

# NORTHERN MIDLANDS ANNUAL REPORT 2017/2018





Front cover, clockwise:

- National Penny Farthing Championships and Evandale Village Fair (Tourism Tasmania & Rob Burnett) • Trout Park and toilet block, Cressy (Rosh Dillon) • Clarence St bus shelter • Entrance statement, Avoca (Rosh Dillon) • Statue, Campbell Town (Rosh Dillon) • Town Hall, Campbell Town (Rosh Dillon) • Perth Early Learning Centre (Rosh Dillon)

Above, clockwise:

- Woolmers Estate rose (Tourism Tasmania & Rob Burnett) • Evandale streetscape (Tourism Tasmania & Adrian Cook) • A rainbow over the sprinkler on a farm on the Heritage Highway (Tourism Tasmania & Rob Burnett) • Perth Baptist Church (Josh Dillon) • Evandale market (Tourism Tasmania & Adrian Cook) • Ross Bridge (Tourism Tasmania & Kathryn Leahy)

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## VISION

Northern Midlands is an enviable place to live, work and play. Connected communities enjoy safe, secure lives in beautiful historical towns and villages. Our clean, green agricultural products are globally valued. Local business and industry is strongly innovative and sustainable.

## VALUES

### Honesty

*Treat all with honesty, respect and trust*

### Integrity

*Listen, learn and proactively deliver Council's vision*

### Innovation

*Explore, expand and adapt to achieve a shared vision*

### Pride

*Serve community with pride and energy*

## MISSION

### Lead and Progress

#### Leadership

*Serve with honesty, integrity, innovation and pride*

#### Progression

*Nurture and support economic health and wealth*

### People and Place

#### People

*Build a vibrant society that respects the past*

#### Place

*Nurture our heritage environment*

### Municipal Goals

- Bold leadership guides innovation and growth
- Economically sound and flexible management
- Sustainable progress creates a vibrant future
- We strategically plan and deliver infrastructure
- Our culture respects the past in building the future
- Our historical landscapes are cherished and protected
- Connected communities are strong and safe
- The municipality is diverse and innovative



## THE ANNUAL REPORT

The Annual Report to the community concludes the annual corporate planning and reporting cycle of Council.

As a Council we have a statutory duty to annually report on how well we have performed as an organisation. The Annual Report is Council's report card and provides Council with the opportunity to formally inform the community of the achievements of Council over the past year and how the monies raised via rates, charges, fees and from grants received have been expended.

It is specifically required by the *Local Government Act 1993* that Council report on:

- The context in which Council worked
- An organisational overview
- Council's operations, our achievements
- The key activities and priorities identified in the budget
- A set of audited standard, financial and performance statements.
- Each year Council, in consultation with the community, prepares an Annual Budget within the context of the actions identified in the Strategic Plan 2017-2027.

## PROFILE

The Northern Midlands Council was created on the 2nd April 1993 from the merger of the former Municipalities of Longford, Evandale, Campbell Town and Ross, together with the towns of Rossarden, Avoca and Royal George from the Fingal municipality.

It covers an area of 5,130 square kilometres, extending from Liffey Bluff in the west to Mount St John in the east (150 kms) and from Relbia in the north to Tooms Lake in the south (95 kms).

Northern Midlands is one of the largest and most diverse municipal areas in Tasmania. It ranges from mountainous country on its eastern and western boundaries to extensive grazing lands renowned for fine wool production, the rich agricultural river flats of the Esk, Lake and Macquarie Rivers; historic towns and villages, and from small businesses to multi-million dollar enterprises. Many of the towns and villages have distinctive heritage qualities which make them attractive places to live.

The population of the Northern Midlands was estimated to be 12,822 by the June 2016 ABS figures. This was 2.47% of the estimated State population that totalled 518,500.



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## MESSAGE FROM THE MAYOR

2017/2018 has been another exciting and productive year for the Northern Midlands.

It is pleasing to see continued development and growth in the municipality with the progress and completion of several capital works projects including the new public toilets at Ross, the expansion and renovation of the Valentine Park toilets in Campbell Town, the installation of the second stage of the Longford Village Green playground, commencement of the new Woolmers Lane Bridge, and the continued progress of the Midland Highway upgrade. Council has an ongoing commitment to enhancing its town centres, community buildings and facilities and we look forward to seeing further progress and improvement. All of these works and upgrades continue to make the Northern Midlands a desirable place to live and work.

Council is liaising closely with the community to develop the Northern Midlands Land Use Strategy 2018 – 2038. This strategy includes policies and recommendations that will be used to guide Council and government decisions in relation to future development and provision of services. An entrance statement has been finalised and erected in the township of Avoca, with the Evandale and Conara entrance statement soon to be finalised and installed.

The unique features of each entrance statement provide a point of difference at the entrances to the towns and have been very well received by the community and visitors.

The design of the new Campbell Town War Memorial Oval multi-function centre has been finalised after extensive community consultation and work will commence onsite early in the 2018/2019 financial year.

Once again, Council was fortunate to receive funding through the Federal Government Bridge Renewal Program with this year's project being the replacement of the old, wooden, single lane Woolmers Bridge with a concrete, two-lane bridge. The Woolmers Lane bridge is the last major wooden bridge needing to be replaced by Council.

The issue of the unpaid Launceston Airport rate equivalent payments is continuing, and Council is still actively seeking a resolution to this matter.

The State Government's proposed takeover of TasWater was once again a major issue for 2017/2018. Fortunately, a 'win-win' outcome was achieved with the Tasmanian Government purchasing a small percentage share and no reduction of dividends to Council. This will enable Council to continue to use the dividends provided by TasWater to progress vital projects and works.

We have once again seen a huge range of events held within our municipality in 2017/2018, including garden shows, motor sport, cycling, art exhibitions and music. We are truly lucky to have local organisations willing and able to manage these events, showcasing the wonderful community in which we live.

Looking ahead, the State Government 2018/2019 budget has a number of funding commitments for major projects in the Northern Midland including Evandale Main Road upgrade (\$5.5m), a new Police Station at Longford (\$5m), an underpass for the Midland Highway at Campbell Town (\$1.9m) and the Perth Link Roads project (\$9.2m).

I wish all candidates contesting the Local Government Elections in October 2018 the very best of fortune and, with some trepidation, announce that I will be stepping away from Local Government after 32 years.

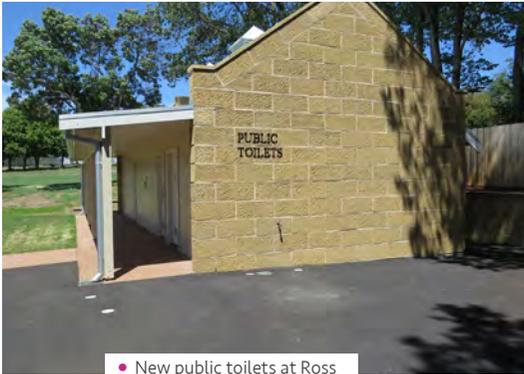
In closing, I take this opportunity to acknowledge and thank my fellow Councillors, Management and Staff for their ongoing support and effort throughout the year, as well as during my terms as Mayor, Deputy Mayor and Councillor of the Northern Midlands Council.



**David Downie**  
MAYOR



• Longford Village Green playground



• New public toilets at Ross



• Roadworks on Royal George Road



• Woolmers Rose Garden



• Woolmers Lane bridge construction

## GENERAL MANAGER'S MESSAGE

October 2018 will see a new Council elected for a four-year term.

The local Councillors have overall responsibility for the oversight of the council's activities and sets the strategic direction of the council. There is much to learn and understand about the very broad nature of local government, with its opportunities and challenges. I speak on behalf of the employees when I thank the Councillors for their commitment and work over the 2017/2018 year.

Council staff and Councillors have continued to focus on strategic planning, asset management, financial planning along with communications, supporting business growth and service delivery during the reporting period.

### Strategic Planning

The Strategic Plan for 2017 – 2027 provides high level priorities for the next 10 years.

The plan contains at its core a "Vision" whereby "Northern Midlands is an enviable place to live, work and play. Connected communities enjoy safe, secure lives in beautiful historical towns and villages. Our clean, green agricultural products are globally valued. Local business and industry is strongly innovative and sustainable".

The highway bypass of Perth has progressed substantially across 2017/2018 and Council has adopted the Perth Structure Plan to drive the urban consolidation and future growth of the town, along with the framework for revitalisation of the town centre. Stage One of the Sheepwash Creek Water Sensitive Urban Design project was completed in 2017/2018 along with design concepts for streetscape improvements in the town centre.

Works have commenced, and are near completion, on the Council Chambers car park and the new entry to the office allowing for all to access the facility from the front entrance.

Further, extensions to the Sports Centre at Longford have commenced with completion expected in 2018/2019.

Extensive planning and consultation has been underway across 2017/2018 in preparation for the commencement of a number of major infrastructure projects in 2018/2019 including;

- the upgrade of the Campbell Town War Memorial Oval with the development of a new multi-function centre, tennis/netball courts, and the redevelopment of the cenotaph;
- the implementation of the main street components of the Campbell Town and Longford urban design strategies;

- the upgrade and expansion of the clubroom facilities at Morven Park and Longford Recreation Grounds;
- the development of a Village Green in the heart of Ross.

The upgrade of the oval lighting at the Longford, Evandale, Perth and Campbell Town ovals is expected to be completed in October 2018.

Significant road works have been completed, not in the least, the commencement of the replacement of Woolmers Bridge at a cost in excess of \$2 million.

Whilst these infrastructure projects have progressed, numerous community projects have been delivered:

- Stage 2 of the redevelopment of the Longford Village Green playground was launched in December 2017 and has further enhanced the popularity of this all-ages play facility that is attracting significant number of visitors to the town;
- new rest stop facilities at Ross and Campbell Town;
- installed Christmas Tree lights at Longford's Victoria Square (Village Green);
- Council's commitment to ending men's violence against women campaign is evidenced by the public awareness campaign Council commenced in late 2017;
- the recognition of Tom Roberts as the 'Father of Australian landscape' by the installation of an interpretive panel adjacent to his grave in the Illawarra Christ Church graveyard.

Council has collaborated with the Heritage Highway Tourism Region Association and Tourism Northern Tasmania to develop the Northern Heritage Precinct Destination Action Plan, and to progress the implementation of the 2017 – 2019 Heritage Highway Destination Action Plan. These plans will enhance the competitiveness of the Heritage Highway Region as a visitor destination.

Council has continued its partnership with the Northern Midlands Business Association, collaborating to undertake two key projects in 2017/2018: the development of a state-of-the-art truck wash facility adjacent to the central livestock marketing complex at Powranna, and the TRANSLink Lead Generation Project that will underpin future strategies for attracting new businesses to this precinct.

The Northern Midlands Council’s Local Provisions Schedules (LPSs) are currently being prepared for the Council by JMG Engineers and Planners. The LPSs are the Council’s local content of the Statewide Planning Scheme and will contain the specific zones that apply to land, as well as particular purpose zones, and specific area plans.

The process has included four community workshops and a community survey. Public comment on the draft strategy will be sought with the results to be considered by Council before the LPSs are finalised and sent to the Tasmanian Planning Commission.



• Evandale Main Road at TRANSLink



# Tom Roberts

was the father of Australian landscape painting. He captured the amazing light and colour of the Australian bush, the Australian way of life and its people.

Born in England in 1856, Tom migrated to Australia with his schoolmaster and family in 1863. He was interested in art from an early age and studied in Australia and overseas.

Visiting Tasmania in 1877 he met his first wife Elizabeth (Lillie) Williamson. Tom and Lillie later married in East Devon, Victoria in 1876.

They honeymooned in Tasmania before first settling in Sydney NSW. Their son Caleb was born in 1891. In the years that followed they visited Tasmania several times and moved mainly between Melbourne, Sydney and England before finally settling in Kallista, Victoria in 1923. Lillie died in Victoria in 1923. Later that year Tom once again travelled to Tasmania and married Lillie's childhood friend, Miss Jean Joyce, here at Christ Church, Burnston. Tom and Jean settled at Kallista, Victoria and visited Tasmania each year.

To many Tom Roberts is considered as 'the father of Australian landscape', as he was the first to capture Australia's natural light with swirling realism. He is the founder of The Heidelberg School in Victoria, Australia's first significant art movement.

His extensive array of paintings tell the story of the development of Australia as a society and as an idea. Tom's *Showing the Rams* is arguably our single most widely

recognized and best loved painting. It is considered the definitive image of an emerging national identity.

Tom was inspired by the Tasmanian landscape paintings of John Glover, and he painted *Under the Lambs* as a tribute to this well-known early colonial artist.

It is said Tom painted this after Lillie's death – it includes a peak known as 'Moor Massy'.

The most important commission of Tom's career was the *Opening of the first Parliament of the Commonwealth of Australia* by H.E.H. The Duke of Cornwall and York (later H.M. King George V) May 9 1901. Two years in the making, the painting is 154 metres of people and portraits, featuring over 250 thousands of Colonial and British dignitaries.

Tom died at Kallista, Victoria in 1931 and his ashes were returned to Tasmania and buried here in the Joyce family plot.

Tom was not recognized as an accomplished painter in his lifetime, with his work not becoming fashionable until the mid-twentieth century.

"He got a great idea, took the sun and natural colours for his own system. He would say something like, 'I want to see nature through the art of the momentary, instantaneous in the presence of light and the constant of beauty. He could not have had another like him in the history of art and painting.'"

(The *Frederic William Eggleston*, of the Grand Tom Roberts)



Tom Roberts' Under the Lambs 1888-89  
Courtesy of the National Gallery of Australia



Tom Roberts' Showing the Rams 1896  
Courtesy of the National Gallery of Australia



Opening of the first Parliament of the Commonwealth of Australia by H.E.H. The Duke of Cornwall and York (later H.M. King George V) May 9 1901  
Courtesy of the National Gallery of Australia



• Council's Management Team



• ANZAC Tree Memorial, Avoca

In September 2017, Council advised Minister Gutwein of the receipt of the *Northern Tasmanian Councils – Shared Services Study* report prepared by KPMG. Expressions of interest were subsequently sought, and NOA Group were engaged to undertake the project management role of the Shared Services Implementation Project. Following finalisation of the NOA Group report, senior management workshops of participating councils were coordinated; 5 priority council functions identified and workshops scheduled.

I acknowledge the hard work and commitment of Council's employees and their loyalty to the local community.

I encourage you to review the Annual Report and perhaps gain an understanding of the breadth of activities carried out by your Council in your community. I have fulfilled the role of General Manager since 2014 and I believe I have been privileged to work with such a committed team of employees and Councillors who's focus it is to do the best for the community.

**Des Jennings**  
GENERAL MANAGER

# OUR COUNCIL, PEOPLE & ORGANISATION

## Council facts in brief

- Approximately 60% of the population resides in 5% of the area, that is, generally in the north which includes Longford, Perth and Evandale.
- Council is responsible for maintenance of 960kms roads and 11,024m<sup>2</sup> bridge deck area; more than any other council in the state.
- Council's annual turnover (all functions) in 2017/2018 was \$17.8 million (2016/2017 \$19.2 million).
- In 2017/2018, 58% of the total recurrent revenue of the municipality came from rates; 21% from Government Grants, the remainder from user fees and other sundry revenue.
- Many of the features that make the Northern Midlands unique also present some challenges for Council and residents, such as
  - *the size of the Council area: although large, is an area with overall low population density, generating its financial resources from a comparatively small number of ratepayers;*
  - *the various constituent communities: these have different levels of involvement in local government activities and services, and vary widely in their priorities and objectives.*

## Facilities maintained

- 573kms of sealed roads
- 387kms of unsealed roads
- 139 concrete bridge structures (10,378m<sup>2</sup>)
- 13 timber deck bridges (647m<sup>2</sup>)
- 8 ovals for sporting activities
- 24 community halls/centres
- 2 caravan parks
- 3 swimming pools
- 7 waste transfer stations

Council controls property, plant and infrastructure assets amounting to \$251.3 million; including \$52.1 million of land (including land under roads) and buildings, \$158 million of roads and bridges and \$29.8 million of stormwater.

## Our staff

STATUS	2017/2018		2016/2017	
	NO. OF EMPLOYEES	FTE	NO. OF EMPLOYEES	FTE
Permanent	63	57	61	56
Casual	15	3	16	4
Total	78	60	77	60

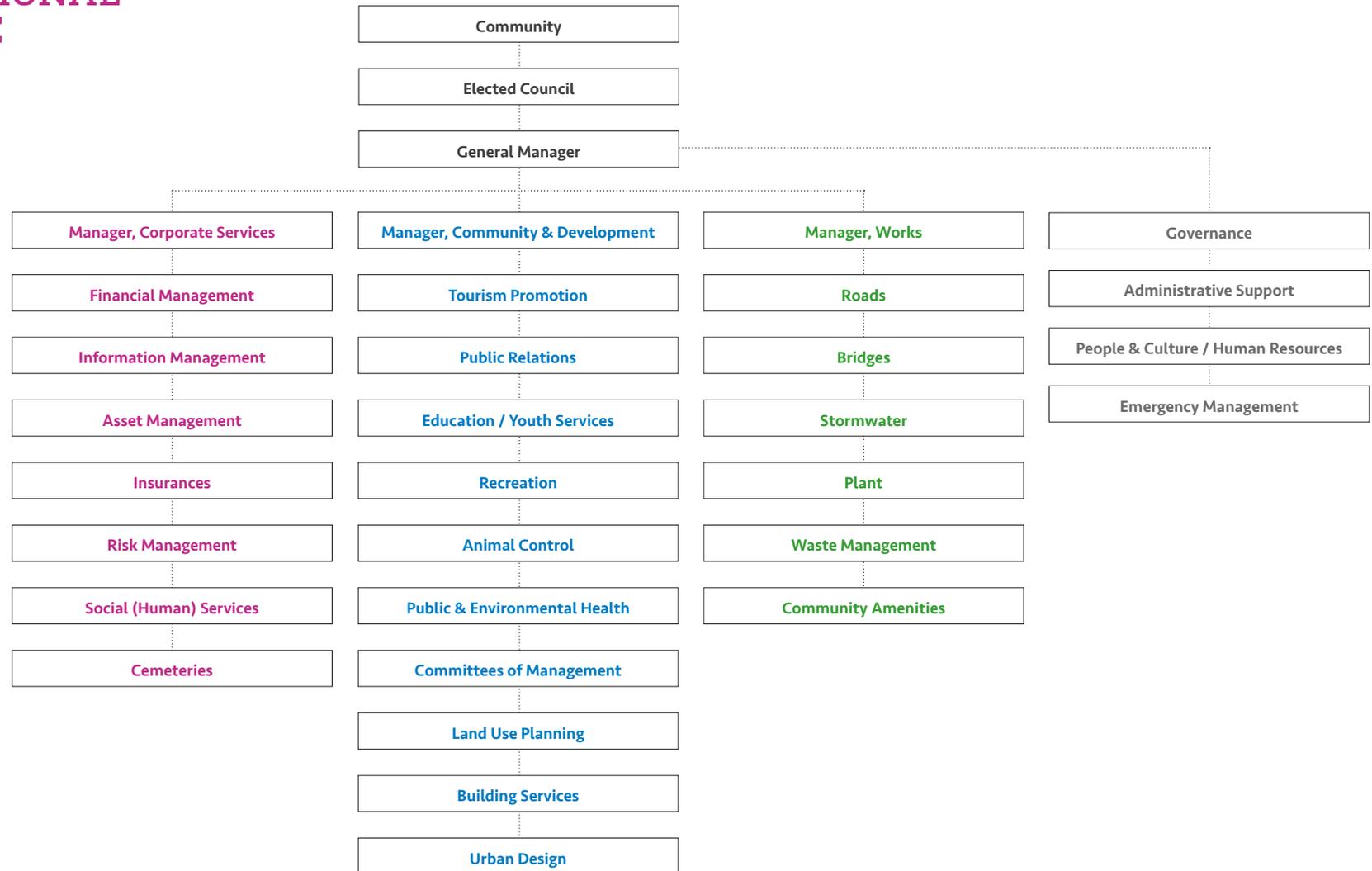


• Council office



• K9 Kube Twin Box Animal Lifter

# ORGANISATIONAL STRUCTURE



# ROLE OF COUNCIL

## COUNCIL MEETINGS

*The Local Government Act 1993* provides that Councillors have the following functions:

- To provide for the health, safety and welfare of the community;
- To represent and promote the interests of the community;
- To provide for the peace, order and good government of the municipal area.

In performing its functions, the Councillors are to consult, involve and be accountable to the community.

The Northern Midlands Council held Ordinary Council meetings monthly on a Monday in accordance with the following schedule for 2017/2018:

- Monday 17 July 2017
- Monday 21 August 2017
- Monday 18 September 2017
- Monday 16 October 2017
- Monday 20 November 2017
- Monday 11 December 2017
- Monday 29 January 2018
- Monday 19 February 2018
- Monday 19 March 2018
- Monday 16 April 2018
- Monday 21 May 2018
- Monday 25 June 2018

At the monthly meetings officers of Council provide Councillors with reports on a range of issues which are dealt with under the following Business Units:

- Governance;
- Corporate Services;
- Community & Development
- Works & Infrastructure

Ordinary Council meetings are open to the general public and commence at 5pm, Council adjourns for a 45 minute break at 6pm and recommences the second session of the meeting with Public Question Time at 6.45pm. At this time members of the public are given the opportunity to ask questions, make a representation and/or present information, on a matter in which they have an interest, which is before the Council for decision e.g. development applications. Proceedings of the open session of Council Meetings are recorded.

Generally two Councillor workshops are held monthly, one immediately prior to the Council meeting and the other two weeks before. At this time Councillors and Officers meet to discuss forthcoming reports, key strategies and receive presentations from industry stakeholders.

### Councillor attendance

2017/2018	90.6%
2016/2017	90.5%
2015/2016	89.7%

### Total reimbursements

2017/2018	\$200,100
2016/2017	\$199,408
2015/2016	\$192,688

### Number of items considered by council

2017/2018	369
2016/2017	405
2015/2016	390

### Councillor allowances and reimbursements

	2017/2018	2016/2017
Mayor David Downie	\$58,600	\$57,090
Deputy Mayor Richard Goss	\$30,948	\$30,093
Cr Dick Adams	\$14,683	\$14,425
Cr Andrew Calvert	\$14,683	\$14,376
Cr Ian Goninon	\$15,541	\$16,066
Cr Leisa Gordon	\$16,375	\$14,788
Cr Mary Knowles	\$19,057	\$19,446
Cr Janet Lambert	\$14,838	\$14,583
Cr Michael Polley	\$15,374	\$18,541

### Councillor attendance

Year	2017							2018					
	17/07	21/08	18/09	16/10	20/11	11/12*	11/12	29/01	19/02	19/03	16/04	21/05	25/06
Mayor David Downie	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Deputy Mayor Richard Goss	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Dick Adams	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Cr Andrew Calvert	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Cr Ian Goninon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Cr Leisa Gordon	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Cr Mary Knowles	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Janet Lambert	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✗	✓	✓
Cr Michael Polley	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓

\*Annual General Meeting

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## ELECTED MEMBERS OF COUNCIL

Nine (9) Councillors elected by the community under a single electoral district. The Mayor and Deputy Mayor were elected by public polls, with the next election to be held in October 2018.

