respective employment contracts. If subsidised housing is not available, a cash equivalent payment is made and included here.

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

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

7 Non-monetary benefits include annual and long service leave movements and non-monetary benefits. Non-monetary benefits includes subsidised housing provided, either at no cost or net of any rent contribution paid by the KMP.

8 Former KMP are individuals who are no longer employed by Council and do not meet the definition of a KMP at any time in the financial year.

9 Non-employee remuneration includes external contractors filling KMP roles during the year for longer than four weeks at a time. Payments to these are charged to Contractors and Consultants rather than Employee Costs. Council's contract arrangements with these contractors excludes payments of superannuation, accrual of leave and termination benefit but may include provision of subsidised housing for the contract period. Contractors invoice a single amount comprising both the contractor fee plus the KMP remuneration. Individual salary breakdowns are therefore unavailable to Council for disclosure purposes.

Year 2025 - Non-employee remuneration

Dr Catherine Dale - Interim General Manager (01.07.2024 - 06.03.25 & 19.04.25 - 30.06.25)
Stephen Blackedder - Interim General Manager (07.03.25 - 18.04.25)
Malcolm Lewis - Manager Finance (24.07.24 - 30.06.25)
Mick Gray - Contract Engineer (Full Year))

Year 2024 - Non-employee remuneration

Dr Catherine Dale - Interim General Manager (27.04.24 - 30-06-24)
Brain Barrett - Interim General Manager (28.11.23 - 26.01.24)
Robert Ball - Interim General Manager (27.01.24 - 26.04.24)
Malcolm Steven - Finance Manager (Full Year)
Mick Gray - Contract Engineer (Full Year)
Glen Walker - Contract Engineer (Full Year)

(iii) Remuneration Principles

Councillors

Allowances for Councillors, Mayor and Deputy Mayor are set by the Department of Premier and Cabinet (Local Government Division). Allowances were last indexed on 1 November 2023.

Executives

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 the General Manager is reviewed annually which includes a review of their remuneration package. The terms of employment of the General Manager contain a resignation clause that requires the General Manager to provide a minimum notice period of four weeks prior to termination of the contract. Longer periods of notice apply if Council terminates the contract for specified reasons. Whilst not automatic, contracts can be extended.

The terms of employment of other senior managers contain similar clauses but are subject to minimum notice periods of up to 4 - 8 weeks if the executive resigns prior to termination of the contract by Council.

Short term incentive payments

The Council sets fixed performance targets for the General Manager, with goals and indicators aligned to achievement of its approved Annual Plan and Budget Estimates each year. No short term incentive payments were assessed or awarded during the year.

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.

Where key management personnel are engaged as contractors rather than employees, remuneration is based on procurement principles. The objective of Council's procurement principles are to achieve a value for money outcome by seeking qualified incumbents from the competitive market with the required skill set and experience for each senior position.

Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

(iv) Transactions with subsidiaries, associates and joint ventures

Council does not hold any interests in subsidiaries, associates or joint ventures.

Note 10.1 Related party transactions (continued)

(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	Outstanding balances, including commitments at year end	Terms and conditions	Provision for doubtful debts related to outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
Hire of motor vehicles [1]	$4,889	-	Normal commercial terms	-	-
Rental of airport terminal space [2]	$9,138	-	Normal commercial terms	-	-
Supply of construction materials and related services [3]	$230,010	-	As per Council's Approved Fees and Charges	-	-
Supply of Council venues and commercial waste services. Lodgement of development application fees [4]	$1,630	-	As per Council's Approved Fees and Charges	-	-
License Fees for KI Lighthouse [5]	$16	-	As per Council's Approved Fees and Charges	-	-
Commercial waste services [6]	$198	-	As per Council's Approved Fees and Charges	-	-
Supply of food services [7]	$980	-	Normal commercial terms	-	-
Hire of Sizzor Lift [8]	$3,608	-	Normal commercial terms	-	-

Note 10.1 Related party transactions (continued)

1 *Council rented motor vehicles on a short-term basis from King Island Car Rental. King Island Car Rental is a firm controlled by a member of Council's KMP. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

2 *Council rents space in its Airport terminal to King Island Car Rental. King Island Car Rental is a firm controlled by a member of Council's KMP. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

3 *Council was contracted to construct a number of private works by King Island Constructions. Members of the management of King Island Constructions is controlled parties related to members of Council's KMP. Amounts billed were based on normal rates for such works and payable on normal payment terms.*

4 *Council hired venues, provided waste disposal services and received development application fees with Phoenix House. Phoenix House is a related party as a member of its management committee is also a member of Council's KMP. Amounts billed for facilities hire were based on Council's approved Fees and Charges.*

5 *Council Contracted with King Island Walks for license Fees. King Island Walks is a firm controlled by a member of Council's KMP. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