### Mayor David Downie

I am a farmer within the Cressy/Campbell Town area. I have been a councillor on the Northern Midlands Council since its inception actively steering council to a strong financial position. I believe our community has great potential for future progress and development that requires a consultative council that works with the people of our communities to develop our region in an appropriate way, whilst respecting the diversity that exists.

### Deputy Mayor Richard Goss

First elected in 2007, I am a high school teacher with a mechanical and construction trade background. I gained a tertiary education at the University of Tasmania (Bachelor of Education). I am married with three children and live at Longford. I grew up at Cressy and I have gained first hand experienced living, working and building my dreams and hopes in the Northern Midlands. I have a strong commitment to the environment and heritage and will ensure that all residents and businesses are fairly represented and consulted on the future decisions of the Northern Midlands Council.

### Councillor Dick Adams

Elected in 2014, I was the former Federal Member for Lyons for twenty years and also previously served with the State Government. I have lived most of my life in Northern Midlands, starting work at the Longford meatworks, and I am currently again living in Longford. I know the Northern Midlands very well and want to see it develop as an exciting place to live while valuing the heritage and tourism opportunities more fully. I believe we need greater investment and more careful planning to ensure Northern Midlands goes forward itself before involving us with other Northern Tasmania priorities.

### Councillor Andrew Calvert

I am a family man and live at Longford. I was elected to council in October 2007. My profession is farming and rural consultancy. I respect the needs of both town and country ratepayers and the importance of communities pulling together. I support sound financial management, maintaining and improving essential services, generating economic growth and development creating job opportunities whilst respecting our heritage.

### Councillor Ian Goninon

I am a proud and passionate Tasmanian who lives in Devon Hills on a hobby farm with my wife Cheree. I own and manage a variety of successful local businesses and I'm also an active member of the community, sitting on various boards and committees within the Northern Midlands area and Tasmania.

As a councillor I am committed to supporting and representing my local community to ensure it is a place that we, and those after us, can enjoy.

I keenly foster local business growth as chairman of the Northern Midlands Business Association and strive to see the continued development of our community's heritage.

In the future, my aim is to continue keeping rate rises to a minimum, encourage the employment of young Tasmanians as well as keep strategically planning our towns for the increased well-being of our great community.

### Councillor Leisa Gordon

Proudly serving the Northern Midlands for the past 4 years, I feel by *Respecting our Past and Embracing our Future* we are creating a positive step forward for our community and younger people, it also gives us a sense of belonging and offers a constructive role to the growth and development of the region.

As well as running a very successful small business, I enthusiastically contribute new ideas and show commitment by supporting various boards and committees within this wonderful part of the world, and thus have an appreciation and understanding of the bigger picture.

By working as a team, it is imperative that we as a Council move forward to the benefit of all Northern Midlands residents as we pave the way for the future.

### Councillor Mary Knowles OAM

I live at Gipps Creek with my husband on a deer and fine wool farm. For the past 9 years on Council I have worked tirelessly to enable community projects to happen. I represent the 29 councils on the Family Violence Consultative Group, am on community boards promoting tourism and economic development with a common-sense approach to getting things done while using rates wisely. I will continue to promote the Northern Midlands as a place for families and progressive development supporting farmers, industry, small business, tourism, youth and infrastructure to keep our towns vibrant and viable.

### Councillor Janet Lambert

Elected to council in October 2011. For over 26 years, my family and I have been proud to call the Northern Midlands home. I am passionate about continuing the work I have started in the local government sector, not only being a strong voice for regional and rural communities but also a person of action, ensuring positive change happens and communities thrive. This is a wonderful place to live— and I want to do all I can to secure our community's long-term future. Through my community activities and role within the council, I hope to leave a lasting legacy for the future, ensuring our region is strong and sustainable. I consider myself very approachable, honest and transparent; applying a common sense point of view towards all issues put forward. It is important to me that I demonstrate these values at all times to the communities I am privileged to represent.

### Councillor Michael Polley AM

For 42 years as a Member of Parliament I vigorously and successfully engaged with federal, state and local governments and actively participated in many communities. I hope to bring the experiences I have gained to the Northern Midlands Council table so that I can help facilitate a stronger, more prosperous and diverse future for all our ratepayers.

## COUNCIL'S EXECUTIVE COMMITTEE

Council's executive committee consists of Mayor David Downie, Deputy Mayor Richard Goss and Councillor Janet Lambert.



• Left to Right: Cr Michael Polley AM, Cr Dick Adams, Mayor David Downie, Cr Andrew Calvert, Cr Mary Knowles OAM, Cr Leisa Gordon, Deputy Mayor Richard Goss, Cr Janet Lambert, Cr Ian Goninon

## MEMBERS SERVING ON DISTRICT COMMITTEES

AT 30 JUNE 2018

Membership of Committees spans a 2-year period, with membership terminating at 30 June 2018.

### Avoca, Royal George & Rossarden Local District Committee

Chairperson: Mrs C Freeman  
Members: Ms J Allen  
Mrs S Freeman  
Mrs D Wells  
Mrs H Reynolds  
Mrs S Squires  
Councillor: Cr M Knowles

### Campbell Town District Forum

Chairperson: Mrs J Clarke  
Members: Mr J Ashman  
Mrs J Davis  
Mr O Diefenbach  
Ms S Hills  
Mrs J Lyne  
Mr B Perkins  
Mr K Reid  
Mr M Roach  
Mrs D Thomas  
Councillor: Cr L Gordon

### Cressy Local District Committee

Chairperson: Mr D Rowbottom  
(Mrs F Cox to January 2018)  
Members: Mrs A Jenkins  
Mr P Goss  
Mrs A Green  
Mrs H Howard  
Mrs H Williams  
Mrs M Taylor  
Mr A Turnham  
Councillor: Cr R Goss

### Evandale Local District Committee

Chairperson: Mr J Lewis  
Members: Mr S Baldock  
Mrs C Brown  
Mrs A Harvey  
Mrs K Heathcote  
Mrs H Houghton  
Mr A Jobson  
Mr B Lawson  
Mr C Plaisted  
Mr J Remess  
Councillors: Cr J Lambert  
Cr M Knowles

### Longford Local District Committee

Chairperson: Mr L Grant  
Members: Ms D Alty  
Mr N Tubb  
Mrs T Goldsworthy  
Mrs D Bain  
Dr T Flanagan  
Councillor: Cr D Adams

### Perth Local District Committee

Chairperson: Mrs J Davis  
Members: Mrs C Beswick  
Mr P Dell  
Mr G Eberhardt  
Mr T Purse  
Mr D Smith  
Mr J Stagg  
Ms T Wise  
Ms S White  
Councillor: Cr J Lambert

### Ross Local District Committee

Chairperson: Mr A Thorpe  
(Mrs C Robinson to February 2018)  
Members: Mrs J Bennett  
Mrs D Cadogan-Cowper  
Mr A Cameron  
Mrs H Davis  
Mr K Draper  
Mr T Johnson  
Mr T Thorogood  
Councillor: Cr A Calvert

# MAJOR STRATEGIC ISSUES



## INTRODUCTION

Council worked on a number of key issues which were identified in the Strategic Plan 2017-2027. The Council has undertaken projects to address these issues and further initiatives as identified in the Annual Plan for 2016/2017.



• TRANSlInk © Rob Burnett

## ECONOMIC DEVELOPMENT

Key economic development initiatives in 2017/2018 included:

- Collaborating with stakeholders to progress the Launceston Gateway Precinct Master Plan;
- Matching the 2017 Bridges Renewal Program funding to enable the replacement of the single-lane timber Woolmers bridge on Woolmers Lane Longford, with a two-lane concrete bridge;
- Progressed the development of the Longford Urban Design Strategy, Perth Town Structure Plan, Perth Community Centre Development Plan and Campbell Town Urban Design and Traffic Management Strategy.
- Promotion of the TRANSlInk commercial, industrial and logistics precinct adjacent to Launceston Airport, including pursuing funding opportunities for the precinct's stormwater renewal program;
- Completed the Ross Village Green Master Plan and secured a loan through the Northern Economic Stimulus Package to commence implementation of the master plan;
- Secured National Landcare Program funds for implementation of the Perth Sheepwash Creek Open Space Plan;
- Collaborating with Heritage Highway Tourism Region Association and Tourism Northern Tasmania to progress the development of the 2017-2019 Heritage Highway Destination Action Plan that will enhance the competitiveness of the Heritage Highway Region as a 'must see' visitor destination;
- Collaborating with Regional Development Australia (Tas), Northern Tasmania Development Corporation and other northern councils towards the development of the Northern Region Futures Plan;
- Council's Economic Development Committee progressed the development of Council's economic development strategy, including commencing the development of a TRANSlInk Product Profile as an underpinning document for the strategy;
- Partnered with the Parks and Wildlife Service and other key stakeholders to identify opportunities to implement the recommendations of the *Ben Lomond National Park – driven economic growth in Northern Tasmania* study;
- Collaborated with the Beacon Foundation and the local District High Schools to implement the *Northern Midlands Business Partnership Group* program that assists local high school students to improve their employability skills, explore career opportunities and undertake authentic work experience.

## SUSTAINABLE DEVELOPMENT

Council recognises that economic development is not the only measure of progress for our community. Environmental and social issues must be taken into account when encouraging economic development and also in the provision of land use planning, engineering infrastructure, waste management and environmental health. The community is also looking to Council to play a pro-active role in natural resource management through programs such as Landcare initiatives.

The Council has worked closely with NRM North, and the local community groups to facilitate and administer a number of projects, including, the Mill Dam revegetation project and supported the West Perth Urban Drainage improvements.

## COMMUNITY WELL-BEING

Significant community development achievements across 2017/2018 included:

- Developed and commenced implementation of Council's *Ending Violence against Women* campaign including encouraging Councillors and staff to promoting the campaign message in Council's amenities/buildings;
- Reviewing the Northern Midlands Further Education Bursary Program and, in collaboration with Cape Hope Foundation, reinvigorated and expanded the program;
- Seek funding for the upgrade of the Campbell Town Cenotaph;
- Assisting the Northern Midlands RSL Sub-Branch with the planning of events to commemorate 100 years of the Armistice in November 2018;
- Updated Council's Social Recovery Plan;
- Participated in the *Role of Local Government in Preventative Health* statewide forum;

Council is committed to promoting the health and well-being of Northern Midlands residents and visitors to the region through the development and enhancement of recreational and sporting facilities.

The Council has continued to resource the Local District Committees at Campbell Town, Ross, Evandale, Perth, Longford, Cressy and the Avoca, Royal George and Rossarden area.

Significant achievements in 2017/2018 included:

- Securing Australian Government funding through the Community Development Grants Program towards the replacement of the ageing clubrooms and grandstand at the Campbell Town War Memorial

Oval with a contemporary multi-function centre that meets AFL Regional Standards;

- Progressed master plans for the Ross and Cressy swimming pools;
- Completed the Perth Recreation Ground Master Plan;
- Completed the Longford Recreation Ground Master Plan and secured a loan through the Northern Economic Stimulus Package to complete Stage One of the master plan: the redevelopment of the clubrooms/function centre and upgrading of the changerooms;
- Commenced implementation of the Cressy Recreation Ground and Morven Park Master Plans;
- Secured loans through the Northern Economic Stimulus Package for:
  - *oval lighting upgrades at Perth, Campbell Town, Longford, Morven Park and Cressy Recreation Grounds;*
  - *implementation of the Longford Community Sports Centre Master Plan;*
- Reviewed the 2015 master plan for Evandale's Honeysuckle Banks and accepted in principle the revised master plan for the reserve;
- Committed to implementing Stage Two of the Longford Village Green Play Space and Playground Redevelopment (installation of the electronic Swirl play unit, a carousel and double tower climbing unit) and investigating funding options for Stage Three of the redevelopment (installation of all abilities infrastructure);
- Plans and the business case prepared for the Longford Village Green upgrade, including a new BBQ shelter and picnic furniture.

## WATER QUALITY AND SEWER SERVICES

TasWater has responsibility for water and sewerage services in Tasmania.

Good clean drinking water has been provided to the villages of Conara, Epping and Rossarden during 2018.

Council continues to lobby TasWater, as the responsible entity:

- to consider options for sewage disposal at Avoca;
- not to increase fees in excess of the consumer price index.

Council continues to lobby the State Government for the retention of TasWater dividends to Local Government, despite the agreement for the State Government to buy-in for 10 percent ownership.



• Woolmers Bridge construction

## MAINTAINING CORE FUNCTIONS OF COUNCIL

One of the Council's core responsibilities is the on-going management of its total asset base. While Council has acknowledged its expanding role in community development, it must balance this with adequate maintenance and renewal of its assets. Council maintained its Long Term Financial Plan and Asset Management Plans during 2017/2018 which provide a framework for Council to create, renew and maintain major infrastructure in a sustainable manner.

During 2017/2018 Council spent \$2.4 million towards upgrading the road network and \$2.0 million towards maintaining the road asset base. In addition an amount of \$0.4 million was spent on the replacement of two (2) bridges, and \$77,725 on additional stormwater assets recognised. Building assets recognised totalled \$0.9 million.

Council continues to object to the problem of continued reallocation of responsibilities to Local Government from the State and Federal Government without commensurate financial support. Council welcomes the additional Federal Government Roads to Recovery Program funding allocated and continues to lobby for the continuation of the Roads to Recovery Program past the current program, being the Council with the most road length in the State, it is imperative to ensure maintenance of this important infrastructure into the future.

Council will continue to apply for grant funding including the Blackspot road program, Regional Development funding rounds and the Bridge Renewal grant program.

Council will also continue to look for new development and other financial revenue streams to lighten the rate burden on its community.

*The Annual Plan sets out the objectives as listed in Council's Strategic Plan and shows the performance in each activity.*



# ANNUAL REVIEW OF COUNCIL PROGRAMS

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## GOVERNANCE

Governance includes provision of elected representation, executive support, strategic planning, economic development, community development and public relations.

## STRATEGIC PROJECTS

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Local Government Reform	✓	Review	Review	✓	ON TRACK	NOA Group engaged as Project Manager, Shared Services Implementation Project. Key areas of interest chosen to Workshop for implementation strategies to be developed.
Elected Members Development and Annual Plans		✓	Review	✓	NOT STARTED (OBSTACLES)	Policy and Annual Plan.
People and Culture Plan	✓	✓	Update	✓	ON TRACK	Employment relations are professional, fair and consistent, when performance management discussions need to take place. Policy and Procedure development, review and implementation ongoing. Performance Appraisal process for 2018 complete.
Best Business Practice, Governance and Compliance	✓	Update	Update	✓	ON TRACK	Legislative Audit, Delegations Review and Policy Manual update ongoing.
Media and Marketing	✓	Update	Update	✓	ON TRACK	Communications Strategy and Framework to be developed. Expanding Council's communications through social media and other publications.

## GOVERNANCE

### Objective:

To provide quality governance and effective leadership to support and enrich community life.

### Performance:

- 12 Ordinary Meetings were held during 2017/2018. Attendance by the public was welcomed and copies of Meeting Agendas and supporting documentation were made available. A twenty (20) minute public question time was provided at each Council meeting at 6.45 pm.
- Council held its Annual General Meeting on 11 December 2017.
- Councillors had a Bus Tour of the municipal area, meeting community groups and assessing budget priorities on 18 April 2018.
- Local District Committees at Evandale, Campbell Town, Ross, Longford, Cressy, Perth and Avoca, Royal George & Rossarden, continued to provide valuable input into various issues considered by Council throughout the year.
- The Financial & Risk Management Audit Committee met during the year and provided input into Council's operations.

### Council:

- reviewed its Delegation Register
- completed a Legislative Audit
- reviewed Northern Midlands Business Continuity Plan (June 2018)
- revoked the Responsible Cat Ownership Policy on 18/09/2017.

Councillors attended the following conferences and seminars during the year:

- 26-28 July 2017: Deputy Mayor Richard Goss, Cr Dick Adams, Cr Leisa Gordon, Cr Mary Knowles, Cr Janet Lambert, Cr Michael Polley – Local Government of Tasmania AGM, general meeting and annual conference held in Hobart
- 26-27 October 2017: Councillor Michael Polley – International Cities Town Centres Conference
- 6-8 November 2017: Councillor Richard Goss – National Local Roads & Transport Congress
- 5-6 December 2017: Councillor Leisa Gordon – MAV 2017 Power to the People National Conference
- 24-25 February 2018: Councillor Mary Knowles – Local Government of Tasmania Elected Members Professional Development
- 2-4 May 2018: Mayor David Downie – AMAC Conference
- 17-20 June 2018: Mayor David Downie, Cr Leisa Gordon – 2018 National General Assembly of Local Government in Canberra.



## COMMUNITY REPRESENTATION & RELATIONS

### Objective:

To strive to advance Council's guiding principle of 'Encouragement of community confidence through communication, consultation and participation' with equitable, transparent, accessible and consistent governance by genuine engagement with the community.

### Performance:

#### Council lobbied Government:

- to enforce the provisions of the lease agreement between Australia Pacific Airports Corporation (APAC) and the Commonwealth Government to ensure the payment of Launceston Airport's ex-gratia rates payments to Council
- to support the Tasmanian Freight Equalisation Scheme
- to support a tyre recycling solution for Tasmania
- for support/funding for:
  - *Perth Structure Plan*
  - *Campbell Town Main Street Urban Design & Traffic Management Strategy*

- *TRANSlink Precinct Renewal Program, including Stormwater, Rail Spur, Gas Reticulation & Evandale Road Upgrade*
- *Longford Urban Design Strategy*
- *Longford Recreation Ground 2030 Master Plan*
- *Wilmores Lane Rail Level Crossing*
- *Perth Recreation Ground Master Plan 2030*
- *Perth Community Centre*
- *Honeysuckle Banks Master Plan, Evandale*
- *Ben Lomond Ski Field Investment Project*
- *Nile Road Upgrade Project*
- *Cressy Swimming Pool Master Plan Project*
- *Campbell Town Cenotaph Upgrade*
- *Tennis Courts, Campbell Town War Memorial Oval*
- *Ross Swimming Pool Master Plan Project.*

#### Council's Annual Awards and Australia Day event

This well attended community BBQ breakfast and family fun day was held at Valentine Park in Campbell Town on 26 January 2018. The formal proceedings included a Citizenship Ceremony, an address by Australia Day Ambassador John Zeckendorf (the first Tasmanian to reach the summit of Mt Everest), and a presentation of Council's Australia Day and Volunteer recognition awards.

The following awards were presented by Council:

- Northern Midlands Council Citizen of the Year 2018: Greg Knight – Community Emergency and Response Coordinator and Rotary Club president
- Northern Midlands Council Young Citizen of the Year 2018: Curtis McGee – for his dedication to increasing awareness and raising funds to support Tasmanian families affected by Cystic Fibrosis.
- Northern Midlands Council Community Event of the Year 2018: CMCA Solo Campers Event at Campbell Town – well supported event held in 2017 which brought a welcome economic boost to the local community.
- Fae Cox of the Cressy Local District Committee and Peter Evans, Chairman of the Campbell Town ANZAC Group and local volunteer received Volunteer Awards.

The conferral of citizenship to 17 Northern Midlands residents was celebrated during the year, 9 of which were conferred at the Australia Day event.

Council news and activities were brought to the attention of residents via:

- advertisement in the *Your Region* section of Tuesday's Examiner;
- a two-page spread in the monthly publication of the Northern Midlands Courier Newspaper;
- Council's website;
- via Facebook; and
- media releases.

Council consulted extensively with stakeholders in relation to the following proposed municipal development plans:

- Campbell Town Urban Design and Traffic Management Strategy
- Cressy Swimming Pool Master Plan
- Honeysuckle Banks Master Plan (Evandale)
- Longford Township CBD Urban Design Strategy
- Perth Community Centre and Perth Recreation Ground Master Plan
- Perth Structure Plan
- Ross Swimming Pool Master Plan
- Campbell Town War Memorial Oval Redevelopment
- Ross Town Centre Master Plan
- Cressy Recreation Ground Master Plan
- Morven Park Master Plan
- Longford Northern Midlands Sport and Fitness Centre
- Longford Recreation Ground Master Plan
- Sheepwash Creek Water Sensitive Urban Design

Continued to be an active member of Northern Tasmania Development Corporation.

Supported the Regional Tourism Organisation for Northern Tasmania.

Supported the Integrated Transport Plan.

Participated in TasWater stakeholder meetings and the Selection Committee.

Actively participated in the Northern Councils Shared Services Implementation Project.



• Longford Recreation Ground Plan



ROSS VILLAGE GREEN | LANDSCAPE CONCEPT PLAN



• Longford Recreation Ground Plan

## PEOPLE AND CULTURE: HUMAN RESOURCES

### Objective:

People and Culture generates professionalism: staff are engaged, committed, stable and innovative; employment relations are fair and consistent; the People and Culture framework is best practice; organisational and personal development is valued; strive for nomination as an Employer of Choice.

### Performance:

During 2017/2018 Council introduced an all-encompassing induction program which allows new starters to participate in a thorough, structured and meaningful induction into the organisation. New employees gain valuable information about the organisation and how the organisation works from commencement.

An induction process for all volunteers is in place, providing information relative to Work Health and Safety and an overview of the Human Resources Policies and Procedures in place.

The following policies were added to the Human Resources Policy Manual during the year: Diversity Policy; Equal Employment Opportunity Policy; Induction Policy; Manual Handling & Personal Protective Equipment Policy; and Smoke Free Workplace Policy. In addition, the Workplace Behaviour policy suite was updated.

With assistance of an \$18,000 skills funding grant during 2017/2018, 35 employees undertook computer training in various Microsoft Office software packages. Reported benefits from the training include: job satisfaction, motivation, increased efficiencies, productivity and higher quality work output. In addition, staff participated in business skills training, including: time management, conflict resolution and effective supervision skills.

Works Department employees undertook a variety of training specific to their positions, including: First Aid, Working at Heights, Spotter, Manual Handling and Safe Slings and HIAB.

Council's Urban and Regional Planner, Erin Boer, was one of six participants in the Northern Tasmanian Council team, which represented the state in the 2018 Australasian Management Challenge. Erin and her colleagues were the Tasmanian winners and represented Tasmania at the Australasian Final held in Canberra during August 2018, in conjunction with the National Congress.

The Annual Performance and Development Review Process was condensed this year, ensuring that all departments performance reviews were completed by 30 June 2018, an impressive achievement for all managers and staff.

The following employees reached service milestones during the 2017/2018 period: Michelle Frankcombe (Admin Officer – Payroll & Debtors) and Michelle Campbell (Building Administration Officer), both with 20 years of service; whilst Mark Triffett (Plant Operator), Michael Jordan (Parks & Reserves) and Kate Lee (Childcare Director), achieved 10 years of service. Congratulations on your service awards and on behalf of Council, thank you for your loyalty and dedication during your employment tenure.

As at the 30 June 2018, Northern Midlands Council had 63 personnel employed on full-time or part-time basis and 15 casual employees. The turnover rate for the reporting period was 10% (20% 2016/2017), this is considered to be a healthy turnover rate.

SPECIFIC DATA	2017/2018	2016/2017	2015/2016	2014/2015
Payroll costs	\$4,185,872	\$4,731,130	\$4,403,551	\$4,034,844
Superannuation contributions	\$485,008	\$503,056	\$498,701	\$461,742
Workers Compensation Insurance/Expenses	\$133,954	\$153,557	\$169,619	\$130,847
Annual, Long Service, Sick Leave & Provisions	\$904,958	\$993,212	\$1,172,384	\$1,187,640
% of Payroll Capitalised	9.9%	6.6%	8.1%	8.1%
Permanent Staff (at year end)	57 EFT	56 EFT	63 EFT	55 EFT
Casual (at year end)	3 EFT	4 EFT	2 EFT	4 EFT
Sick Leave Taken/Permanent Employees (paid days)	6.6	5.5	4.8	8.3



• Michelle Frankcombe (Admin Officer - Payroll & Debtors) and Michelle Campbell (Building Administration Officer), both with 20 years of service

## ECONOMIC DEVELOPMENT

### Objective:

To encourage sustainable economic development for the Northern Midlands Region in conjunction with the Northern Midlands Business Association Inc, Northern Tasmania Development Corporation, Regional Development Australia (Tas) and other relevant stakeholders.

### Performance:

Collaborated with our regional partners to progress the development of the Northern Tasmania Economic Development Plan, which will be an underpinning document for the finalisation of Council's Economic Development Strategy.

Council is a member and shareholder of Northern Tasmanian Development Corporation Ltd (NTDC) (a not-for-profit company limited by guarantee) with a primary objective to provide pro-active, engaged and strategic regional economic leadership. Council ratepayers benefit from the investment via direct and material economic, employment, and investment outcomes, and contribute indirectly to social and community benefits as a consequence of NTDC achieving the objectives that it is set up to achieve. Council's annual fees for 2017/2018 were \$55,267 (2016/2017 \$51,330).

Secured Bridges Renewal Program funding to enable replacement of the aged one-lane, timber Woolmers Lane bridge with a two-lane, concrete bridge.

Managed consultancy briefs for economic development focussed projects including the Longford Urban Design Strategy, Perth Town Structure Plan, Perth Community Centre Development Plan, Campbell Town Urban Design and Traffic Management Strategy, Ross Village Green Master Plan and Perth Sheepwash Creek Open Space Plan.

Ongoing support of the Northern Midlands Business Partnership Group that assists local high school students to improve their employability skills, explore career opportunities and undertake authentic work experience.

Collaborated with the Northern Midlands Business Association to undertake the TRANSlint Lead Generation Project that will underpin Council's future enhancement and promotion of the TRANSlint precinct.

Replaced Town Entrance Signage at Avoca and commenced design of the Entrance Signage for Evandale and Conara.



• TRANSlint © Rob Burnett

## CORPORATE SERVICES

Corporate Services includes provision of financial services, information systems, community and social (human) services.



• Perth Early Learning Centre



• Emergency Management interpretation sign

## STRATEGIC PROJECTS

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Asset Management Plan Annual Review	✓	✓	Review	2017-2027	ON TRACK	Building Asset Management Plan updated for building componentisation, adopted by Council May 2017.
Annual Budget and Quarterly Review	✓	✓	Review	2017-2027	ON TRACK	Long Term Financial Plan updated, and annual budget adopted by Council June 2018.
Information Technology Upgrade Program	✓	✓	Review	2017-2027	ON TRACK	Website launched December 2017, server upgrades complete Dec 2017, Planning/ Building software upgrade implemented by July 2018.
Emergency Management	✓	✓	Review	2017-2027	ON TRACK	Next municipal emergency meeting scheduled in Nov 2018, updated Emergency Recovery Plan adopted May 2017, revision of Emergency Management Plan approved by State Government - April 2018. Community education about flooding in Longford - installed interpretation signage.
Workplace Health and Safety Action Plan Annual Review	✓	✓	Review	2017-2027	ON TRACK	New Risk Register complete June 2018. Revised WHS action annual plan under review. Asbestos - Register Updated in conjunction with an annual inspection of properties; individual registers for all properties to be displayed onsite.
Customer Service Standards	✓	Review	Review	Review	ON TRACK	LGAT state-wide community satisfaction annual survey scheduled December 2018. Attended the National Local Government Customer Service Network Conference in October 2017, attending state meetings on regular basis.

## FINANCIAL RESOURCES

### Objective:

To provide practical, viable, sustainable financial management policies and procedures.

### Performance:

Adopted a 2017/2018 Annual Plan and Budget on the 26 June 2017.

The Financial Report for the year ended 30 June 2018 is appended to this report; included is the Independent Audit report provided by the Tasmanian Audit Office.

Council adopted/ reviewed the following policies during the year:

- Assistance to Community, Sporting and Non-Profit Organisations
- Business Credit Cards Policy & Procedure
- Donations
- Rates & Charges Policy

Council's recurrent revenue during 2017/2018 was \$17.8 million (\$19.2m 2016/2017), capital income \$3.4 million (\$2.5m 2016/2017) resulting in total income of \$21.2 million (\$21.7m 2016/2017). Operating expenditure was \$17.7 million (\$18.6m 2016/2017), which resulted in a surplus of \$3.4 million (\$3.1m 2016/2017).

The overall surplus was very close to the 2017/2018 budgeted surplus of \$3.3 million; however, some individual income and expenditure items varied considerably.

**General Rate Revenue \$'s**



Rate Revenue was raised via a differential rating system in 2017/2018 based generally on the same amount of rate revenue, plus indexation and development, as previous years for each land use category. The General Rate in the dollar of assessed annual value was increased by 3.33% resulting in total rate revenue amounting to \$10.3 million or 58% of operating revenue and was generally within budget expectations. Rate receivables at 30 June 2018 represent 21.6% (17.6% at June 2017) of rate revenue (or 3.1% with the debt impairment adjustment). The increase being mainly due to one large rate debtor.

Commonwealth Financial Assistance Grant Revenue increased by \$7,232 in 2017/2018 to \$3.35 million (adjusted for advance payments). Grant revenue in 2017/2018 includes advance Financial Assistance payments of \$1.72 million (\$1.72m 2016/2017).

In addition, Council received \$2,719,602 in grant funding for projects including:

Roads to Recovery	<b>\$ 1,385,852</b>
Woolmers Bridge Replacement	<b>\$ 600,000</b>
Child Care – operations & projects	<b>\$ 253,553</b>
Cressy Pool Infrastructure Upgrade	<b>\$100,000</b>
Longford Recreation Ground Amenities Upgrade	<b>\$80,000</b>
Campbell Town Tennis Courts	<b>\$80,000</b>
Heavy Vehicle Motor Tax	<b>\$74,197</b>
Campbell Town Cenotaph Redevelopment	<b>\$70,000</b>
Evandale Football Club Electronic Scoreboard	<b>\$30,000</b>
Avoca Tourist Info Centre Museum – solar panels	<b>\$23,000</b>
Avoca Hall Kitchen	<b>\$10,000</b>
Solar Panel Installation – recreation grounds	<b>\$10,000</b>
NDRG Back Creek Levee Study	<b>\$3,000</b>

Non-monetary contribution revenue amounted to \$984,788 well above the amount budgeted to receive in 2017/2018 due to the handover of more subdivision assets than anticipated.

Investment revenue from TasWater dividend/tax equivalent income remained at \$702,000 for full year non-priority distributions being allocated to councils in 2017/2018.

Operating Expenditure for the year was \$0.9 million higher than budgeted mainly due to the net loss on disposal of assets, special committee expenditure not included in budget, and additional depreciation on assets revalued/constructed.

Depreciation actual cost increased from the previous year by \$172,117 to \$5.55 million, due to revaluation/indexation of assets.

Council recorded a net increase in asset revaluation of non-current assets of \$5.6 million on Property and Infrastructure.

Council's total equity in 2017/2018 increased by \$9.6 million to \$307.2 million.

Council recorded non-current infrastructure assets with a written down value of \$251.3 million (or Gross Value of \$372.7 million) as at 30 June 2018. (Note 14 in the financial statement provides a breakdown of asset values recognised).

Payments for purchase/construction of fixed assets totaled \$8.5 million, representing 43% of total annual cashflow during 2017/2018.

Derived proceeds of \$244,291 from sale of fleet/plant items during 2017/2018.

Cash and investments totaling \$14.1 million were on hand at the end of the reporting period, which is an increase of \$1.5 million on last year's balance of \$12.6 million. Cash and investments on hand represent money quarantined for the following areas:

Infrastructure Reserve	<b>\$3.727m</b>
Grants Paid in Advance	<b>\$2.111m</b>
Money held in Trust	<b>\$0.360m</b>
Employee Entitlements	<b>\$1.169m</b>
Special Committees	<b>\$0.269m</b>
General Funds	<b>\$6.545m</b>

Trade and Other Receivables decreased by \$302,145 as at 30 June 2018 mainly due to large government reimbursements not being received by year end in the previous financial year.

Work in progress amounts to \$3.179 million as at 30 June 2018 including \$1.519 million works associated with Woolmers bridge replacement, \$1.378 million major building/ recreation improvements, \$0.208 million stormwater improvements, and \$0.074 million sundry roadworks.

During 2017/2018 council borrowed \$6.570 million under the State Government Accelerated Capital Works Program (interest is reimbursed for a 5-year period). Total borrowings amount to \$8.470 million as at 30 June 2018.

The Tasmanian State Audit Office was appointed auditor for financial period ending 30 June 2018 at a cost of \$23,380 (2016/2017 \$22,050).

The Auditor General advised that to be sustainable, local government needs to have sufficient capacity to be able to manage future financial risks and shocks without having to radically adjust their current revenue or expenditure policies. Whilst Council's 2017/2018 underlying result is a \$0.062 million surplus or a zero percent underlying surplus ratio (see note 28), the almost balanced result is subject to one off operating items, or loss on disposal of assets renewed prior to end of life.

## INFORMATION SYSTEMS

### Objective:

To provide practical, viable, sustainable financial management policies and procedures. To deliver information management services to meet organisation, statutory and community needs.

### Performance:

Active member of the Tasmanian Technology One (ECM Records Management) User Group.

Reviewed the Information Management Policy.

Improvements to Information Technology systems as follows:

- Upgrade of onsite servers, storage and associated software; \$112,262;
- Provision of community CCTV, continued rollout of CCTV coverage of major buildings and attractions, \$12,266;
- Upgraded 9 staff desktop/laptop computers, \$9,307;
- Upgraded printers, several mobile phones and sundry electronic items, \$2,447;
- Audio equipment upgrades at Ross Town Hall, \$2,329;
- Completed upgrade/implementation of Building & Planning system;
- Upgraded to the latest versions of other software for all users and network servers;
- Assisted with the implementation of the Longford Christmas Tree lighting project;
- New construction site office setup;
- Completed development and implementation of a new Council website and facebook presence for the community.



• Set up of Longford Christmas tree lights



• Longford Christmas Tree lighting project

## COMMUNITY SERVICES

### Objective:

To facilitate healthy communities with a strong sense of wellbeing by facilitating the development of community services and activities that meet the needs and aspirations of Northern Midlands residents.

### Performance:

Managed the *Northern Midlands Council Further Education Bursary Program*.

Partnered with the Northern Midlands RSL Sub-Branch to plan and carry through the Northern Midlands ANZAC Day 2017 Services, and to continue planning towards the 2018 Remembrance Day special event at Longford.

Organised the Northern Midlands Council annual Australia Day event, including presentation of Northern Midlands Council achievement awards, volunteer recognition and citizenship ceremony.

Assisted organisers with preparation, promotion and compliance for a variety of events held throughout the municipal area.

Promoted information and events relevant to the Northern Midlands in the Northern Midlands Courier, Examiner's *Your Region* and via Facebook and Council's Website.

Council allocated Special Project grants totalling \$13,968 to sporting and community groups as follows:

Longford Cricket Club – pitch wicket and training nets	<b>\$5,000</b>
Longford Recreation Ground Committee – verti draining ground	<b>\$1,364</b>
Campbell Town School – Beyond the Grave Project	<b>\$1,342</b>
Longford Bowls Club – purchase of plastic chairs	<b>\$1,000</b>
Longford First Response Team – purchase of manikin	<b>\$1,000</b>
Evandale History Society – Tasman tree recognition plaque	<b>\$1,000</b>
Helping Hand Association – building extension	<b>\$970</b>
Cressy Scout Group – purchase of camping equipment	<b>\$950</b>
Campbell Town Mens Shed – building repairs and disabled access	<b>\$775</b>
Fusion Australia – portable piano for community hall	<b>\$500</b>
Avoca Local District Committee – Christmas street decorations	<b>\$67</b>

In 2017/2018 Council provided donations totalling \$20,354 under Section 77 of the Local Government Act to:

Assistance to Campbell Town SES – Council wages and plant	<b>\$247</b>
Flowers and gifts	<b>\$30</b>
Campbell Town District High School – Chaplaincy	<b>\$1,500</b>
Campbell Town District High School – Inspiring Positive Futures Program	<b>\$8,000</b>
Cressy District High School – Inspiring Positive Futures Program	<b>\$8,000</b>
Campbell Town District High School – School Achievement Awards	<b>\$103</b>
Perth Primary School – School Achievement Awards	<b>\$36</b>
Evandale Primary School – School Achievement Awards	<b>\$33</b>
Longford Primary School – School Achievement Awards	<b>\$36</b>
Cressy District High School – School Achievement Awards	<b>\$103</b>
Avoca Primary School – School Achievement Awards	<b>\$36</b>
Perth Fire Brigade	<b>\$50</b>
Longford Fire Brigade	<b>\$100</b>
Helping Hand Association	<b>\$1,040</b>
Longford Care – a – car	<b>\$1,040</b>

In 2017/2018 Sporting & Academic Achievement Donations totalling \$14,531 were provided to:

Lucy Carr – Bursary Program 2017	<b>\$500</b>
Lachlan Nation – Bursary program 2017 – instalment 2	<b>\$500</b>
Brittney Johnson – Bursary program 2017 – instalment 2	<b>\$500</b>
Saige Venn–Evans – Bursary program 2017 – instalment 2	<b>\$500</b>
Jessica Bartels – Bursary Program 2018 – instalment 1	<b>\$1,000</b>
Jake Brown – Bursary program 2017 – instalment 2	<b>\$500</b>
Alex Davis – Bursary program 2017 – instalment 2	<b>\$500</b>
Madeleine Berry – Bursary Program 2018 – instalment 1	<b>\$1,000</b>
Bella Smith – Bursary Program 2018 – instalment 1	<b>\$1,000</b>
Holly Pears – Bursary program 2017 – instalment 2	<b>\$500</b>
Luke Welsh – Bursary Program 2018 – instalment 1	<b>\$1,000</b>
Braydon Pavia – Bursary Program 2018 – instalment 1	<b>\$1,000</b>
Harrison Johnston – Bursary program 2017 – instalment 2	<b>\$500</b>
Blake George – Bursary Program 2018 – instalment 1	<b>\$1,000</b>
Alexander King–Grey – Bursary program 2017 – instalment 2	<b>\$500</b>
Alan McDonald – Bursary program 2017 – instalment 2	<b>\$500</b>
Gabriella Franklin – Bursary Program 2018 – instalment 1	<b>\$1,000</b>
Lucy Carr – Bursary program 2017 – instalment 2	<b>\$500</b>
Abigail Maynard – Bursary program 2017 – instalment 2	<b>\$500</b>
Sophie Harding – Bursary Program 2018 – instalment 1	<b>\$1,000</b>
Harry Heathcote – Metal Minds Robotics Team – Tech Challenge at Macquarie University	<b>\$55</b>

Jayden Eldershaw – 2017 National All Schools Track & Field	<b>\$62</b>
Sophie Parkin – U18 National Cricket Carnival	<b>\$62</b>
Lia Eacher – F1 Challenge National Finals	<b>\$62</b>
Ryan Whitney – U15 State Football Team	<b>\$66</b>
Evandale Primary School – Donation – Football & Netball Uniforms	<b>\$100</b>
Cobey Evans – U15 School Sports Team National Carnival 2018 Adelaide	<b>\$62</b>
Amy Barden – National Gymnastics Carnival 2018 Queensland	<b>\$62</b>



• Metal Minds Robotics Team - Tech Challenge at Macquarie University



• Northern Midlands Council annual Australia Day event: Councillors, new citizen and award recipients

## SOCIAL (HUMAN) SERVICES

### Objective:

To develop a system for provision of human services within the limits of resource availability and without detriment to existing 'traditional' provision. Emphasis on provision by private and government services rather than Council.

### Performance:

Continued to manage the Northern Midlands Child Care Service which provides a long day care service and after school care at Perth, a mobile service 3 days per week at Cressy and one day per week at Avoca, and operates the Northern Midlands Toy Library.

Participated in the quarterly Northern Midlands Health Service Providers forums.

Supported program for local youth including:

- Contracted National Joblink to provide mentoring programs at Cressy and Campbell Town District High Schools;
- Contracted the Longford and Launceston PCYCs to provide weekly youth activity programs at Longford, Perth and Evandale;
- Supported the Inspiring Futures Program in the Campbell Town and Cressy District High Schools;
- Funded Further Education Bursary Program;
- Participated in Northern Midlands Group meetings hosted by Beacon Foundation Inc.

Participated in Regional Social Recovery training, networking forums and exercises, and provided social recovery services.

Updated Council's Disability Action Plan.

Participated in hosting six 2nd year medical students who completed practical placement in the Northern Midlands.

Committed to *End Men's Violence Against Women* campaign through community education and awareness.



• End Men's Violence Against Women campaign

## COMMUNITY & DEVELOPMENT

Community & Development includes the provision of services relating to the following: Recreation, Tourism Promotion, Committees of Management & Non-Profit Organisations, Building, Health, Planning Services, Animal Control and Environmental Management.



• Sheepwash Creek (Perth) - water sensitive urban design



• Ross Public Toilet

### STRATEGIC PROJECTS

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Land Use and Development Strategy		✓	Review	2017-2018	ON TRACK	JMG Engineers & Planners appointed 18 September 2017. Draft document prepared. Community meetings and survey underway.
Tasmanian Planning Scheme Integration	✓	✓	Review	2017-2020	ON TRACK	Working with JMG Engineers & Planners on Local Provisions Schedules through the Land Use Strategy process.
<b>STRATEGIC PROJECTS TEAM</b>						
Economic Development Master Plan – Prepare, Prioritise, Implement	✓	✓	Review	✓	ON TRACK	Council and NMBA are collaborating on a small-scale project to identify opportunities to grow the number of businesses in the TRANSlink precinct. The resultant report will be one of the documents underpinning the development of the economic development strategy.
<b>STRATEGIC INFRASTRUCTURE PROJECTS</b>						
Launceston Gateway Precinct Master Planning	✓			2017-2020	ON TRACK	Listed as a component of the Municipal Land Use & Development Strategy. Options for southern expansion prepared. Work group to meet and make recommendation to Council.
Northern Midlands Rural Processing Centre	✓	✓	✓	2017-2020	ON TRACK	Combined with Launceston Gateway Precinct component of the Municipal Land Use & Development Strategy.

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Perth Town Structure Plan	✓				ON TRACK	Council has endorsed the plan and draft amendments to planning scheme to be prepared. Included in NMC Priority Projects 2018 document.
Perth Community & Recreation Centre & Primary School Integrated Master Plan	✓				ON TRACK	Awaiting report for presentation to Council. Included in NMC Priority Projects 2018 document. Oval lighting upgrade commenced May 2018 with expected completion September 2018.
Sense of Place Planning – all villages and towns	✓	✓	✓	✓	ON TRACK	Master planning for townships underway.
Longford CBD Urban Design Strategy	✓	✓			ON TRACK	Included in NMC Priority Projects 2018 document. Allocated \$250,000 urban street design and parklets in 2018/2019 budget.
Longford Place Activation Plan	✓	✓			COMPLETED	Complete.
Campbell Town CBD Urban Design and Traffic Management Strategy	✓	✓	✓	✓	ON TRACK	Awaiting detailed design.
Ross Town Centre Park Development Master Plan	✓			2017-2020	ON TRACK	Planning approval received. Stormwater works commenced.
Ross Swimming Pool Master Plan	✓	✓		2017-2020	NOT STARTED (OBSTACLES)	Included in NMC Priority Projects 2018 document.
Cressy Recreation Ground Master Plan		✓		2017-2020	ON TRACK	Council accepted Cressy Recreation Ground 2030 Master Plan at April 2018 Council meeting.
Cressy Swimming Pool Master Plan		✓		2017-2020	ON HOLD	Included in NMC Priority Projects 2018 document.
Evandale Morven Park Master Plan		✓		2017-2020	ON TRACK	Council accepted Morven Recreation Ground 2030 Master Plan at April 2018 Council meeting. Scoreboard and oval lighting upgrade commenced May 2018.
Feasibility Study: Investment in Ben Lomond Ski Field Northern Tasmania	✓	✓		✓	ON TRACK	Study being driven by external stakeholders, Council support provided when requested. Included in NMC Priority Projects 2018 document.