6 *Council supplied commercial waste services to King Island Lift and Tilt. Amounts billed for waste services supplied were based on Council's approved Fees and Charges.*

7 *Council purchased drinking water equipment and supplies for Airport passengers and patrons from Bloop Bloop. Bloop Bloop is controlled by a member of Council's KMP. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

8 *Council contracted with King Island Engineering Solutions for a Sizzor Lift. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

Note 10.1 Related party transactions (continued)

(v) Transactions with related parties (continued)

NOTE: Several elected members, who qualify as key management personnel of Council, are family members of Council employees. The employees involved are not key management personnel. Financial transactions related to family member employees include payroll and reimbursement of expenses incurred for business purposes. These are typically approved by the General Manager, not Council, and are assessed under Council's registered industrial award(s) and approved policies.

(vi) Loans and guarantees to/from related parties

The Council has no loans with, nor any guarantees or security in relation to loans to or by a related party.

(vii) Commitments to/from related parties

The Council has no commitments at balance date to make, guarantee or secure any transaction or loans to, from or on behalf of 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 on a primary residence
- Dog registration
- Use of Council's community facilities, including hire of venues in accordance with Council's Fees and Charges Policy

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

	2025	2024
King Island Youth Centre Management Committee	**$**	**$**
Opening Balance	1,519	1,519
Cash Receipts	-	-
Cash Payments	-	-
Closing Balance	**1,519**	**1,519**
King Island Historical Society		
Opening Balance	26,527	43,312
Cash Receipts	23,795	20,916
Cash Payments	(27,491)	(37,701)
Closing Balance	**22,831**	**26,527**

Special committees are not seen to be material and therefore are not included in Council's financial statements.
The King Island Youth Centre Management Committee was not active during the year.

Note 10.3 Other significant accounting policies and pending accounting standards

(a) Taxation

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax, Land 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) 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.

(e) Budget

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

(f) Adoption of new and amended accounting standards

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

(g) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

Note 10.4 Significant Business Activities

The operating capital and competitive neutrality costs of the Council's significant business activities:

	Roads, Streets & Bridges		Airport	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Revenue				
Reimbursements	-	-	2	1
User Charges	-	-	549	547
Grants	945	1,656	-	258
Other	618	572	29	16
Total Revenue	**1,563**	**2,228**	**580**	**822**
Expenditure				
Employee Costs	305	270	354	370
Materials and Contacts	884	915	409	364
Interest	-	-	24	24
Utilities	-	-	-	96
Total Expenses	**1,189**	**1,185**	**787**	**854**
Capital Costs				
Depreciation	1,183	1,177	220	217
Opportunity cost of capital	3,439	3,110	288	266
Total Capital Costs	**4,622**	**4,287**	**508**	**483**
Calculated Surplus/(Deficit)	374	1,043	(207)	(32)
Tax Equivalent rate	30%	30%	30%	30%
Taxation equivalent	112	313	(62)	(10)
Competitive neutrality costs	**112**	**313**	**(62)**	**(10)**

Accounting policy

Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above.

Council has determined, based upon materiality that roads, streets and bridges and operation of the Airport as defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- Council rates and land tax are included in direct expenditure.
- Opportunity cost of capital is calculated using a rate of return of 5% (2022-23, 5%)

Note 10.5 Management indicators

	Benchmark	2025 $'000	2024 $'000	2023 $'000	2022 $'000
(a) Underlying surplus or deficit					
Net result for the year		765	170	913	(102)
Less non-operating income		-	-	-	-
Grants specifically for new or upgraded assets		(4,195)	(2,336)	(1,249)	(1,275)
Capital contributions - and recognition of assets		-	-	(24)	-
Financial Assistance Grants:		-	-	-	-
Received in the current financial year but referable to the subsequent financial year		(1,225)	(2,044)	(2,214)	(1,656)
Received in the prior financial year but referable to the current financial year		2,044	2,214	1,656	986
Add non-operational expenses		-		-	-
Change in rehabilitation provision and associated adjustments		-	-	-	1,327
Underlying surplus/deficit	0	**(2,611)**	**(1,996)**	**(918)**	**(720)**

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

(b) Underlying surplus ratio					
Underlying surplus or deficit		(2,611)	(1,996)	(918)	(720)
Recurrent income		8,287	8,620	7,873	8,556
Underlying surplus ratio %	0%	-32%	-23%	-12%	-8%

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

(c) Net financial liabilities					
Liquid assets less		6,051	9,306	10,642	8,703
Total liabilities		(4,572)	(4,826)	(4,482)	(3,566)
Net financial liabilities	0	**1,479**	**4,479**	**6,160**	**5,136**

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.

(d) Net financial liabilities ratio					
Net financial liabilities		1,479	4,479	6,160	5,136
Recurrent income		8,287	8,620	7,873	8,556
Net financial liabilities ratio %	0% - (50%)	18%	52%	78%	60%

This ratio indicates the net financial obligations of Council compared to its recurrent income.