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
<b>ECONOMIC DEVELOPMENT</b>						
Economic Development Master Plan Strategy Delivery		✓	✓	✓	NOT STARTED (OBSTACLES)	To be implemented once developed.
Economic Development (incl. Tourism) Strategy Delivery		✓	✓	✓	NOT STARTED (OBSTACLES)	To be implemented once developed.
Tourism Strategy Implementation		✓	✓	✓	NOT STARTED (OBSTACLES)	Beacon Project – Ross is the first town to progress in the north sector of the Heritage Highway. HHTRA board to make decisions re products, experiences and stories; and provide appropriate content. Some products could be in use before year end, others in early 2019.
<b>COMMUNITY DEVELOPMENT</b>						
Youth and Ageing Strategy		✓	Review	✓	NOT STARTED (OBSTACLES)	Review of Youth services underway.
Discrimination Strategy		✓	Review	✓	NOT STARTED (OBSTACLES)	Not yet commenced.
Family Violence Strategy		✓	Review	✓	NOT STARTED (OBSTACLES)	Not yet commenced. Council continues End Men’s Violence Against Women campaign
Supporting Health and Education Programs	✓	✓	Review	✓	ON TRACK	Participating in the Northern Health Providers Networks meetings. Further Education Bursary Program reviewed in 2017.
Supporting Employment Programs	✓	✓	Review	✓	ON TRACK	Participate in: Northern Midlands Business Partnership Group meeting coordinated by Beacon Foundation; LGAT special interest groups, support Work for the Dole program; participate in work experience and university placements.

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Supporting Sport and Recreation Programs	✓	✓	Review	✓	ON TRACK	Participate in quarterly northern Sport & Recreation meetings. Upgrade to Council owned sporting facilities underway. Support participants in sporting activities at a state and national level. Input into the State Sport & Recreation Strategy.
Social Recovery Plan	✓			✓	COMPLETED	Review complete
Disability Action Plan	✓			✓	COMPLETED	Review complete
Cohesive Communities and Communities at Risk		✓	Review	✓	NOT STARTED (OBSTACLES)	Not yet commenced.
<b>REGULATORY</b>						
Legislative Audit	✓			✓	COMPLETED	Review of legislation complete.
Delegations Reviews	✓			✓	ON TRACK	Review as new staff commence and legislation changes.
Council Policy Manual Review	✓			✓	ON TRACK	Review schedule and process in place. Ongoing.



• End Men's Violence Against Women campaign



- 39 visitors from Vanuatu were welcomed by Linx Employment and the Northern Midlands community in December 2017. The visitors spent six months working on berry farms in the Northern Midlands, and resided at Kingsley House, Longford and the Ringwood Hotel, Cressy.

## RECREATION

### Objective:

To promote the use of existing Sport & Recreation facilities and plan for the development of new projects to meet the communities needs.

### Performance:

Managed the master planning process for the following sporting facilities:

- Campbell Town War Memorial Oval
- Cressy Recreation Ground
- Cressy War Memorial Swimming Pool
- Longford Recreation Ground
- Morven Park, Evandale
- Northern Midlands Health & Fitness Centre, Longford
- Perth Recreation Ground
- Ross Swimming Pool

Installed Christmas Tree lights on tree at Longford Village Green, \$76,922.

Upgraded chlorination systems at the Campbell Town and Cressy Swimming Pools, \$45,820.

Installed sprinkler system at Boucher Park Avoca, \$13,985.

Installed Stage 2 (including a swirl, carousel and two tower slide) Longford Village Green, \$152,516.

Selected as finalist in the *Breath of Fresh Air Innovative Tasmania Awards* for the *Interactive Playground* on the Longford Village Green.

Reviewed the Recreational Vehicles Development and Management of Facilities Policy (Overnight Camping Policy).

Presented at the Parks & Leisure Victoria and Tasmanian Conference in Ballarat, Victoria on a number of Council projects including the *Interactive Playground* at the Longford Village Green, Campbell Town War Memorial Oval redevelopment, Longford Velodrome and Northern Midlands Health & Fitness Centre.

Participated in quarterly Sport & Recreation meetings with neighbouring Council's, sharing projects and experience.



## TOURISM PROMOTION

### Objective:

To promote Northern Midlands as a tourist destination to the benefit of the local economy, and to maximum advantage for residents.

### Performance:

Participated Tourism Visitor Information Network (TVIN) northern area quarterly meetings, sharing information about Northern Midlands events.

Contributed to Greater Esk Tourism's Destination Action Plan.

Attended Tasmanian Tourism Conference.

Promoted local tourism operators through nominations for Tourism Northern Tasmania Champions of Tourism Awards.

Provided support to Northern Midlands tourism operators and worked on the development of town brochures for Campbell Town and Cressy.

Events in the Northern Midlands:

- Assisted with enquiries from event holders including Dark Mofo, CMCA Solo Campers Rally, Tasmania Chamber Music Festival and many more.
- Shared information of current events in the Northern Midlands through a range of networks.

Worked with all Northern Midlands Visitor Centres, coordinating half yearly meetings of the Northern Midlands Visitor Centres, facilitating information sharing. In particular coordination of the volunteers at the Visitor Information Counter in Longford.

Supported Tasmania's Heritage Highway Tourism Region Association Inc. (HHTRA) through financial contributions, provision of secretarial support and participation and assistance in a number of projects, including: social media promotion, website production and event promotion.

Collaborated with the Heritage Highway Tourism Region Association Inc and Tourism Northern Tasmania to develop the Northern Heritage Precinct Destination Action Plan, and to progress the implementation of the 2017-2019 Heritage Highway Destination Action Plan. These plans will enhance the competitiveness of the Heritage Highway Region as a visitor destination.

Reviewed Council's Festivals, Events & Promotions Policy during the year.

Supported and promoted Special Events within the area and provided \$33,881 grants to:

Anglican Church Art Exhibition	<b>\$100</b>
ANZAC Day	<b>\$10,450</b>
Australia Day and Volunteer Recognition Celebrations	<b>\$4,473</b>
Avoca Christmas Celebrations	<b>\$505</b>
Campbell Town ANZAC Group Remembrance Day & ANZAC Day	<b>\$240</b>
Engineering Australia Red Bridge Heritage Recognition	<b>\$323</b>
Evandale Village Fair	<b>\$1,277</b>
Festival of Small Halls	<b>\$1,851</b>
John Glover Society Arts Festival	<b>\$900</b>
Longford Cup	<b>\$1,000</b>
Longford Jazz Festival	<b>\$680</b>
Longford Show	<b>\$345</b>
Melbourne Cup Celebration	<b>\$1,568</b>
P E Green Memorial Cycling Road Race	<b>\$350</b>
Remembrance Day	<b>\$132</b>
Tas Chamber Music Festival	<b>\$3,000</b>
Tas Municipal Bowls Championships Longford	<b>\$1,000</b>
Tas Trout Fishing Expo (Cressy)	<b>\$1,500</b>
Tasmanian Combined Chapter Rally TCCR – CMCA Rally at Morven Park	<b>\$1,636</b>
Woolmers Built Heritage Tourism Forum	<b>\$1,000</b>
Woolmers Festival of Roses	<b>\$617</b>
Other Events	<b>\$935</b>

## COMMITTEES OF MANAGEMENT & NON-PROFIT ORGANISATIONS

### Objective:

To support Council Committees of Management and Community Organisations.

### Performance:

Provided ongoing support for recreation facility Management Committees and non-profit community organisations.

Council administers the Lake River Riverworks District funds to minimise environmental harm and risk within the boundaries of its district, complying with the *Water Management Act 1999* and its closing funds amounting to \$12,699.

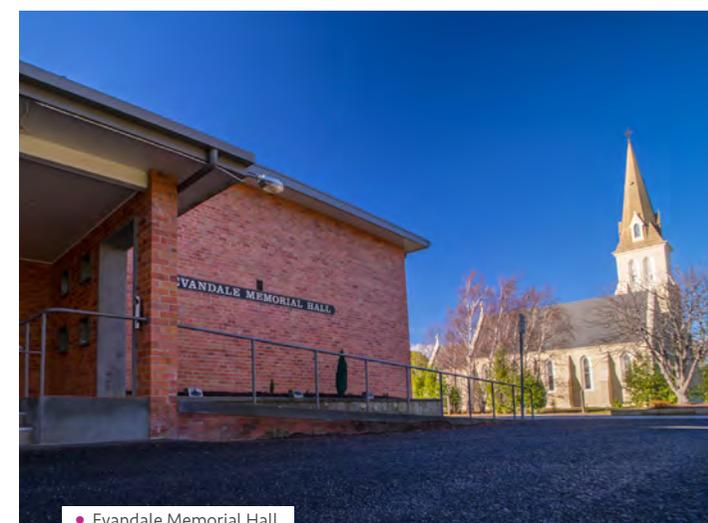
Special Committees represent \$245,087 (including Council maintenance grants) operating income and \$181,216 operating expenditure in Council's financial statement. Special Committees capitalised assets of \$20,775 in 2017/2018 and ended the year with \$289,688 net assets.

Special committees of Council managed the following facilities during 2017/2018:

- Avoca Hall/Community Centre
- Avoca Museum and Information Centre
- Bishopsbourne Community Centre
- Campbell Town Pool
- Campbell Town War Memorial Oval
- Cressy Memorial Hall
- Cressy Recreation Ground
- Cressy War Memorial Pool
- Epping Hall
- Evandale Community Centre
- Evandale War Memorial Hall
- Liffey Hall
- Longford Recreation Ground
- Morven Park Recreation Ground (Evandale)
- Perth Community Centre
- Perth Recreation Ground
- Ross Recreation Ground & Swimming Pool.



• Cressy Memorial Hall



• Evandale Memorial Hall

## BUILDING SERVICES

### Objective:

To provide the regulatory framework to ensure all private and public buildings are constructed in accordance with the Building Act and Regulations, Building Code of Australia and other regulatory standards.

### Performance:

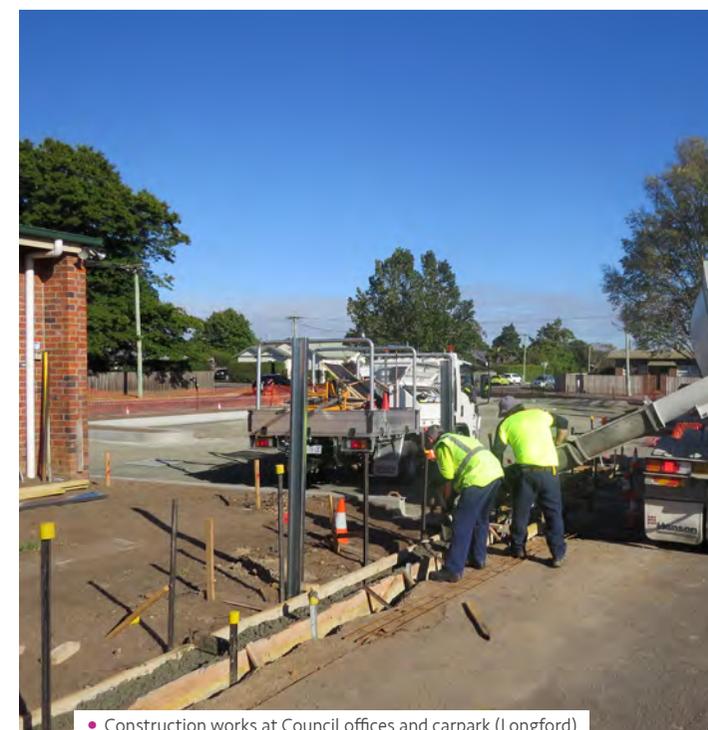
Implemented changes to the organisational structure to meet new requirements following the introduction of the new Building Act 2016.

Issued 154 building approvals totalling \$27.0 million.

Issued 1,313 Property Certificates (Sec 132 & 337), compared to 1,140 last year.

SPECIFIC DATA	2017/2018	2016/2017	2015/2016	2014/2015
Applications approved	154	175	226	226
Dwellings	64	45	57	82
Additions to dwelling, incl. out-buildings & sheds	84	111	128	130
Industrial/Commercial	6	19	26	14
Value	\$27.0m	\$27.4m	\$31.5m	\$26.8m
Average Processing Time (Days)				
• Building Permit	7	14	6	7
• Certificate of Likely Compliance	14	3	5	10
• Plumbing Permit	14	9	6	6
No of Inspections	238	248	764	818
Septic Tank & AWTS Applications	25	9	19	11
Licensed places of assembly (legislation changes effected 2014/15)	7	9	6	19

Note: from January 2017 Council no longer provided Building Surveying services



• Construction works at Council offices and carpark (Longford)

## LAND USE & PLANNING

### Objective:

To provide a co-ordinated land use plan to facilitate controlled growth within the parameters of infrastructure availability, while maintaining certainty and harmony with local environments and community expectations.

### Performance:

Approved 237 applications including (total applications figure includes approvals for amendments):

- A large addition to the Woolworths Bulk facility at Translink
- Replacement amenities for Ross
- Community building infrastructure such as Avoca entrance signs, Red Bridge Interpretation Sign & intersection realignment.
- New Council carpark and upgrades to the Chambers entrance
- Longford Sports Centre upgrade
- Longford Football Oval facility upgrade
- Lighting for a number of playing fields at Council Sporting facilities

- Woolmers Bridge replacement
  - TasWater reservoirs and pump stations at Rossarden, Conara and Epping Forest
  - Campbell Town Oval upgrade
  - North Esk Irrigation Scheme
  - Midland Highway Safety Upgrade - Perth Link Roads
  - Ross Village Green redevelopment
  - Service Stations at Campbell Town
- Approved 58 new lots, 35 new dwellings, 38 new units, 110 new sheds.

Received 5 Notices of appeal from RMPAT.

Refused 3 applications and actively followed up illegal works and non-compliance with planning permits.

Adopted/reviewed the following Council policies during the year:

- Footpath Trading
- Mobile Food Vendors Policy
- Recreational Vehicles Development and Management of Facilities
- Illawarra Road Signs Advertising Policy
- Placement of Shipping Containers



• Council office upgrade and carpark - completed

## HEALTH & ENVIRONMENTAL MANAGEMENT

### Objective:

To provide for community wellbeing through a healthy living environment, promoting healthy lifestyles and reducing disease.

### Performance:

Councils environmental health officer has worked in conjunction with various government departments in the assessment and resolution of incidents of potential environmental harm. The departments include the Environment Protection Authority, the Department of Health and Human Services, Taswater and Tasmania Police.

- Purchased K9 Kube Twin Box Animal Lifter;
- Reviewed the Cemeteries Policy during the year.

Matters addressed include:

- Odour and dust from the keeping of animals;
- Food safety related concerns and complaints;
- Noise from heavy vehicle movements;
- Local industry odour emissions;

- Sewerage connection and odour;
- Asbestos related complaints;
- Other local industry environmental concerns including industrial waste storage and reuse; and,
- Air quality (smoke) incidents.

The Community Health Report addressed objectives within the areas of:

- Prevention and control of notifiable diseases;
- General infectious diseases control;
- The school immunisation program was contracted to the Northern Midlands Medical Service;
- Public Health Risk activities including tattooing;
- Regulated systems (cooling towers) to prevent the transmission of legionella;
- Control and mitigation of noise nuisances;
- Recreational water quality was monitored in accordance with the Public Health Act 1997, Guidelines for Recreational Water Quality;
- Food safety initiatives and regulatory control including food business registrations and inspections;
- Assessment and monitoring of on-site wastewater management (septic tank systems).

SPECIFIC ACHIEVEMENTS/ ISSUES WITHIN THE COMMUNITY HEALTH REPORT	2017/2018	2016/2017	2015/2016
Notifiable diseases investigated	4	4	5
School immunisations administered	199	105	N/a
Recreation water monitoring			
• River water compliance	91%	94.2%	93%
• Pool water compliance	100%	100%	98%
Environmental nuisance complaints	47	45	48
Registered food premises	92	122	161
Food premises inspected	77	75	154
Registered temporary food premises	64	46	86
Public environmental incidents	0	0	0
Animal Control			
Dog Registration	4,250	3,673	3,773
Kennel Licences	76	70	72
No. of Impounded Animals	84	74	78

## WORKS & INFRASTRUCTURE

Works includes the provision of maintenance and construction of Council infrastructure and facilities. Engineering Services includes the provision of the Engineering Design and Services, Waste Management & Infrastructure Management.

### STRATEGIC PROJECTS

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
TRANSlink Precinct Renewal – Stormwater	✓	✓		2017-2020	ON TRACK	Process of land acquisition underway. Seeking grant assistance to fund planned works. Included in NMC Priority Projects 2018 document.
Campbell Town War Memorial Oval	✓			2017-2020	ON TRACK	Progressing with Designer and Contractor to achieve savings to meet budget. Works commence on site September 2018. Oval lighting upgrade commenced May 2018.
Longford NM Sport and Fitness Centre	✓	✓	✓	2017-2020	ON TRACK	In progress, works commencing on site.
Evandale Honeysuckle Banks	✓			2017-2020	ON TRACK	Masterplan complete. Only minor works being undertaken. Included in NMC Priority Projects 2018 document.
Nile Road Upgrade		✓	✓		NOT YET COMMENCED	Include in Roads 5-year Capital Works program if possible. Included in NMC Priority Projects 2018 document.
Stormwater Management Plans	✓	✓	Review	2017-2027	ON TRACK	Initial data collection survey complete. Model build for all Towns in progress. Funding application to be made to fund modelling work for Campbell Town.
Waste Management 2017-2020	✓	✓	Review	2017-2027	ON TRACK	Member of the Northern Waste Management Committee. WTS disposal and supervision contracts tendered for long term provision of services. Concrete material being collected, to be crushed at a later date.
NRM Program Collaboration	✓	✓	Review		ON TRACK	Collaborating with NRM North on the WSUD Master Plan for Sheepwash Creek.
Longford Recreation Ground Master Plan	✓	✓		2017-2027	ON TRACK	Staged works commencing. Funding components of the Master Plan to be considered in forthcoming Council budgets, Council Officers to seek to secure external grant funding to assist with implementation. Included in NMC Priority Projects 2018 document. Oval lighting upgrade underway May 2018. Works to commence on Stage 1 in October 2018; storage shed development application submitted.
Sheepwash Creek WSUD Open Space Corridor	✓	✓		2017-2027	ON TRACK	July 2018: WSUD space corridor concept plan and concepts – Phillip to Drummond streets – received from consultants. Land acquisition has commenced.

## ROADS

### Objective:

To maintain by cost effective operations, a safe and effective road network to meet the needs of residents and visitors.

### Performance:

Council undertakes a scheduled revaluation of road infrastructure assets valued in accordance with *AASB116 Property Plant & Equipment* and *AASB113 Fair Value Measurement*. The current replacement cost is calculated using current construction costs provided by qualified staff/consultants.

As at 1 July 2014 Road Infrastructure was revalued following physical condition assessment which resulted in a total replacement cost of \$203,285,430 and accumulated depreciation of \$66,009,883 and a Net amount at Fair Value of \$137,275,547.

Projected renewal funding required in 2014 Road Condition Assessment depicted in Fig 1.1 (refer Moloney Road Condition Survey Report 2014):

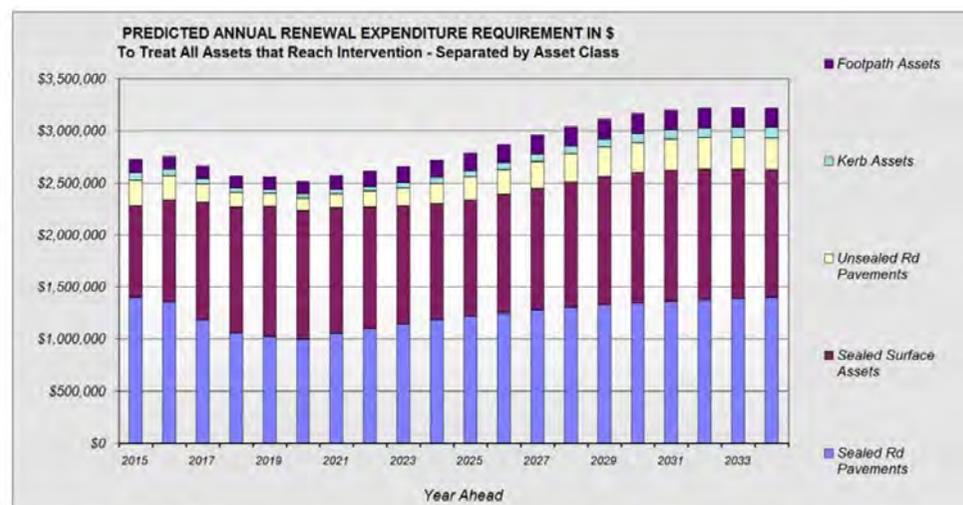


Fig 1.1 Predicted Renewal Demand to treat all assets that reach the intervention level in future years

Following annual cost indexation, additions and disposals, and depreciation the breakdown of road infrastructure value as at 30 June 2018 is as follows:

Replacement cost	<b>\$209,297,922</b>
Accumulated Depreciation	<b>\$72,188,159</b>
Net amount at Fair Value	<b>\$137,109,763</b>

Council's current Road Asset Consumption ratio is 66% and over recent years has been consistently above the State target ratio of 60%.

Council's Road Asset Renewal funding ratio is 119% which indicates that it has capacity to fund asset replacement requirements and is well above the State target ratio of 90-100%.

## Road Reconstruction

Reconstructed 7,376m<sup>2</sup> of urban, and 22,930m<sup>2</sup> rural sealed pavements at a total cost of \$1.132 million.

Resheeted gravel roads at a total cost of \$304,700.

## Reseals

Sealed 29,506m<sup>2</sup> new or reconstructed pavements; and resealed 92,821m<sup>2</sup> of the total sealed road network at a cost of \$584,130.

## Footpaths

Constructed/reconstructed footpaths at a cost of \$285,232:

- 1,527m<sup>2</sup> concrete
- 670.5m<sup>2</sup> hotmix
- 396.5m<sup>2</sup> washed concrete
- Including sections of Queen Street in Campbell Town; Hobart Road, Western Junction; High and Barclay streets in Evandale; George and Wellington streets in Longford; Drummond Crescent in Perth and Nile Road.

## Other Road Infrastructure

Recognised subdivision road assets transferred to Council valued at \$585,354.

Projects funded by Roads to Recovery during 2017/2018 were:

- Reconstruction of sections of rural roads including Macquarie Road, Campbell Town \$459,700; and Barton Road, Campbell Town \$464,239;
- Reconstruction of urban streets including Mason Street at Campbell Town and High Street Ross \$208,159;
- Replaced Rossarden Bridge No.1300 and McShane's Road Bridge No. 3725 at a value of \$420,161.

Constructed 775m kerb and channel at a cost of \$63,465.

Installation of LED street lighting at a cost of \$501,700.

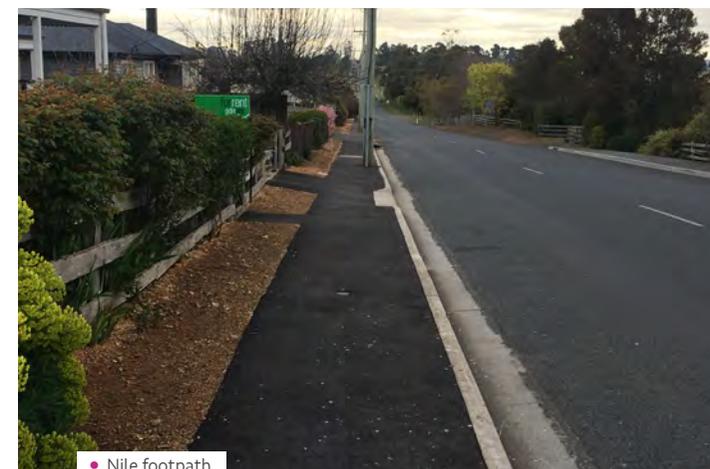
Installed two new Heritage Street Lamp in Evandale CBD, \$13,891.

Provision of street furniture including seats, tables and benches, picnic settings, and waste bins across the municipal area, \$82,235.

Purchased road plant/vehicles at a net cost of \$942,377 including a JCB backhoe, two new HINO tippers, fleet items (light utilities and sedans).



• Evandale footpath



• Nile footpath

## STORMWATER

Installed various stormwater pipes and associated manholes and gully pits at a cost of \$544,315.

Progressed the stormwater flooding study for the TRANSLink industrial area and West Perth Urban Stormwater Plan.

Membership of the Northern Stormwater Program, TEER Committee, \$15,000.

Successful application for Natural Disaster Resilience Grant of \$110,000 for diversion of stormwater from the Paton Street detention basin at Longford.

## WASTE MANAGEMENT

### Objective:

To manage the disposal of all forms of waste economically and effectively with a high level of environmental awareness. Strategy emphasises recycling, waste minimisation, litter reduction and service availability.

### Performance:

Participated in the Northern Tasmanian Development Regional Waste Management Committee and adopted the Waste Management Budget for 2017/2018.

Provided a 'Special' refuse collection service for all urban areas for the purpose of assisting those with limited access to dispose of unwanted goods to Council's Waste Transfer Stations.

Replaced mobile garbage bins as required.

Implemented electronic ticket system at the Longford Waste Transfer Station.

Constructed new storage/site sheds at Campbell Town and Longford Transfer Stations \$14,953.

## BRIDGES

### Objective:

To manage bridges to ensure safety and maximum life span.

### Performance:

Replaced 173m<sup>2</sup> of timber bridge deck area with a concrete structures and associated guard rail, on Rossarden Road (Bridge No. 3725) and on McShanes Road (Bridge No. 1300) at a total cost of \$0.42 million.

Work is in progress for the replacement the timber single lane bridge on Woolmers Road with a concrete two-lane structure (Bridge no. 1130) costed at \$1.52 million to 30 June 2018.

## BUILDING SERVICES & PROPERTY MANAGEMENT

### Objective:

To provide and also manage the infrastructure needs of Council's public buildings

### Performance:

Constructed a new public toilet facility and associated infrastructure at the township of Ross \$364,361.

Duplicated the size of the Campbell Town public toilet facility, and renovated/upgraded the existing facility, \$389,319.

Replaced Tooms Lake public toilet, \$24,218.

Replaced floor in the Longford Memorial Hall, \$35,303.

Replaced the roof on the Avoca Museum and Information Centre, \$21,557.

Built a bus shelter at Clarence Street, Perth, \$15,080.

Provision of solar panels at Perth and Longford Recreation clubrooms, \$19,185.

Installed LPG gas hotwater system at Longford Caravan Park amenities, \$12,500.

Improved lighting of Longford Victoria Square gardens, rotunda and war memorial, \$31,256.

Replaced Town Entrance Signage at Avoca, \$19,217.

Completed the restoration of the Ross Cannon War Memorial, \$21,585.

Upgraded the Avoca Hall kitchen, \$14,829.

Upgraded heating at the Epping Hall, \$1,541.



• Ross cannon



• Campbell Town amenities



# MAJOR WORKS

## ROAD INFRASTRUCTURE

### All areas

Replacement of existing cracked asphalt footpath with concrete	ONGOING
--	---------

### Campbell Town

Queen Street – footpath reconstruction	ACHIEVED
Barton Road – road reconstruction	ACHIEVED
Macquarie Road – road reconstruction	ACHIEVED
Mason Street – road reconstruction	ACHIEVED
High Street – recreation ground access	CARRIED FORWARD
High Street – road reconstruction	CARRIED FORWARD

### Evandale

High Street – footpath reconstruction	ACHIEVED
Barclay Street – footpath reconstruction	ACHIEVED

### Longford

Smith Street – footpath reconstruction	ACHIEVED
High Street – footpath reconstruction	ACHIEVED
Wellington Street – traffic calming/parklets	ONGOING
Smith Street – office carpark	ACHIEVED

### Perth

Drummond Crescent – footpath reconstruction	ACHIEVED
Seccombe Street West – road reconstruction	ACHIEVED

### Ross

High Street & Esplanade – road reconstruction	ACHIEVED
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## BRIDGES

Woolmers Lane Macquarie River (timber to concrete abutment)	1130	ONGOING
Rossarden Road Storys Creek (concrete abutment)	1300	ACHIEVED
McShanes Road Hop Pole Creek (timber piles to concrete abutments)	3725	ACHIEVED

## URBAN STORMWATER / DRAINAGE

TRANSlink area	ONGOING
West Perth area	ONGOING
Stormwater Management Plans	ONGOING



## RECREATION, BUILDING & COMMUNITY

Improvements at Depots	ACHIEVED
Office Premises – iterations	ACHIEVED
Office Premises – roof replacement	CARRIED FORWARD
Entrances – statements/beautification	ACHIEVED
<b>Avoca</b>	
Avoca Museum and Information Centre – roof replacement	ACHIEVED
Boucher Park – irrigation system/BBQ light & power point	ACHIEVED
<b>Campbell Town</b>	
Pool – chlorinating system	ACHIEVED
Recreation Ground – site works	CARRIED FORWARD
Recreation Ground – complex	ONGOING
Hall – exterior painting	CARRIED FORWARD
Public Toilets – duplication	ACHIEVED
<b>Cressy</b>	
Recreation Ground – dump point & main extension	CARRIED FORWARD
Pool – chlorinating system & non-slip pool deck cover	ACHIEVED
Recreation Ground – improvements to clubrooms & amenities	ONGOING
<b>Epping Forest</b>	
Hall – improvements	ACHIEVED

## Evandale

Hall – painting & roof repairs	CARRIED FORWARD
Recreation Ground – top dressing	ACHIEVED

## Lake Leake

House & Amenities – improvements	ACHIEVED
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## Longford

Public Open Space – Stokes Park redevelopment	ACHIEVED
Recreation Ground – grandstand & amenities upgrade	ACHIEVED
Sports Centre – gym extension & carpark	ONGOING
Victoria Square – Christmas tree lighting	ACHIEVED
Memorial Hall – floor replacement	ACHIEVED
Wellington Street – cable bundling	ACHIEVED
Library – exterior painting	ACHIEVED
Recreation Ground – top dressing	ACHIEVED

## Perth

Community Centre – meeting room	CARRIED FORWARD
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## Ross

Village Green development	ONGOING
Public Toilets – replacement	ACHIEVED
Cannon – restoration	ACHIEVED



# REPORTING ON LEGISLATIVE REQUIREMENTS

## PUBLIC TENDERS

### LIST OF CONTRACTS AWARDED OVER \$100,000 excl. GST (Local Government Act)

DESCRIPTION OF CONTRACT	PERIOD OF CONTRACT	VALUE OF TENDER AWARDED (EXCL. GST)	BUSINESS NAME (SUCCESSFUL CONTRACTOR)	BUSINESS ADDRESS (SUCCESSFUL CONTRACTOR)	MINUTE REFERENCE	CONTRACT NO.
Kerbside Waste Collection	1 July 2010 to 1 May 2019	Urban & rural fortnightly refuse collection	Aussie Waste Management	128 Mornington Road, Mornington 7018	132/10	10/01
Kerbside Recycling Collection	1 July 2010 to 1 May 2019	4,796 collections @ \$1.21	Veolia Environmental Services	PO Box 431, Rosny 7018	133/10	10/02
Kerbside Recycling Processing	1 July 2010 to 1 May 2019	Tonnes collected @ \$48.20 per Tonne	Veolia Environmental Services	PO Box 431, Rosny 7018	134/10	10/03A
Council Waste Clearance & Bin Hire	1 July 2018 to 30 June 2021	Est \$147,435 clearance \$29,858 bin hire but based on no. of clearances	Just Waste	PO Box 499, Prospect 7250	101/18	18/03
Management of Waste Transfer Stations	1 July 2016 to 30 June 2020	\$214,646	Just Waste	PO Box 499, Prospect 7250	142/16	16/01
Design & Project Management Campbell Town War Memorial Oval Redevelopment	1 Jan 2017 to 31 Dec 2018	\$157,000	Philip Lighton Architects Pty Ltd	65 Tamar Street, Launceston 7250	300/16	16/08
Purchase of JCB 3CX Elite T4i Backhoe		\$166,760	JF Machinery Pty Ltd	PO Box 62, Mowbray 7250	268/17	17/12
Land Use Planning & Development Strategy		\$125,765	Johnston McGee & Gandy	117 Harrington Street, Hobart 7000	302/17	
Campbell Town Urban Design & Traffic Management Strategy		\$110,000	Lange Design & Rare Innovations	PO Box 5017, Launceston 7250	341/17	17/24
Design & Construct Bridge No. 1130 – Woolmers Road		\$2,213,096	VEC Civil Engineering Pty Ltd	PO Box 812, Ulverstone 7315	376/17	17/23
Supply of Longford Sports Centre Shed Extension		\$256,918	RT & NJ Construction Services	PO Box 1043, Burnie 7320	72/18	18/02
Campbell Town Recreation Ground Clubhouse		\$2,832,761	Vos Constructions	3 Hudson Fysh Drive, Western Junction 7212	48/18	-
Recreation Ground Lighting		\$1,556,917	Lane Electrical Services Pty Ltd	PO Box 215, Mowbray 7250	49/18	17/25

## BIENNIAL CONTRACTS FOR INFORMATION ONLY

DESCRIPTION OF CONTRACT	PERIOD OF CONTRACT	VALUE OF TENDER AWARDED (EXCL. GST)	BUSINESS NAME (SUCCESSFUL CONTRACTOR)	BUSINESS ADDRESS (SUCCESSFUL CONTRACTOR)	MINUTE REFERENCE	CONTRACT NO.
Supply of Reach Arm Slashing of Roadsides	to 30 June 2019	Bi-Annual Tender	Mulch Management	9 Range Road, Evandale 7212	244/17	17/14
Spraying of Roadsides and Footpaths	to 30 June 2019	Bi-Annual Tender	Spider Pest & Weed Control	PO Box 329, Beauty Point 7270	244/17	17/15
Spraying of Roadsides and Footpaths	to 30 June 2019	Bi-Annual Tender	Stornoway Civil	PO Box 196, Kings Meadows 7249	244/17	17/15 (i)
Supply and Delivery of Road Maintenance Gravel	to 30 June 2019	Bi-Annual Tender	Stornoway Civil	PO Box 196, Kings Meadows 7249	244/17	17/16 (i)
Supply and Delivery of Road Maintenance Gravel	to 30 June 2019	Bi-Annual Tender	Gradco Pty Ltd	PO Box 290, Newstead 7250	244/17	17/16 (ii)
Supply and Delivery of Road Maintenance Gravel	to 30 June 2019	Bi-Annual Tender	BIS Industries Limited	PO Box 494, Albion QLD 4010	244/17	17/16 (iii)
Supply of Bituminous Resealing of Roads	to 30 June 2019	Bi-Annual Tender	Crossroads Civil Contracting Pty Ltd	73-79 Lilydale Road, Rocherlea 7248	244/17	17/17
Construction of Concrete Kerb and Gutter & Crossovers	to 30 June 2019	Bi-Annual Tender	Crossroads Civil Contracting Pty Ltd	73-79 Lilydale Road, Rocherlea 7248	244/17	17/18 (a)
Construction of Concrete Kerb and Gutter & Crossovers	to 30 June 2019	Bi-Annual Tender	PJ Contracting	PO Box 31, Mowbray Heights 7248	244/17	17/18 (b)
Construction of Asphalt Footpaths & Driveways	to 30 June 2019	Bi-Annual Tender	Northseal Pty Ltd	5A Ray Street, Invermay 7248	244/17	17/19
Construction of Concrete Footpaths & Driveways	to 30 June 2019	Bi-Annual Tender	Crossroads Civil Contracting Pty Ltd	73-79 Lilydale Road, Rocherlea 7248	244/17	17/20 (a)
Construction of Aggregate Concrete Footpaths & Driveways	to 30 June 2019	Bi-Annual Tender	Elite Concrete	96 Devon Hills Road, Perth 7300	244/17	17/20 (b)
Construction of Concrete Footpaths & Driveways	to 30 June 2019	Bi-Annual Tender	Elite Concrete	96 Devon Hills Road, Perth 7300	244/17	17/20 (c)

## NON APPLICATION OF PUBLIC TENDER POLICY

DESCRIPTION OF CONTRACT	PERIOD OF CONTRACT	VALUE OF TENDER AWARDED (EXCL. GST)	BUSINESS NAME (SUCCESSFUL CONTRACTOR)	BUSINESS ADDRESS (SUCCESSFUL CONTRACTOR)	MINUTE REFERENCE	CONTRACT NO.
No item during 2017/2018						

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## ATTENDANCE AT COUNCIL AND COMMITTEE MEETINGS BY COUNCILLORS

(LOCAL GOVERNMENT ACT)

Please refer to table on page 13 for details of attendance.

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## ELECTED MEMBER ALLOWANCES AND EXPENSES

(LOCAL GOVERNMENT ACT)

During 2017/2018 Council provided allowances and reimbursements of all reasonable expenses to the Mayor, Deputy Mayor and Councillors. The total amount of these payments was \$200,100 (compared to \$199,408 the previous year). Please refer to page 13 for further breakdown of allowance and expense payments.

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## REMUNERATION STATEMENT

(LOCAL GOVERNMENT ACT)

The remuneration statement is provided for those positions designated by Council as senior positions under the Act, and includes salary payable plus any other allowances or benefits paid or provided for the benefit of the employee. Reported in Financial Statements, see note 25(iii).

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## GRANTS & BENEFITS

(LOCAL GOVERNMENT ACT)

During 2017/2018 Council donations under section 77 as listed on pages 33 and 34, and rate remissions under its Rate Remission Policy totalling \$49,881 (2017/2018 \$47,598); plus \$Nil (2017/2018 \$Nil) under Policy – Rate Incentive for New Development.

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## DONATION OF LAND

(LOCAL GOVERNMENT ACT)

During 2017/2018 Council made no donations of land under section 177.

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## PUBLIC INTEREST DISCLOSURES STATEMENT

(PUBLIC INTEREST DISCLOSURES ACT 2012)

Copies of the current *Public Interest Disclosures Act 2012* procedures of the Northern Midlands Council can be accessed on Council's website at [www.northernmidlands.tas.gov.au](http://www.northernmidlands.tas.gov.au) or in hard copy at the Council offices situate at 13 Smith Street, Longford.

During the 2017/2018 financial year, the following disclosures were made to the Northern Midlands Council with regard to the *Public Interest Disclosures Act 2012*.

LEGISLATIVE REQUIREMENT	NUMBER	TYPE OF DISCLOSURE
Number and types of disclosures made to Northern Midlands Council during the year that the Northern Midlands Council determines to be public interest disclosures.	Nil	N/A
Number of disclosures determined by the Northern Midlands Council to be public interest disclosures that it investigated during the year.	Nil	N/A
Number and types of disclosed matters referred to the Northern Midlands Council by the Ombudsman during the year.	Nil	N/A
Number and types of disclosed matters referred during the year by the Northern Midlands Council to the Ombudsman.	Nil	N/A
Number and types of investigations of disclosed matters taken over by the Ombudsman from the Northern Midlands Council during the year.	Nil	N/A
Number and types of disclosed matters the Northern Midlands Council has decided not to investigate during the year.	Nil	N/A
Number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	Nil	N/A

During the 2017/2018 financial year the Ombudsman recommended Council review its procedures, in accordance with the model procedures provided by the Ombudsman, this process was commenced prior to the conclusion of the financial year.

## ENVIRONMENTAL HEALTH STATEMENT

(PUBLIC HEALTH ACT 1997 AND THE FOOD ACT 2003)

Council is committed to protect and promote the health and wellbeing of its communities and spent \$84,816 on health projects in 2017/2018 (2016/2017 \$85,765). Please refer to page 45 for further details of Council's Community Health Report.

## RIGHT TO INFORMATION ACT

The *Right to Information Act* provides the opportunity for public access to Council documents. The Act establishes a legally enforceable right for the community to access information in document form held by Council. Council received one application under the Right to Information for the period 1 July 2017 to 30 June 2018. Requests for access to information under the Right to Information Act should be in writing. Requests are to be lodged with the General Manager at the Council Chambers in Longford. Enquiries regarding Right to Information can also be made by telephone.



• Campbell Town War Memorial Oval & Club Rooms Redevelopment



• Melbourne Cup Tour event: John Letts, Joe McGrath and Mayor David Downie

## CODE OF CONDUCT COMPLAINTS

### (LOCAL GOVERNMENT ACT)

The requirements in relation to Code of Conduct, Complaints and Complaint Resolution are stipulated in Division 3A of the *Local Government Act*. No Code of Conduct complaints were upheld either wholly or in part during 2017/2018 (Nil 2016/2017).

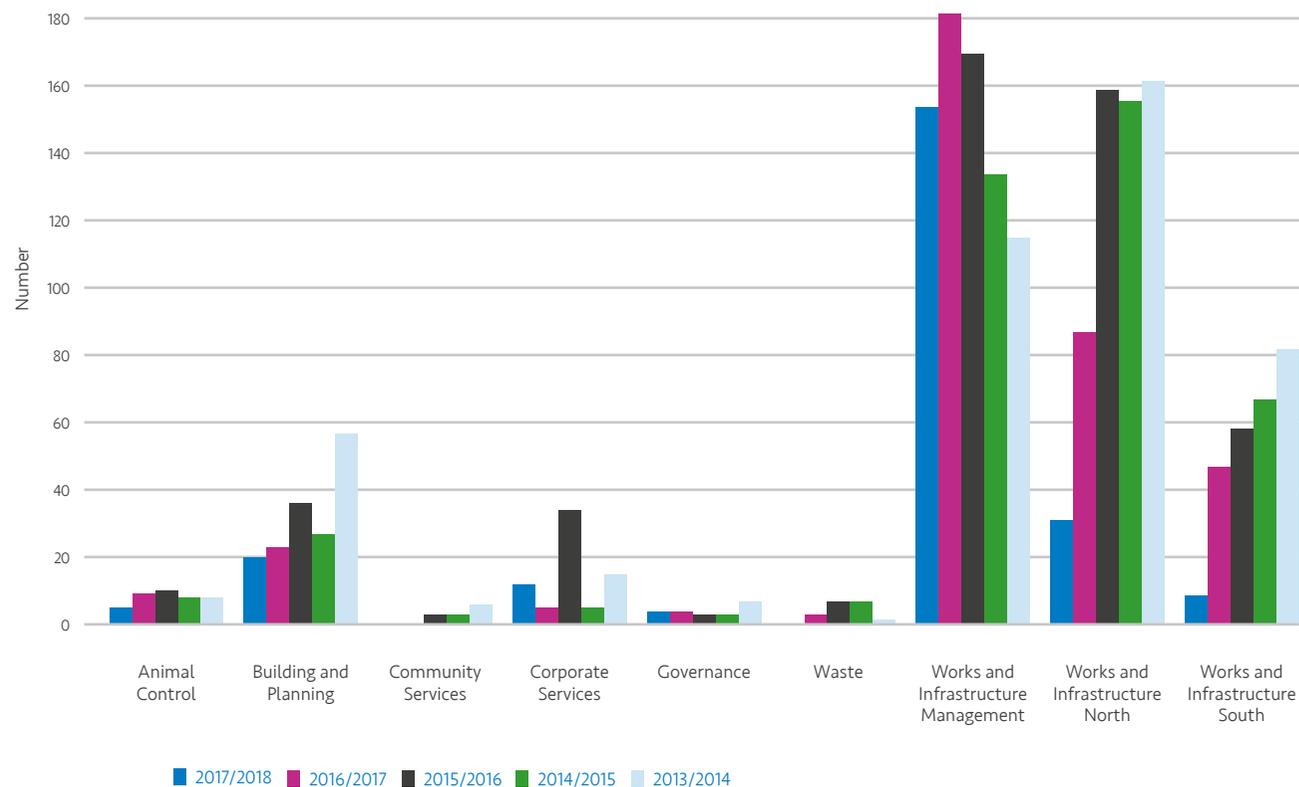
## CUSTOMER REQUESTS/ COMPLAINTS RECEIVED

### (LOCAL GOVERNMENT ACT)

In accordance with s339F(5) of the *Local Government Act*, the general manager is to provide the council with a report at least once a year of the number and nature of complaints received.

The following graph depicts the number of all customer requests/complaints received during the relevant period.

Customer Requests



A photograph of an antique shop display. In the foreground, a yellow-painted wooden cabinet with a dark wood top holds a large, weathered metal pot with a wooden handle. To the left, a wooden table and chairs are set up. In the background, a stone building with a stained glass window is visible. The text 'UNDERSTANDING THE FINANCIAL REPORT' is overlaid in white, bold, sans-serif font.

# UNDERSTANDING THE FINANCIAL REPORT

## WHAT ARE THE FINANCIAL STATEMENTS?

Council prepares its financial statements in accordance with the Australian Accounting Standards, using particular terminology and conventions that may not be familiar to some readers. This overview may assist readers understand outcomes stated in the financial statements.