Note 10.5 Management indicators (continued)

	Benchmark	2025	2024	2023	2022
		$'000	$'000	$'000	$'000

(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.

Total Buildings*					
Fair value (Carrying amount)		6,469	5,383	4,987	5,102
Current replacement cost (Gross)		12,516	10,548	10,034	10,034
Asset consumption ratio %		52%	51%	50%	51%
*Total Buildings comprise Buildings, Jetties and Heritage buildings per Note 6.					
Roads					
Fair value (Carrying amount)		56,145	56,563	48,951	41,245
Current replacement cost (Gross)		80,890	80,325	69,596	57,895
Asset consumption ratio %		69%	70%	70%	71%
Bridges					
Fair value (Carrying amount)		4,280	3,932	4,119	3,462
Current replacement cost (Gross)		13,069	11,994	11,994	9,322
Asset consumption ratio %		33%	33%	34%	37%
Airport					
Fair value (Carrying amount)		6,129	6,335	5,262	5,469
Current replacement cost (Gross)		14,932	14,828	12,626	12,626
Asset consumption ratio %		41%	43%	42%	43%
Drainage					
Fair value (Carrying amount)		1,551	1,302	1,321	1,340
Current replacement cost (Gross)		2,613	2,165	2,165	2,165
Asset consumption ratio %		59%	60%	61%	62%
Recreational and Community Facilities					
Fair value (Carrying amount)		2,583	1,836	1,884	1,780
Current replacement cost (Gross)		7,148	5,648	5,561	5,323
Asset consumption ratio %		36%	33%	34%	33%

Note 10.5 Management indicators (continued)

	Benchmark	2025 $'000	2024 $'000	2023 $'000	2022 $'000
(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.					
Buildings					
Projected capital funding outlays [1]		80	649	649	649
Projected capital expenditure funding [2]		100	1,099	1,099	1,099
Asset renewal funding ratio %	90-100%	80%	59%	59%	59%
Plant, machinery and equipment					
Projected capital funding outlays [1]		300	3,056	3,056	3,056
Projected capital expenditure funding [2]		400	3,056	3,056	3,056
Asset renewal funding ratio %	90-100%	75%	100%	100%	100%
Roads					
Projected capital funding outlays [1]		800	7,024	7,024	7,024
Projected capital expenditure funding [2]		1,000	7,686	7,686	7,686
Asset renewal funding ratio %	90-100%	80%	91%	91%	91%
Bridges & Drainage					
Projected capital funding outlays [1]		100	1,374	1,374	1,374
Projected capital expenditure funding [2]		220	1,328	1,328	1,328
Asset renewal funding ratio %	90-100%	45%	103%	103%	103%
Airport					
Projected capital funding outlays [1]		200	2,000	2,000	2,000
Projected capital expenditure funding [2]		300	2,366	2,366	2,366
Asset renewal funding ratio %	90-100%	0%	85%	85%	85%
Recreational and Community Facilities					
Projected capital funding outlays [1]		100	560	560	560
Projected capital expenditure funding [2]		135	100	100	100
Asset renewal funding ratio %	90-100%	0%	560%	560%	560%
Waste Management					
Projected capital funding outlays [1]		100	880	880	880
Projected capital expenditure funding [2]		130	880	880	880
Asset renewal funding ratio %	90-100%	77%	100%	100%	100%

[1] Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.

[2] 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.

(g) Asset sustainability ratio

Capex on replacement/renewal of existing assets		1,680	1,403	1,262	0	1,386
Annual depreciation expense		2,307	2,201	2,054	0	2,061
Asset sustainability ratio %	100%	73%	64%	61%		67%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base.

Certification of the Financial Report

The financial report presents fairly the financial position of King Island Council as at 30 June 2025 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.

Jessie Boyes
Acting General Manager

Date : *11/11/2025*

Audit Tasmania

Independent Auditor's Report

To the Aldermen of King Island Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of King Island Council (Council), which comprises the statement of financial position as at 30 June 2025 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 2025 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.

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 10.5(f), nor the Significant Business Activities disclosed in note 10.4 to the financial report and accordingly, I express no opinion on them.

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

Responsibilities of the General Manager for the Financial Report

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

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

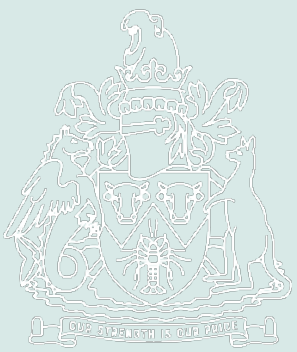
date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

- 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.

David Bond
Assistant Auditor-General
Delegate of the Auditor-General

17 November 2025
Hobart


KING ISLAND COUNCIL