The four major disclosures, which are

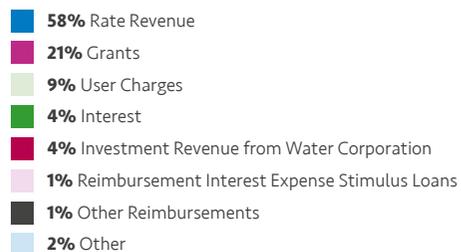
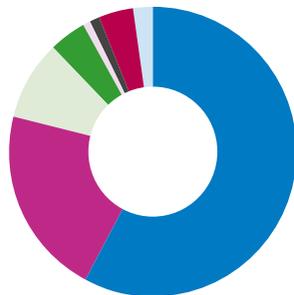
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

are collectively known as the “Financial Statements”, these documents provide an overview of the transactions that occurred during the year and a summary of the financial status of Council at the end of the year.

### Where the dollars come from

(operating income)

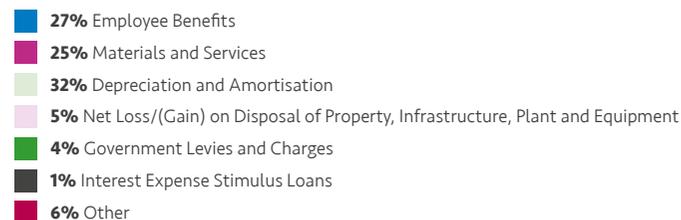
**\$17,781,199**



### Where the dollars go

(operating expenditure)

**\$17,714,161**



# THE FINANCIAL STATEMENTS

## The Statement of Comprehensive Income

The Statement of Comprehensive Income provides information relating to:

- the sources of revenue earned (where the money comes from); and
- the operating expenses incurred (what the money has been spent on);

during the financial year.

It should be noted that the expenses relate only to the operating expenses (or day-to-day expenses) and do not include costs associated with the purchase or building of assets.

Although the costs of the purchase or building of assets are not included in these operating expenses, provision for the cost of the depreciation of these assets is included in the operating expenses.

The depreciation expense is the equivalent portion of the asset that has been used during the financial year. The inclusion of depreciation on these assets in the operating expenses ensures that Council matches the cost of the asset to the period in which it is used rather than just the period in which it was constructed or purchased.

It is important to note the *Surplus(Deficit)* for the period.

## Statement of Financial Position

The Statement of Financial Position provides a snapshot of Council's financial situation at the end of the financial year (30 June). It reflects

- what Council owns – its assets; and
- what Council owes – its liabilities.

The bottom line of the Statement of Financial Position is Net Assets (Liabilities). This reflects the net worth of Council. The Assets and Liabilities are separated into Current and Non-Current categories, Current Assets and Liabilities are those which will fall due within the next reporting period (the next financial year).

### Current & Non-Current Assets

Current & Non-Current Assets include:

- Cash & cash equivalents – cash held in the bank, petty cash and cash investments such as term deposits.
- Trade & other Receivables – monies owed to Council by ratepayers and others who have been invoiced or billed.
- Other Assets – inventory and services which have been prepaid and monies owed to Council for which no invoice had been raised as at 30 June.
- Property held for Resale – land which Council plans to sell in the next financial year.
- Property, Plant & Infrastructure – land, buildings, roads, vehicles, equipment, etc. which have been accumulated by Council.
- Investments and Loans (receivable).

## Council Assets



## Council Liabilities



## Current & Non-Current Liabilities

Current & Non-Current Liabilities include:

- Trade and other Payables – people and businesses to whom Council owes money.
- Trust Funds and Deposits – money held by Council on behalf of third parties.
- Provisions (Employee Benefits) – the accrued value of Long Service Leave and Annual Leave payable to employees of Council.
- Interest Bearing Liabilities – the outstanding balance Council owes on bank loans or on any bank overdraft. Current borrowings represent the amount to be repaid in the next financial year.

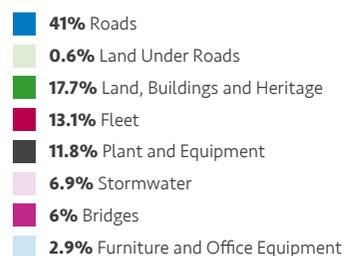
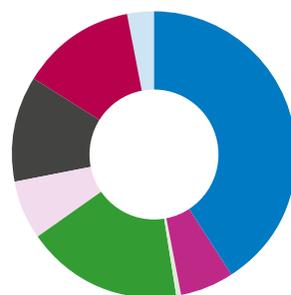
## Net Assets

This term describes the difference between the value of Total Assets and Total Liabilities and represents the net worth of Council as at 30 June.

## Total Property, Plant and Infrastructure Asset Value



## 2017/2018 Assets Purchased, Constructed and/or Received \$7,207,302



## Ratepayer Equity

This is the term used to describe the components of the Net Assets, which are:

- Accumulated Surplus – the value of all net assets, other than the Asset Revaluation Reserve and Other Reserves (listed below), which have been accumulated over time.
- Asset Revaluation Reserve – the difference between the previously recorded value of assets and their current valuations.
- Other Reserves – Funds that have restrictions placed on their use and are not readily available for use by Council.

## Council Equity



## Statement of Changes in Equity

During the course of the year the values which make up Equity can change. This statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from:

- the “Surplus(Deficit)” from operations, described in the Statement as Surplus(Deficit) from continuing operations;
- the use of monies from Council’s reserves;
- revaluation of assets - this takes place on a regular basis and when existing assets are taken up in the books for the first time.

## Statement of Cash Flows

The Statement of Cash Flows summarises cash payments and cash receipts for the year. The value in this Statement may differ from those shown in the Income Statement because the Income Statement is prepared on an accrual accounting basis. Council’s cash arises from, and is used in, three main areas:

### Cash Flows from Operating Activities

- Payments (outflows) – all cash paid by Council from its bank account to staff, creditors and other persons, but does not include any costs associated with the creation of any assets.
- Receipts (inflows) – all cash receipts arising from the general operations of Council. It includes rates, general trading sales and debtors, grants and interest earnings, but does not include cash from the sale of any assets.

### Cash Flows from Investing Activities

The accounting term Investing Activities relates to the construction and purchase of fixed assets (outflows) and sale of assets (inflows) such as land, buildings, equipment and other long-term revenue producing assets.

### Cash Flows from Financing Activities

This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Statement of Cash Flows is the Cash at the End of the Financial Year. This shows the cash position of Council to meet its debts and other liabilities.

## Notes to the Accounts

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the Statements are established it is necessary to provide details of Council’s accounting policies. These are described in Note 1.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note numbers are shown beside the relevant items in the Statement of Comprehensive Income, Statement of Financial Position and the Statement of Cash Flows.

Where Council wishes to disclose other information which cannot be incorporated into the Statements then this information is shown in the following *Notes*. Other *Notes*, include:

- the cost of the various functions of Council;
- the breakdown of expenses, revenues, reserves and other assets;
- contingent assets and liabilities;
- transactions with persons related to Council; and
- financial performance indicators.

The *Notes* should be read at the same time as, and together with, the other parts of the Financial Report to have a clear understanding of the accounts.

## Certification

The Certification of the Accounts is made by the General Manager that, in his opinion, the Financial Statements met all the statutory and professional report requirements.

## Auditor General’s Report

The Independent Audit Report provides the reader with an external independent opinion of the Financial Statements. It confirms that the Financial Report has been prepared in accordance with relevant legislation and professional standards and that it is a fair representation of the financial affairs of Council.



• Woolmers Estate (Tourism Tasmania & Rob Burnett)



# FINANCIAL REPORT

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• Ross Bridge (Tourism Tasmania & Rob Burnett)

## STATEMENT OF COMPREHENSIVE INCOME

### for the year ended 30 June 2018

	NOTE	2018 \$	2017 \$	2018 (BUDGETED) \$
<b>Income</b>				
<b>Recurrent Income</b>				
Rate Revenue		10,395,067	9,879,353	10,217,520
Grants	3	3,680,241	5,860,229	3,724,758
User Charges		1,604,653	1,722,281	1,545,400
Interest		689,799	454,293	709,430
Reimbursement Interest Expense Stimulus Loans		214,902	19,277	-
Other Reimbursements		145,755	308,326	47,434
Investment revenue from Water Corporation	4	702,000	702,000	702,000
Other		348,782	291,784	45,739
		<b>17,781,199</b>	<b>19,237,543</b>	<b>16,992,281</b>
<b>Capital Income</b>				
Capital grants received specifically for new or upgraded assets	3	2,388,852	2,323,217	2,769,856
Contribution of non-monetary assets	14	984,788	144,231	433,000
		3,373,640	2,467,448	3,202,856
<b>Total Income</b>		<b>21,154,839</b>	<b>21,704,991</b>	<b>20,195,137</b>
<b>Expenses</b>				
Employee Benefits	6	4,823,745	5,181,387	5,120,638
Materials & Services	7	4,372,483	5,270,147	4,765,855
Depreciation and Amortisation	8	5,550,154	5,378,037	5,327,756
Government Levies & Charges		760,024	689,225	707,512
Net loss/(gain) on disposal of property, Infrastructure, Plant and equipment	5	860,569	890,066	456,524
Interest Expense Stimulus Loans		214,902	19,277	-
Other	9	1,132,284	1,139,652	533,345
<b>Total Expenses</b>		<b>17,714,161</b>	<b>18,567,791</b>	<b>16,911,630</b>
<b>Surplus/(Deficit)</b>		<b>3,440,678</b>	<b>3,137,200</b>	<b>3,283,507</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net asset revaluation increment / (decrement)		5,607,454	4,333,497	
<b>Items that may be reclassified to surplus or deficit</b>				
Fair value adjustment on available for sale assets				
- Investment in Water Corporation	15	518,419	260,379	
		<b>6,125,873</b>	<b>4,593,876</b>	
<b>Comprehensive Result</b>		<b>9,566,551</b>	<b>7,731,076</b>	

The above statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial report.

## STATEMENT OF FINANCIAL POSITION

### as at 30 June 2018

	NOTE	2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and Cash Equivalents	10	14,183,013	12,605,260
Trade and Other Receivables	11	721,855	1,024,000
Inventory	12	27,375	27,866
<b>Total current assets</b>		<b>14,932,243</b>	<b>13,657,126</b>
<b>Non-current assets</b>			
Capital Work in Progress	13	3,179,256	852,680
Property, Plant & Infrastructure	14	251,302,491	245,142,750
Investment in Water Corporation	15	40,461,498	39,943,079
Investment Term Deposits		6,550,000	-
Loan Receivable	18	1,900,000	1,900,000
<b>Total non-current assets</b>		<b>303,393,245</b>	<b>287,838,509</b>
<b>Total assets</b>		<b>318,325,488</b>	<b>301,495,635</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and Other Payables	16	1,465,685	944,785
Provisions	17	1,059,075	919,881
<b>Total current liabilities</b>		<b>2,524,760</b>	<b>1,864,666</b>
<b>Non-current liabilities</b>			
Provisions	17	109,903	76,695
Loan Payable	18	8,470,000	1,900,000
<b>Total non-current liabilities</b>		<b>8,579,903</b>	<b>1,976,695</b>
<b>Total liabilities</b>		<b>11,104,663</b>	<b>3,841,361</b>
<b>Net Assets</b>		<b>307,220,825</b>	<b>297,654,274</b>
<b>EQUITY</b>			
Accumulated Surplus		160,621,218	157,180,541
Reserves		146,599,607	140,473,733
<b>Total Ratepayer Equity</b>		<b>307,220,825</b>	<b>297,654,274</b>

The above statement of financial position is to be read in conjunction with the notes to and forming part of the financial report.

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2018

	TOTAL		ACCUMULATED SURPLUS		ASSET REVALUATION RESERVES		FAIR VALUE RESERVES	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Beginning of the Year	297,654,274	289,923,198	157,180,540	154,043,341	143,928,300	139,594,802	(3,454,566)	(3,714,945)
Comprehensive Result	9,566,551	7,731,076	3,440,678	3,137,200	5,607,454	4,333,497	518,419	260,379
<b>Ratepayer Equity at the end of the year</b>	<b>307,220,825</b>	<b>297,654,274</b>	<b>160,621,218</b>	<b>157,180,541</b>	<b>149,535,754</b>	<b>143,928,299</b>	<b>(2,936,147)</b>	<b>(3,454,566)</b>

The above statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial report.

## STATEMENT OF CASH FLOWS for the year ended 30 June 2018

CASH FLOWS FROM OPERATING ACTIVITIES	NOTE	2018 \$	2017 \$
<b>Outflows</b>			
Employee Costs		(4,644,813)	(5,354,173)
Materials and Services		(5,063,414)	(7,118,692)
Levies Paid		(760,024)	(689,225)
Other		(663,755)	(716,890)
<b>Inflows</b>			
Receipts from Ratepayers		9,842,587	9,454,269
Government Grants		3,356,774	5,521,156
User Charges		2,575,538	1,797,438
Interest Received		641,844	457,066
Investment Revenues from Water Corporation		702,000	702,000
Other		494,536	600,109
Receipts from Australian Taxation Office		992,427	888,012
<b>Net Cash Provided by Operating Activities</b>	23	<b>7,473,700</b>	<b>5,541,070</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Outflows</b>			
Payment for property, plant and equipment		(8,549,090)	(6,112,117)
Payments for Purchase of Financial Investments		(6,550,000)	-
Loans to community organisations	18	-	(1,900,000)
<b>Inflows</b>			
Capital Grants		2,388,852	2,323,217
Proceeds from sale of fixed assets		244,291	250,319
<b>Net Cash Provided By (Used in) Investing Activities</b>		<b>(12,465,947)</b>	<b>(5,438,581)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Outflows</b>			
Repayment of Borrowings		-	-
Interest paid Stimulus Loans		(148,776)	-
<b>Inflows</b>			
Reimbursement of Interest Expense Stimulus Loans		148,776	-
Proceeds from interest bearing loans and borrowings	18	6,570,000	1,900,000
<b>Net Cash Provided By (Used in) Financing Activities</b>		<b>6,570,000</b>	<b>1,900,000</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents for the period</b>		<b>1,577,753</b>	<b>2,002,489</b>
<b>Cash and Cash Equivalents at the commencement of the period</b>		<b>12,605,260</b>	<b>10,602,771</b>
<b>Net Cash and Cash Equivalents at the end of the Reporting Period</b>	10	<b>14,183,013</b>	<b>12,605,260</b>

The above statement of cash flows is to be read in conjunction with the notes to and forming part of the financial report.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2018

## NOTE 1

### INTRODUCTION

- (a) The Northern Midlands Council was established on 2nd of April 1993 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 13 Smith Street Longford Tasmania.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government in the municipality;
  - to promote the social, economic and environmental viability and sustainability of the municipal area;
  - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
  - to improve the overall quality of life of people in the local community;
  - to promote appropriate business and employment opportunities;
  - to ensure that services and facilities provided by the Council are accessible and equitable;
  - to ensure the equitable imposition of rates and charges; and
  - to ensure transparency and accountability in Council decision making.

These financial statements are a general purpose financial report that consists of the 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 (AASB), and the Local Government Act 1993 (LGA1993) (as amended).

### SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) BASIS OF ACCOUNTING

This report has been prepared under the historical cost convention, as modified by the revaluation of certain classes of property, plant and infrastructure.

Management 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 circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Council has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Judgements made by Council that have significant effects on the Financial Report are disclosed in the relevant notes as follows:

#### Fair Value of Property Plant & Infrastructure

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and infrastructure including useful lives and depreciation rates. These assumptions are discussed in notes 1(f) and note 29.

#### 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 26.

#### Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 1(k).

#### Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 1(i) and in note 15.

#### (b) ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

- (i) AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 This standard is applicable to annual reporting periods beginning on or after 1 January 2017.

Amendments to AASB 107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities at note 24.

#### (c) THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which Council controls resources to carry out its functions have been included in the financial report.

In the process of reporting on the Northern Midlands Council as a single unit, all transactions and balances between those funds (e.g. loans and transfers) have been eliminated. The recording of transactions and balances for internal borrowings has been eliminated.

#### (d) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

- (i) Rates, grants and contributions Rates, grants, donations and other contributions (including developer contributions) are recognised as revenues when Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

Donations and other contributions that are not subject to accompanying conditions that they be expended in a particular manner or for a particular purpose are recognised as revenue

in the reporting period when Council obtains control over the assets comprising the contributions and donations.

Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-monetary contributions below the thresholds are recorded as revenue.

(ii) **User charges**

User charges and fines are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. A provision for impairment of debts is recognised when collection in full is no longer probable.

(iii) **Sale of property, plant and infrastructure**

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

(iv) **Interest and rents**

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(v) **Dividends**

Dividend revenue is recognised when Council's right to receive payment is established.

(e) **EXPENSE RECOGNITION**

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.

(i) **Employee benefits**

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

(ii) **Depreciation of Property, Plant and Infrastructure**

Buildings, land improvements, plant, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the 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 residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Land is not depreciated.

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 period.

ASSET	LIFE (YEARS)
Land	Unlimited
Land Under Roads	Unlimited
<b>Buildings</b>	
- Structure	75 to 150 years
- Roof cladding	75 to 100 years
- External fabric	75 to 150 years
- Internal fit-out	50 to 75 years
- Services	40 to 75 years
- Site Services	40 to 75 years
<b>Flood Levee Infrastructure</b>	
- Depreciable Component	100 years
- Non Depreciable Component	Unlimited
<b>Furniture, Fittings, Office Equipment and Computers</b>	2 to 20 years
<b>Fleet</b>	2 to 20 years
<b>Heritage Assets</b>	
- Depreciable Component	20 to 100 years
- Non Depreciable Component	Unlimited
<b>Plant</b>	10 years
<b>Roads Infrastructure</b>	
- Formation	Unlimited
- Pavement	10 to 90 years
- Surface treatment	12 to 80 years
- Footpaths	15 to 70 years
- Kerb and channel	15 to 100 years
- Street furniture	15 to 100 years
<b>Bridges</b>	30 to 100 years
<b>Stormwater &amp; Drainage</b>	80 to 100 years

(iii) **Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(f) **RECOGNITION AND MEASUREMENT OF ASSETS**

(i) **The Council controls and owns assets that are required to provide the services for which it has responsibility.**

These assets include: land, buildings, fleet, plant and infrastructure; i.e. roads, bridges and stormwater.

(ii) **Acquisition and Recognition**

The cost method of accounting is used for the initial recording of all acquisitions of assets.

'Cost' represents the fair value of these assets given as consideration plus costs incidental to their acquisition (including architects fees, engineering design fees, and administration charges and all other costs incurred) in getting the asset ready for use.

Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

In determining the cost of non-current assets constructed by the Council, 'Cost' includes all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of all materials includes all consulting and engineering fees.

Non-monetary assets received in the form of grants or donations are recognised as assets and revenues at their fair value at the date of receipt.

'Fair value' means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arms length transaction. In relation to infrastructure assets it is represented by depreciated replacement cost.

Council applies a capitalisation threshold and assets purchased or constructed with a valuer less than this threshold are

charged to the Statement of Comprehensive Income in the year of purchase (Other than where they form part of a group of similar items which are material in total).

The following classes of assets have been recognised in note 14. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	<b>THRESHOLD \$</b>
Land	Nil
Land Under Roads	Nil
Buildings	5,000
Flood Levee Infrastructure	3,000
Furniture, Fittings, Office Equipment and Computers	1,000
Fleet	1,000
Plant	1,000
Roads Infrastructure	5,000
Bridges	5,000
Stormwater & Drainage	3,000
Heritage Assets	1,000

**(iii) Valuation of Non-Current Assets**

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

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

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus 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.

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

Land	fair value
Land Under Roads	fair value
Buildings	fair value
Flood Levee Infrastructure	cost
Furniture, Fittings, Office Equipment and Computers	cost
Fleet	cost
Plant	cost
Roads Infrastructure	fair value
Bridges	fair value
Stormwater & Drainage	fair value
Heritage Assets	cost

**(iv) Impairment of 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 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.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of Council such as roads, bridges, stormwater & drainage and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

**(v) Maintenance Vs Capitalisation**

Officers of the Council will determine at the occurrence of an event whether to capitalise or expense costs incurred in property, plant and infrastructure. The following formula is provided as a guide, " maintenance, repair costs and minor renewals are charged as expenses as incurred unless their total value exceeds 10% of the written down current value and increases the economic life by more than 10%".

**(g) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, other short-term, highly liquid investments with maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**(h) INVENTORIES**

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

**(i) INVESTMENT IN WATER CORPORATION**

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date.

At 30 June 2018, Council continued to hold a 2.52% ownership interest in TasWater which is based on schedule 2 of the Corporations Constitution which reflects the Council's voting rights.

Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 15.)

Council has classified this asset as an Available-for-Sale financial asset as defined in AASB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial report.

Council has derived returns from the corporation as disclosed at note 4.

**(j) INVESTMENT TERM DEPOSITS**

Council holds monies in a number of term deposits with maturities of greater than twelve months. These investments are held for the purpose of meeting long term cash commitments.

**(k) TRUST FUNDS**

The financial reports of the Council incorporate only those items over which the Council has control.

Amounts received as tender deposit and retention amounts controlled by Council are included in the amount disclosed as creditors with current liabilities until they are refunded or forfeited.

**(l) EMPLOYEE BENEFITS**

**(i) Short term obligations**

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

**(ii) Other long term employee benefit obligations**

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured

as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

**(iii) Retirement benefit obligations**

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit and defined contribution plans on behalf of its employees.

*Defined benefit plans*

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

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119

Employee Benefits, Council does not use defined benefit accounting for these contributions.

*Defined contribution plans*

Contributions to defined contribution plans are recognised as an expense as they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(iv) Sick Leave**

Council does not recognise a liability for sick leave because such leave is non-vesting and because it is probable that sick leave taken in future reporting periods will be less than entitlements which are expected to accrue in those periods. Employees receive 10 days sick leave per year and the average sick leave taken by each employee for the 2017/2018 financial year was 6.6 days (2016/2017 5.5 days).

**(v) Rostered Days Off**

A liability for accrued rostered days off is recognised at the current rates of pay including related oncosts, for expected future payments to be made in respect of accruals by employees of the Council.

**(m) ACCRUALS / PREPAYMENTS**

Accruals and Prepayments are recognised in accordance with generally accepted accounting practices with materiality a major factor in determining their applicability.

**(n) NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

Net fair values of financial instruments are determined on the following basis:

- Monetary financial assets and liabilities - carrying amounts of trade debtors, trade creditors and accruals (which approximates net market value).
- Interest bearing Loans - are carried at their principal amount, which represents the present value of future cash flows associated servicing the debt. Interest is accrued.

**(o) SIGNIFICANT BUSINESS ACTIVITIES**

The Local Government Act requires the reporting of operating capital and competitive neutrality in respect of each significant business activity undertaken by Council. Council has determined, based upon an assessment of the activities it undertakes that it has no significant business activities for the 2018 year.

**(p) LEASES**

*Operating leases as lessee*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Council leases several parcels of Crown land under lease agreements with the State Government. These leases, in general, do not reflect commercial arrangements, are long-term and have minimal lease payments. Crown land is recognised as an asset in the Statement of Financial Position and carried at fair value when Council establishes that (i) it has control over the land and (ii) it will derive economic benefits from it.

*Operating leases as lessor*

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements.

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

Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

**(q) TAXATION**

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

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recovered from, or paid to, the ATO are classified as operating cash flows.

**(r) BUDGET FIGURES**

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

**(s) 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.

**(t) ROUNDING**

Unless otherwise stated amounts in the financial report have been rounded to the nearest dollar.

**(u) PENDING ACCOUNTING STANDARDS**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

**(i) AASB 9 Financial Instruments**

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

This standard replaces the existing standard, AASB139: Financial Instruments: Recognition and Measurement, and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets

is determined by an entities business model for holding the particular asset and its contractual cash flows.

The amortised cost model is available for debt assets meeting both a business model and cash flow characteristics tests. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments.

Where the business model is achieved by both collecting the contractual cash flows and from selling the financial asset, it may be classified as fair value through other comprehensive income. Any financial asset not held in either of these classifications, or when designated, will be classified as fair value through profit or loss. Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or, where the financial asset is an equity instrument not held for trading, and an irrevocable election is made to present all movements in other comprehensive income.

When adopted, the standard requires Council to reclassify all financial assets. This includes Council's classification and accounting for its significant investment in TasWater which is an available-for-sale financial asset. Council currently recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB9 Council will make an irrevocable election for its equity investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, Council expects a small increase to impairment losses, however the standard is not expected to have a material impact overall. Council has reviewed and assessed other impacts on the classification, measurement and disclosure of financial instruments and determined that the introduction of the standard will have only minor implications for the presentation of the financial statement.

**(i) AASB 9 Financial Instruments (continued)**

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

Council will apply the standard from 1 July 2018 using a retrospective approach with cumulative catch-up.

This does not require Council to restate comparative figures, but will require a reconciliation of changes in classification of financial assets and financial liabilities.

**(ii) AASB 15 Revenue from Contracts with Customers**

The standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Council has analysed the new revenue recognition requirements noting that future impacts include:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred.
- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received

in note 3. Council's assessment is that a portion of the amounts received unexpended for the year of \$383,000 being the total amount less the Commonwealth Financial Assistance Grants, will be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

**(iii) AASB 1058 Income of Not-for-Profit Entities**

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions. The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received.

AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

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), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised.

Council will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above. Council is yet to fully assess the impact of this standard on councils disclosures and policies as it is not operative till 2019.

**(iv) AASB 16 Leases**

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position.

There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

All other Australian accounting standard and interpretations with future effective dates are either not applicable to Council's activities, or have no material impact.

## NOTE 2

### (a) FUNCTIONS / ACTIVITIES OF THE COUNCIL

Income, expenses and assets have been attributed to the following functions / activities. Details of the functions / activities of each Business Unit are set out in Note 2 (b).

	2018 GOVERNANCE	2017 GOVERNANCE	2018 REGULATORY & COMMUNITY SERVICES	2017 REGULATORY & COMMUNITY SERVICES	2018 DEVELOPMENT SERVICES	2017 DEVELOPMENT SERVICES	2018 WORKS & INFRASTRUCTURE	2017 WORKS & INFRASTRUCTURE	2018 TOTAL	2017 TOTAL
<b>Recurrent Income</b>										
Grants	144,043	213,343	82,194	97,725	67,883	142,557	3,386,121	5,406,604	3,680,241	5,860,229
Other	2,410,363	2,210,664	899,853	667,127	924,029	1,271,394	9,866,714	9,296,215	14,100,959	13,445,400
<b>Total</b>	<b>2,554,406</b>	<b>2,424,007</b>	<b>982,047</b>	<b>764,852</b>	<b>991,912</b>	<b>1,413,951</b>	<b>13,252,835</b>	<b>14,702,819</b>	<b>17,781,200</b>	<b>19,305,629</b>
<b>Capital Income</b>										
Grants	-	245	23,000	-	-	-	2,365,851	2,322,971	2,388,851	2,323,216
Other	-	-	-	-	-	-	984,788	76,146	984,788	76,146
<b>Total</b>	<b>-</b>	<b>245</b>	<b>23,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,350,639</b>	<b>2,399,117</b>	<b>3,373,639</b>	<b>2,399,362</b>
<b>Total Income</b>	<b>2,554,406</b>	<b>2,424,252</b>	<b>1,005,047</b>	<b>764,852</b>	<b>991,912</b>	<b>1,413,951</b>	<b>16,603,474</b>	<b>17,101,936</b>	<b>21,154,839</b>	<b>21,704,991</b>
<b>Expenses</b>	<b>1,982,025</b>	<b>1,949,886</b>	<b>1,130,992</b>	<b>906,434</b>	<b>934,069</b>	<b>1,335,936</b>	<b>13,667,075</b>	<b>14,375,535</b>	<b>17,714,161</b>	<b>18,567,791</b>
<b>Surplus/(Deficit)</b>	<b>572,381</b>	<b>474,366</b>	<b>(125,945)</b>	<b>(141,582)</b>	<b>57,843</b>	<b>78,015</b>	<b>2,936,399</b>	<b>2,726,401</b>	<b>3,440,678</b>	<b>3,137,200</b>
<b>Assets</b>	<b>101,130,532</b>	<b>95,016,122</b>	<b>1,054,396</b>	<b>756,225</b>	<b>290,694</b>	<b>268,867</b>	<b>215,849,866</b>	<b>205,454,421</b>	<b>318,325,488</b>	<b>301,495,635</b>

### (b) COMPONENT FUNCTIONS / ACTIVITIES

The activities relating to the Council's components reported in Note 2 (a) are as follows:

#### *Governance*

The provision of elected representation, executive support, strategic planning and public relations services to Council.

#### *Regulatory & Community Services*

The provision of the following services to Council:

- Community Services Management
- Economic Development
- Tourism Promotion
- Health & Environmental Management

#### *Development Services*

The provision of the following services to Council:

- Planning
- Building & Plumbing

#### *Works & Infrastructure*

Maintenance and construction of Council's infrastructure and facilities.

## NOTE 3

### GRANT REVENUE

Grants were received in respect of the following:

	2018 \$	2017 \$
<b>Federally funded capital grants received specifically for new or upgraded assets</b>		
Roads to Recovery	1,385,852	1,466,555
Bridge South Esk River Woolmers Bridge No 1130 Replacement	600,000	-
Saluting Their Service Ross Cannon Refurbishment	-	2,727
Solar Panel Installation Recreation Grounds	10,000	19,080
	<b>1,995,852</b>	<b>1,488,362</b>
<b>Federally funded recurrent grants</b>		
Midlands Kids Club	15,700	19,390
Natural Disaster Relief	-	421,392
Perth Child Care Service	43,100	42,590
Rural & Remote Child Care	176,544	187,382
Rural and Remote Child Care - BFF Transition Funding	10,000	-
Rural & Remote Child Care Workforce Supplementation	8,209	-
Commonwealth Government financial assistance grants		
- General Purpose	1,033,814	1,731,991
- Roads	2,315,677	3,339,173
	<b>3,603,044</b>	<b>5,741,918</b>

	2018 \$	2017 \$
<b>State funded capital grants received specifically for new or upgraded assets</b>		
Avoca Tourist Info Centre Museum - Solar Panels	23,000	-
Avoca Hall Kitchen	10,000	-
Bridges Lake River Bridge No 7350 Replacement	-	719,500
Campbell Town Tennis Courts	80,000	-
Campbell Town Cenotaph Redevelopment	70,000	-
Cressy Pool Infrastructure Upgrade	100,000	-
Evandale Football Club Electronic Scoreboard	30,000	-
Longford Entrance Sign	-	10,809
Longford Recreation Ground Amenities Upgrade	80,000	-
Midlands Kids Club Heating/Ventilation Improvements	-	246
Vulnerable Road Users Drummond St Footpath	-	24,300
Valentine Park Toilet Block Extension	-	80,000
	<b>393,000</b>	<b>834,855</b>
<b>State funded recurrent grants</b>		
Australia Day Celebrations	-	5,273
Back Creek Levee Augmentation Feasibility Study (NDRG)	3,000	5,000
Centenary of ANZAC's Program Lewis McGee VC	-	1,000
Flood plain Mapping (NDRG)	-	32,841
Heavy Vehicle Motor Tax Grants	74,197	74,197
	<b>77,197</b>	<b>118,311</b>
<b>Total Capital Grants</b>	<b>2,388,852</b>	<b>2,323,217</b>
<b>Total Recurrent Grants</b>	<b>3,680,241</b>	<b>5,860,229</b>
<b>Total Government Grants</b>	<b>6,069,093</b>	<b>8,183,446</b>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2017-18 the Commonwealth made early payment of two quarterly instalments for the following year.

In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments had been anticipated by Council in its original budget and therefore has not resulted in Commonwealth Government Financial Assistance Grants being greater than budgeted.

This payment has not impacted the Surplus/Deficit in the Statement of Comprehensive as an advance payment of two quarterly payments was also received at the end of the 2016/2017 financial year.

Government funds received in relation to pensioner rates of \$448,165 (\$423,221 2016/2017) have been treated in the Statement of Comprehensive Income as rate revenue.

Grants recognised as revenues during the reporting period which have yet to be applied to the purpose for which they were provided as at the reporting date:

	2018 \$	2017 \$
Commonwealth Financial Assistance Grant		
– General Purpose	550,495	588,490
– Roads	1,178,410	1,728,905
Avoca Tourist Info Centre Museum – Solar Panels	23,000	–
Back Creek Levee Augmentation Feasibility Study (NDRG)	–	5,000
Campbell Town Tennis Courts	80,000	–
Campbell Town Cenotaph Redevelopment	70,000	–
Centenary of ANZAC's Program Lewis McGee VC	–	1,000
Cressy Pool Infrastructure Upgrade	100,000	–
Evandale Football Club Electronic Scoreboard	30,000	–
Longford Recreation Ground Amenities Upgrade	80,000	–
Saluting Their Service Ross Cannon Refurbishment	–	2,727
Solar Panel Installation Recreation Grounds	–	19,080
Valentine Park Toilet Block Extension	–	80,000
	<b>2,111,905</b>	<b>1,831,297</b>

## NOTE 4

### INVESTMENT REVENUE FROM WATER CORPORATION

	2018 \$	2017 \$
Dividend Revenue	432,879	455,283
Tax Equivalents	207,210	211,439
Guarantee Fee	61,911	35,278
<b>Total investment revenue from water corporation</b>	<b>702,000</b>	<b>702,000</b>

## NOTE 5

### GAIN / (LOSS) ON SALE AND DISPOSAL OF FIXED ASSETS

	2018 \$	2017 \$
The gain / (loss) on sale and disposal of fixed assets for the period was comprised of:		
<b>Buildings</b>		
Proceeds from sales / (Cost of disposal)	(13,245)	–
Written down value of assets disposed with no Proceeds	384,842	33,283
Gain / (loss) on disposal	<b>(398,087)</b>	<b>(33,283)</b>
<b>Furniture, Fittings, Office Equipment and Computers</b>		
Proceeds from sales	1,364	–
Written down value of assets sold	10,118	1,556
Gain / (loss) on disposal	<b>(8,754)</b>	<b>(1,556)</b>
<b>Fleet</b>		
Proceeds from sales	256,175	250,319
Written down value of assets sold	195,965	301,336
Gain / (loss) on sale	<b>60,210</b>	<b>(51,017)</b>
<b>Roads Infrastructure</b>		
Written down value of assets disposed with no proceeds	397,143	779,060
Gain / (loss) on disposal	<b>(397,143)</b>	<b>(779,060)</b>
<b>Bridges</b>		
Written down value of assets disposed with no proceeds	108,936	14,778
Gain / (loss) on disposal	<b>(108,936)</b>	<b>(14,778)</b>
<b>Stormwater &amp; Drainage</b>		
Written down value of assets disposed with no proceeds	7,858	10,372
Gain / (loss) on disposal	<b>(7,858)</b>	<b>(10,372)</b>
<b>Total</b>		
Proceeds from sales / (Cost of disposal)	244,291	250,319
Written down value of assets sold	206,080	301,336
Gain / (loss) on sale of Fixed assets	<b>38,211</b>	<b>(51,017)</b>
Written down value of assets disposed with no proceeds	898,780	839,049
Gain / (loss) on sale and disposal of Fixed Assets	<b>(860,569)</b>	<b>(890,066)</b>

## NOTE 6

### EMPLOYEE BENEFITS

	2018 \$	2017 \$
Wages and Salaries	3,456,047	3,573,537
Superannuation	485,008	503,056
Annual/Sick/Long Service/Other Leave	729,825	1,157,593
Total employee benefits expenses	4,670,880	5,234,186
State Government Payroll Tax	228,292	245,449
Workers Compensation	133,954	153,557
Provision for Leave Entitlements	175,133	(164,381)
Other Employee Oncost Expenses	30,162	23,872
Total other employee related expenses	567,541	258,497
	5,238,421	5,492,683
Less Amounts Capitalised:		
Non-current assets constructed	(414,676)	(311,296)
Total employee benefits and related expenses	<b>4,823,745</b>	<b>5,181,387</b>

Number of Employees as at 30 June are:	TOTAL 30/6/18	EQUIVALENT FULL TIME 30/6/18	TOTAL 30/6/17	EQUIVALENT FULL TIME 30/6/17
Permanent	63	57	61	56
Casual	15	3	16	4
	<b>78</b>	<b>60</b>	<b>77</b>	<b>60</b>

## NOTE 7

### MATERIALS AND SERVICES

	2018 \$	2017 \$
Contractor Payments		
- Corporate Services & Governance	167,426	127,978
- Community Buildings & Halls	32,976	38,122
- Development Services	85,977	52,288
- Health and Environmental Services	95,006	92,064
- Kerbside Garbage and Recycling	650,654	640,797
- Natural Resource Management	1,524	24,329
- Parks & Reserves	109,610	142,063
- Public Amenities	57,131	62,125
- Roads & Bridges	456,246	1,026,336
- Tourism and Community Development	11,577	21,574
- Urban Stormwater	30,977	36,746
- Waste Transfer Stations	531,864	490,813
- Other Contractor Payments	171,089	2,402,057
	2,402,057	176,158
Materials		
- Community Buildings & Halls	10,192	24,233
- Corporate Services & Governance	170,958	203,311
- Parks & Reserves	95,323	57,240
- Public Amenities	18,672	24,900
- Roads & Bridges	266,910	381,488
- Urban Stormwater	27,126	45,263
- Other Material Purchases	193,701	782,882
	782,882	222,130
Consultants Fees	578,219	666,222
Electricity Costs	247,547	323,337
Insurance	160,012	149,030
Telecommunication Costs	48,416	56,139
Other	153,350	185,461
	<b>4,372,483</b>	<b>5,270,147</b>

## NOTE 8

### DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation expense for the year is as follows:

	2018 \$	2017 \$
Buildings	662,124	628,498
Plant	198,903	171,906
Flood Levee Infrastructure	18,882	18,882
Furniture, Fittings, Office Equipment and Computers	142,410	126,686
Fleet	408,576	380,536
Road Infrastructure	3,343,723	3,296,874
Bridges	384,357	373,819
Stormwater & Drainage	381,926	372,146
Heritage Assets	9,253	8,690
<b>Total</b>	<b>5,550,154</b>	<b>5,378,037</b>

## NOTE 9

### OTHER EXPENSES

Other expenses for the year are as follows:

	2018 \$	2017 \$
Bad & Doubtful Debts	418,915	374,336
Contributions & Donations	202,451	239,992
Councillors' Remuneration	200,100	199,408
Fringe Benefits Tax	26,671	27,966
Rate Remissions & Discounts	49,612	48,424
Special Committee Expenditure	181,216	189,870
Refunds & Reimbursements	29,978	18,366
Work in Progress from prior years not Capitalised	23,100	37,774
Other Expenses	241	3,516
<b>Total</b>	<b>1,132,284</b>	<b>1,139,652</b>

## NOTE 10

### CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
Cash on Hand	600	600
Cash at Bank	910,015	569,354
Cash held by Special Committees of Council	268,913	228,837
Money Market Call Accounts	633,989	1,225,842
Short Term Fixed Deposits	12,369,496	10,580,627
<b>Total cash and cash equivalents</b>	<b>14,183,013</b>	<b>12,605,260</b>

Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

- Leave provisions (note 17).	1,168,978	996,576
- Monies held in Trust (note 16).	360,743	309,654
- Special Committee Cash Held.	268,913	228,837
- Grants received which have not yet been applied to the purpose for which they were provided (note 3).	2,111,905	1,831,297
- Cash required to maintain objectives set out in asset Management and Long term Financial Plans calculated at 1% of gross value of Property, Plant and Infrastructure.	3,727,086	3,614,409
<b>Restricted Funds</b>	<b>7,637,625</b>	<b>6,980,773</b>
<b>Unrestricted cash and cash equivalents</b>	<b>6,545,388</b>	<b>5,624,487</b>

## NOTE 11

### TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
<b>Current</b>		
Trade Debtors – Sundry	294,521	728,574
Rates Outstanding	2,245,313	1,742,445
Less Provision for Impairment of Debts	(1,919,415)	(1,500,500)
Accrued Income	101,436	53,481
	721,855	1,024,000
<b>Non Current</b>		
Loan Receivable	1,900,000	1,900,000
Total trade and other receivables	<b>2,621,855</b>	<b>2,924,000</b>

Rates payments received in advance are treated as rate revenue in the year in which they are received, in 2017/2018 this amounted to \$266,512 (2016/2017 \$243,519).

Council as at the 30th June 2018 has significant exposure to an individual rate debtor payable under a Commonwealth Lease Agreement. Due to the Lessee breaching the payment terms of the debt, Council has made provision for impairment of the debt for the full amount payable by this Debtor. The provision for impairment is an accounting treatment that adjusts the carrying amount of the receivables balance to reflect the amount that Council may recover. This provision does not affect the legal right to take action to recover the debt and is not a write off. A debt is written off only when it is known to be uncollectible.

## NOTE 12

### INVENTORY

	2018 \$	2017 \$
Timber – Held for Distribution at average cost	4,021	4,021
Norfolk Plains History Book – Held for sale at cost.	19,849	20,340
Longford 200 Years Medallions – Held for sale at cost	3,505	3,505
	<b>27,375</b>	<b>27,866</b>

## NOTE 13

### CAPITAL WORKS IN PROGRESS

Opening balance	852,680	1,698,506
Additions	2,606,668	616,964
Transfers out	(280,092)	(1,462,790)
Closing balance at cost	<b>3,179,256</b>	<b>852,680</b>

## NOTE 14

### PROPERTY, PLANT & INFRASTRUCTURE

	2018 \$	2017 \$
<b>Land</b>		
<b>Gross Value</b>		
Opening Balance	10,660,978	10,348,217
Additions, Purchased	314,222	312,761
Revaluation Adjustment	1,491,143	-
Net Amount at Fair Value	12,466,343	10,660,978
<b>Land Under Roads</b>		
<b>Gross Value</b>		
Opening Balance	14,432,690	14,432,690
Additions, Donated or Contributed	42,085	-
Net Amount at Fair Value	14,474,775	14,432,690
<b>Buildings</b>		
<b>Gross Value</b>		
Opening Balance	48,728,382	47,070,609
Additions - Purchased or Constructed	921,911	243,887
Additions, Donated or Contributed	-	66,480
Sales	(19,645)	-
Disposals with no proceeds	(639,719)	(222,203)
Revaluation Adjustment	2,728,789	1,569,609
Closing Balance	51,719,718	48,728,382
<b>Accumulated Depreciation</b>		
Opening Balance	24,827,140	23,597,073
Depreciation Expense	662,124	628,498
Sales	(9,953)	-
Disposals with no proceeds	(264,570)	(188,918)
Revaluation Adjustment	1,390,320	790,487
Closing Balance	26,605,061	24,827,140
Net Amount at Fair Value	25,114,657	23,901,242

	2018 \$	2017 \$
<b>Heritage Assets</b>		
<b>Gross Value</b>		
Opening Balance	1,167,868	1,098,288
Additions - Purchased or Constructed	40,803	69,580
Closing Balance	1,208,671	1,167,868
<b>Accumulated Depreciation</b>		
Opening Balance	175,099	166,408
Depreciation Expense	9,254	8,691
Closing Balance	184,353	175,099
Net Amount at Cost	1,024,318	992,769
<b>Flood Levee Infrastructure</b>		
<b>Gross Value</b>		
Opening Balance	5,205,942	5,205,942
Closing Balance	5,205,942	5,205,942
<b>Accumulated Depreciation</b>		
Opening Balance	172,258	153,376
Depreciation Expense	18,882	18,882
Closing Balance	191,140	172,258
Net Amount at Cost	5,014,802	5,033,684
<b>Furniture, Fittings, Office Equipment and Computers</b>		
<b>Gross Value</b>		
Opening Balance	2,409,693	2,214,621
Additions - Purchased or Constructed	209,664	208,799
Additions, Donated or Contributed	-	1,606
Sales	(6,985)	-
Disposals with no proceeds	(521,306)	(15,333)
Closing Balance	2,091,066	2,409,693
<b>Accumulated Depreciation</b>		
Opening Balance	1,716,196	1,603,286
Depreciation Expense	142,410	126,687
Sales	(5,793)	-
Disposals with no proceeds	(512,379)	(13,777)
Closing Balance	1,340,434	1,716,196
Net Amount at Cost	750,632	693,497

## NOTE 14

### PROPERTY, PLANT & INFRASTRUCTURE (continued)

	2018 \$	2017 \$
<b>Fleet</b>		
<b>Gross Value</b>		
Opening Balance	4,591,784	4,631,032
Additions – Purchased or Constructed	942,377	535,867
Sales	(672,130)	(575,115)
Closing Balance	4,862,031	4,591,784
<b>Accumulated Depreciation</b>		
Opening Balance	1,984,359	1,877,602
Depreciation Expense	408,576	380,536
Sales	(476,166)	(273,779)
Closing Balance	1,916,769	1,984,359
Net Amount at Cost	<b>2,945,262</b>	<b>2,607,425</b>
<b>Plant</b>		
<b>Gross Value</b>		
Opening Balance	3,027,920	2,728,683
Additions – Purchased or Constructed	853,127	302,854
Disposals with no proceeds	–	(3,617)
Closing Balance	3,881,047	3,027,920
<b>Accumulated Depreciation</b>		
Opening Balance	2,062,094	1,893,805
Depreciation Expense	198,903	171,906
Disposals with no proceeds	–	(3,617)
Closing Balance	2,260,997	2,062,094
Net Amount at Cost	<b>1,620,050</b>	<b>965,826</b>

	2018 \$	2017 \$
<b>Roads Infrastructure</b>		
<b>Gross Value</b>		
Opening Balance	205,506,142	205,082,114
Additions – Purchased or Constructed	2,432,424	3,383,002
Additions, Donated or Contributed	522,638	–
Disposals with no proceeds	(2,040,368)	(2,958,974)
Revaluation Adjustment	2,877,086	–
Closing Balance	209,297,922	205,506,142
<b>Accumulated Depreciation</b>		
Opening Balance	69,514,459	68,397,500
Depreciation Expense	3,343,723	3,296,874
Disposals with no proceeds	(1,643,225)	(2,179,915)
Revaluation Adjustment	973,202	–
Closing Balance	72,188,159	69,514,459
Net Amount at Fair Value	<b>137,109,763</b>	<b>135,991,683</b>
<b>Bridges</b>		
<b>Gross Value</b>		
Opening Balance	28,187,280	27,386,672
Additions – Purchased or Constructed	430,260	1,769,257
Disposals with no proceeds	(254,523)	(586,544)
Revaluation Adjustment	375,344	(382,105)
Closing Balance	28,738,361	28,187,280
<b>Accumulated Depreciation</b>		
Opening Balance	7,430,142	7,628,089
Depreciation Expense	384,357	373,819
Disposals with no proceeds	(145,588)	(571,766)
Revaluation Adjustment	100,920	–
Closing Balance	7,769,831	7,430,142
Net Amount at Fair Value	<b>20,968,530</b>	<b>20,757,138</b>

## NOTE 14

### PROPERTY, PLANT & INFRASTRUCTURE (continued)

	2018 \$	2017 \$
<b>Stormwater &amp; Drainage</b>		
<b>Gross Value</b>		
Opening Balance	37,522,228	34,204,440
Additions – Purchased or Constructed	77,725	131,937
Additions – Donated or Contributed	420,065	76,145
Disposals with no proceeds	(16,716)	(10,556)
Revaluation Adjustment	759,446	3,120,262
Closing Balance	38,762,748	37,522,228
<b>Accumulated Depreciation</b>		
Opening Balance	8,416,410	8,860,669
Depreciation Expense	381,925	372,144
Disposals with no proceeds	(8,858)	(185)
Revaluation Adjustment	159,912	(816,218)
Closing Balance	8,949,389	8,416,410
Net Amount at Fair Value	<b>29,813,359</b>	<b>29,105,818</b>
<b>Total Property, Plant &amp; Infrastructure</b>		
<b>Gross Value</b>		
Opening Balance	361,440,907	354,403,308
Additions – Purchased or Constructed	6,222,513	6,957,944
Additions – Donated or Contributed	984,788	144,231
Sales	(698,760)	(575,115)
Disposals with no proceeds	(3,472,632)	(3,797,227)
Revaluation Adjustment	8,231,808	4,307,766
Closing Balance	372,708,624	361,440,907
<b>Accumulated Depreciation</b>		
Opening Balance	116,298,157	114,177,808
Depreciation Expense	5,550,154	5,378,037
Sales	(491,912)	(273,779)
Disposals with no proceeds	(2,574,620)	(2,958,178)
Revaluation Adjustment	2,624,354	(25,731)
Closing Balance	121,406,133	116,298,157
<b>Net Amount</b>	<b>251,302,491</b>	<b>245,142,750</b>

## NOTE 15

### INVESTMENT IN WATER CORPORATION

	2018 \$	2017 \$
Opening Balance Investment in Water and Sewerage Corporation	39,943,079	39,682,700
Fair Value adjustments on Available-for-Sale Assets	518,419	260,379
Total Investment in Water and Sewerage Corporation	<b>40,461,498</b>	<b>39,943,079</b>

Council has derived returns from the water corporation as disclosed at note 4.

At 30 June 2018, Council held a 2.52% ownership interest in TasWater based on the equity proportions per member for voting purposes, as set out in Schedule 2 of TasWater's Constitution.

On 1 May 2018 TasWater and the State Government announced a memorandum of understanding under which the State Government will inject \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater. As a shareholder the State Government will not receive any dividend distributions. The partnership provides for a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects. As at the date of these financial statements, the owner councils and the State Government were working together on the nature of the future reforms.

## NOTE 16

### TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
<b>Current</b>		
Trade creditor	980,270	516,989
Accrued wages	124,672	118,142
Money held in trust	360,743	309,654
	<b>1,465,685</b>	<b>944,785</b>

## NOTE 17

### PROVISIONS

	2018 \$	2017 \$
<b>Current</b>		
Employee Benefits – Annual Leave	433,575	382,010
Employee Benefits – Long Service Leave	446,818	377,320
Employee Benefits – Oncosts	178,682	160,551
	1,059,075	919,881
<b>Non-Current</b>		
Employee Benefits – Long Service Leave	91,100	63,097
Employee Benefits – Oncosts	18,803	13,598
Aggregate Employee Benefits	<b>1,168,978</b>	<b>996,576</b>

## NOTE 18

### LOAN TO COMMUNITY ORGANISATION

In March 2017 Council received the sum of \$1.9 million from Tascorp under the State Governments Accelerated Local Government Capital Program. Council applied for this funding on behalf of Toosey Aged Care, to whom it subsequently transferred the funds, as an interest free loan repayable in full after 5 years. Interest is applied to Councils loan from Tascorp at rate of 3.24%, however the State Government will provide a full rebate of the interest paid for a period of up to five years. Council intends to pay back the loan in full at the end of the five year period.

## NOTE 19

### CAPITAL EXPENDITURE COMMITMENTS

#### Capital/Contractual Commitments

	2018 \$	2017 \$
Estimated expenditure contracted for at balance date but not yet incurred:		
– payable not later than one year	5,403,802	1,532,180
– payable later than one year but no later than two years	372,696	585,082
– payable later than two years	167,687	208,909
	<b>5,944,185</b>	<b>2,326,171</b>

## NOTE 20

### CONTINGENT LIABILITIES

Council has no contingent liabilities.

## NOTE 21

### AUDITORS REMUNERATION

	2018 \$	2017 \$
Audit fees to conduct external audit – Tasmanian Audit Office	<b>23,380</b>	<b>22,050</b>

## NOTE 22

### SPECIAL COMMITTEES AND RIVERWORKS DISTRICT

The statements include transactions for the following :

#### (a) SPECIAL COMMITTEES

Committee Name	OPERATING INCOME \$ 2018	OPERATING EXPENDITURE \$ 2018	OPERATING INCOME \$ 2017	OPERATING EXPENDITURE \$ 2017
About Campbell Town	8,352	4,622	6,182	6,144
Avoca Community Centre	8,085	3,226	783	2,483
Avoca Museum and Info Centre	19,229	7,581	8,554	7,685
Bishopsbourne Community Centre	19,814	16,737	29,107	40,711
Campbell Town Pool	14,235	16,754	11,321	15,738
Campbell Town Recreation Ground	8,125	1,955	4,107	5,256
Cressy Hall	5,002	2,715	549	4,781
Cressy Pool	30,639	24,822	22,660	28,328
Cressy Recreation Ground	9,337	3,442	118	2,943
Devon Hill Residents	937	668	420	598
Epping Hall	3,784	2,358	5,675	3,217
Evandale Community Centre and War Memorial Hall	24,767	20,459	31,555	32,050
Liffey Hall	2,320	1,523	2,227	583
Longford Recreation Ground	12,791	10,784	14,138	13,663
Morven Park Recreation Ground	20,631	13,300	11,830	10,225
Perth Community Centre	20,394	20,489	23,937	16,552
Perth Recreation Ground	12,665	8,142	4,422	8,027
Ross Community Sports Club	23,980	21,639	28,633	36,448
	<b>245,087</b>	<b>181,216</b>	<b>206,218</b>	<b>235,432</b>

Committee Name	AMOUNTS CAPITALISED \$ 2018	NET ASSETS \$ 2018	AMOUNTS CAPITALISED \$ 2017	NET ASSETS \$ 2017
About Campbell Town	-	16,312	-	12,582
Avoca Community Centre	4,829	16,882	-	12,779
Avoca Museum and Info Centre	-	15,405	5,015	4,403
Bishopsbourne Community Centre	6,364	44,495	16,300	41,740
Campbell Town Pool	2,950	28,326	3,995	30,881
Campbell Town Recreation Ground	-	13,419	3,557	7,335
Cressy Hall	-	9,415	-	7,254
Cressy Pool	-	17,432	800	11,333
Cressy Recreation Ground	-	11,670	-	6,084
Devon Hill Residents	-	1,776	-	1,413
Epping Hall	1,541	8,994	2,099	7,625
Evandale Community Centre and War Memorial Hall	-	10,048	-	5,610
Liffey Hall	-	6,373	-	5,446
Longford Recreation Ground	-	6,916	6,750	5,680
Morven Park Recreation Ground	3,636	9,418	-	2,961
Perth Community Centre	-	10,459	-	10,923
Perth Recreation Ground	-	6,666	-	2,398
Ross Community Sports Club	1,455	55,682	7,046	52,390
	<b>20,775</b>	<b>289,688</b>	<b>45,562</b>	<b>228,837</b>

## (b) RIVERWORKS DISTRICT

Under section 182 of the Water Management Act 1999 Council administers funds on behalf of:

	2018 \$	2017 \$
<b>The Lake River Riverworks District</b>		
Opening Cash Balance	12,699	3,367
Plus Income	-	14,944
Less Expenditure	-	(5,612)
Closing Cash Balance	<b>12,699</b>	<b>12,699</b>

The Lake River Riverworks District aims to minimise environmental harm and risk within the boundaries of its district, complying with all statutory provisions. It is overseen by a management committee that held its most recent meeting on 21st of June 2018.

## NOTE 23

### RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS

	2018 \$	2017 \$
<b>Surplus</b>	<b>3,440,678</b>	<b>3,137,200</b>
Capital grants received specifically for new or upgraded assets	(2,388,852)	(2,323,217)
Contribution of non-monetary assets	(984,788)	(144,231)
Net loss/(gain) on disposal of property, infrastructure, [lant and equipment	860,569	890,066
Depreciation	5,550,154	5,378,037
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Trade and Other Receivables	302,145	(487,240)
(Increase)/Decrease in Inventory	491	1,365
Increase/(Decrease) in Creditors	520,901	(735,102)
Increase/(Decrease) in Provisions	172,402	(175,808)
<b>Net cash provided by operating activities</b>	<b>7,473,700</b>	<b>5,541,070</b>

## NOTE 24

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	2018 \$	2017 \$
Opening Balance	1,900,000	-
Changes from financing cash flows:		
- Cash Received	6,570,000	1,900,000
- Cash Repayments	- 6,570,000	- 1,900,000
Closing Balance	<b>8,470,000</b>	<b>1,900,000</b>

## NOTE 25

### RELATED PARTY TRANSACTIONS

#### (i) Responsible Persons

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

**Councillors:** Clr Dick Adams  
Clr Andrew Calvert  
Mayor David Downie  
Clr Ian Gonion  
Clr Leisa Gordon  
Deputy Mayor Richard Goss  
Clr Mary Knowles  
Clr Janet Lambet  
Clr Michael Polley

#### **Staff:**

General Manager: Des Jennings  
Corporate Services Manager: Maree Bricknell  
Regulatory and Community Services Manager: Amanda Bond  
Works Manager: Leigh McCullagh

(ii) Councillor Remuneration

	2018		TOTAL ALLOWANCES & EXPENSES
	ALLOWANCES	EXPENSE	
Mayor	51,389	7,211	58,600
Deputy Mayor	28,631	2,318	30,949
Councillors	102,783	7,768	110,551
	<b>182,803</b>	<b>17,297</b>	<b>200,100</b>

	2017		TOTAL ALLOWANCES & EXPENSES
	ALLOWANCES	EXPENSE	
Mayor	50,314	6,775	57,089
Deputy Mayor	28,032	645	28,677
Councillors	100,634	13,008	113,642
	<b>178,980</b>	<b>20,428</b>	<b>199,408</b>

Note: Mayor and Deputy Mayor allowances both include their base Councillor allowance.

(iii) Key Management Personnel Remuneration Bands

REMUNERATION BAND \$	NUMBER OF EMPLOYEES 2018	NUMBER OF EMPLOYEES 2017
40,001 to 60,000	-	1
60,001 to 80,000	-	2
80,001 to 100,000	-	1
100,001 to 120,000	-	1
120,001 to 140,000	2	1
140,001 to 160,000	1	1
180,001 to 200,000	-	0
200,001 to 220,000	1	-
220,001 to 240,000	-	1
<b>Total</b>	<b>4</b>	<b>8</b>

(iv) Key Management Personnel and Councillors Remuneration

	2018 \$	2017 \$
Short term employee benefits	745,030	845,995
Post employment benefits	63,294	83,415
Other long term benefits	(11,019)	(107,422)
Termination benefits	0	276,926
Total	<b>797,305</b>	<b>1,098,914</b>

- Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.
- Vehicles Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking.
- Other allowances and benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.
- Superannuation means the contribution to the superannuation fund of the individual.
- Termination benefits include all forms of benefit paid or accrued as a consequence of termination.
- Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc).

(v) Remuneration Principles

*Councillors*

Remuneration levels for Councillors is set in accordance with Regulation 42(2) of the Local Government (General) Regulations 2015.

*Senior Executives*

Remuneration levels for the General Manager is set in accordance with a Common Law Contract.

The employment terms and conditions of other senior executives are contained in individual employment contracts and the Northern Midlands Workplace Agreement 2016 which prescribes total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions.

In addition to their salaries, Council also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package.

The terms of employment the General Manager, contains a termination clause that requires the Council provide a minimum notice period of six months prior to termination of the contract, and for the General Manager to provide Council with a minimum notice period of three months prior to termination of the contract.

(vi) Transactions with related parties

2018		
NATURE OF TRANSACTION	AMOUNT OF TRANSACTION DURING YEAR	TERMS & CONDITIONS
Supply of Office Equipment, note 1	1,101	30 Day terms on invoice
Supply of Housing, note 2	7,640	14 Day terms on rental invoice
Fees and Charges, note 3	8,325	Council's approved fees

2017		
NATURE OF TRANSACTION	AMOUNT OF TRANSACTION DURING YEAR	TERMS & CONDITIONS
Supply of Office Equipment, note 1	53,373	30 Day terms on invoice
Supply of Housing, note 2	7,816	14 Day terms on rental invoice
Fees and Charges, note 3	7,927	Council's approved fees

Notes:

1. Council purchased in aggregate during the year office furniture from Second Office Launceston, a company which has a member of Councils KMP as a director.
2. Council provides 8 units for residential accommodation for aged and disadvantaged in the townships of Campbell Town and Evandale during the year one occupant was a relative to a member of Councils KMP. Rental was billed based on normal rates for such accommodation and was due and payable under normal payment terms.
3. Development fees were received in relation to applications from a company which is associated with a Council KMP. The applications relate to blocks of land in Wellington Street, Drummond Street and Paton Street (2017 - Wellington Street, and Paton Street).

(vi) Transactions with related parties (continued)

No balances relating to these transactions were outstanding at year end, no provision for doubtful debts has been made in relation to any of these transactions.

(vii) Loans and guarantees to/from related parties

No loan and guarantee amounts have been notified to the General Manager.

(viii) Commitments to/from related parties

No commitments have been notified to the General Manager.

(ix) 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/farm
- Dog registrations
- Use of Council's recreational facilities

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

## NOTE 26

### SUPERANNUATION

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

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.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58,940,000, the value of vested benefits was \$51,170,000, the surplus over vested benefits was \$7,770,000, the value of total accrued benefits was \$50,606,000, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees

The actuarial review concluded that, based on the assumptions used, and assuming the Employers contributes at the levels they recommended, 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 2021.

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

- During the reporting period the amount of contributions paid to defined benefits schemes was \$Nil (2016-17, \$2,070), and the amount paid to accumulation schemes was \$485,008 (2016-17, \$500,986).
- During the next reporting period the amount of contributions expected to be paid to defined benefits schemes is \$ Nil, and the amount to be paid to accumulation schemes is \$511,420.
- As at 30 June 2017 the Fund had 134 members and the total employer contributions and member contributions for the year ending 30 June 2017 were \$1,777,084 and \$267,506 respectively.

Council has adopted reduced disclosure in relation to the Fund based on an assessment that the impact of non-disclosure is insignificant to users of the accounts. The assessment was based on the number of Council employees that are members of the Fund (None) and Council's contributions to the Fund (as noted above) in comparison to both the Fund's total members and contributions and Council's total employee numbers and superannuation contributions. In addition, the Fund is currently in surplus. If the Fund's position changes, the need for increased disclosure will be considered.

## NOTE 27

### FINANCIAL INSTRUMENTS

#### (a) ACCOUNTING POLICY, TERMS AND CONDITIONS

FINANCIAL INSTRUMENTS	NOTE	ACCOUNTING POLICY	TERMS & CONDITIONS
<b>Financial Assets</b>			
Cash and Cash equivalents		Cash and cash equivalents are valued at face value. Interest is recognised as it accrues. Investments are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	On call deposits returned a floating interest rate of 0.8 % (0.7 % 2016/2017) Funds returned fixed interest rates between 1.82% and 3.37% (1.70% and 3.05% 2016/2017)
Rate Debtors	11	Rates are carried at nominal amounts due plus interest and penalty. Rate debtors are charges attached to the property and are recoverable on sale, therefore allowance for impairment is only made when it is unlikely the property could be sold for an amount which will cover the costs of sale.	Rates are payable by three equal instalments during the year or alternatively by one payment within 30 days of demand, which provides a discount of 1.0% (any such discount allowed is shown as an expense of Council in its income statement). Overdue Rates attract a penalty of 5% (5% 2016/2017), any such penalty imposed is shown as income of Council in its Income Statement. Arrears attract interest which is applied on a regular basis to the property at a rate of 7.5% p.a. (7.5% p.a. 2016/2017) Furthermore Council instigates collection proceedings in accordance with provisions of the Local Government Act 1993 (as amended), for any amounts which remain unpaid outside of Council's approved payment options.
Trade Debtors	11	Receivables are carried at nominal amounts due less any allowance for impairment. An impairment loss is recognised when collection in full is no longer probable. Ability to collect overdue accounts is assessed on an ongoing basis.	Payment is required within 30 days of issue of the account. Should amounts remain unpaid beyond 30 days Council instigates collection proceedings in accordance with provisions of the Local Government Act 1993 (as amended).
<b>Financial Liabilities</b>			
Trade and Other Payables	16	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date.	General creditors are unsecured, not subject to interest charges and are normally settled within Councils standard ordering terms of 30 day from date of purchase.

## (b) FINANCING ARRANGEMENTS

Unrestricted access was available at the reporting date to the following lines of credit:

	2018 \$	2017 \$
Total Corporate Credit Cards Facility Limit	50,000	50,000
Corporate Credit Card Facility Limit Used at Reporting Date	3,910	4,679
Available at reporting date Corporate Credit Card	<b>46,090</b>	<b>45,321</b>

No other credit standby arrangements and loan facilities are used or available to be used as at 30/6/2018 (30/6/2017).

## (c) FINANCIAL RISK EXPOSURE AND MITIGATION

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

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

### *Credit risk*

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted, and arises principally from trade and other receivables and cash and investments. The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses, represents the Council's maximum exposure to credit risk without taking account of any collateral or other security. Reference should be made to the Interest Rate Risk table on the following page for the carrying amount of Council's financial assets at reporting date. To help manage credit risk Council ensures financial institutions maintaining Council cash deposits have sufficient security.

### *Liquidity Risk*

Liquidity risk is the risk that Council will not be able to meet its financial obligations as they fall due. Council's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities as they fall due. Due to significant amounts of readily available cash the exposure to liquidity risk is deemed insignificant. Council falls well within the lending benchmarks set by Treasury.

### *Market Risk*

Market risk is the risk that the fair value or future cash flows of Council's financial instruments will fluctuate because of changes in market prices, such as interest rates. The Council's exposure to market risks is primarily through interest rate risk with only insignificant exposure to other price risks and no direct exposure to foreign currency risk.

Council's liabilities are either non-interest bearing or at fixed rates, so there is no ongoing exposure to interest rate risk for existing financial liabilities. Council obtains loans with competitive fixed interest rates to manage its exposure to interest rate risk when loans are taken.

A component of Council's cash is subject to floating interest rates. It is predicted any variations in future cash flows from interest rate movements will not have a material effect on Council's income. Interest rate risk on deposits is managed by adopting practices that ensures:

- Conformity with State and Federal regulations and standards,
- Adequate safety,
- Appropriate liquidity,
- Monitoring of return on investments,
- Staggering maturity dates to provide for interest rate variations,
- Benchmarking of returns and comparisons with budget.

Council's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments at balance date is detailed below:

2018	FLOATING INTEREST RATE \$	1 YEAR OR LESS \$	1 TO 5 YEARS \$	OVER 5 YEARS \$	NON INTEREST BEARING \$	TOTAL \$
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents						
- Cash	1,179,528					1,179,528
- Investments	633,989	12,369,496				13,003,485
Trade and Other Receivables						
- Rates		325,898				325,898
- Sundry					294,521	294,521
Revenue Accrual					101,436	101,436
<b>Non Current Assets</b>						
Trade and Other Receivables						
- Loans to community organisations					1,900,000	1,900,000
Investment Term Deposits			6,550,000			6,550,000
Available for Sale						
- Investment in Tas Water					40,461,498	40,461,498
<b>Total Financial Assets</b>	<b>1,813,517</b>	<b>12,695,394</b>	<b>6,550,000</b>	<b>-</b>	<b>42,757,455</b>	<b>63,816,366</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Trade and Other Payables						
- Sundry Creditors					1,104,942	1,104,942
- Monies held in Trust					360,743	360,743
<b>Non Current Liabilities</b>						
Interest bearing loans and borrowings					8,470,000	8,470,000
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,935,685</b>	<b>9,935,685</b>
<b>Net Financial Assets/ (Liabilities)</b>	<b>1,813,517</b>	<b>12,695,394</b>	<b>6,550,000</b>	<b>-</b>	<b>32,821,770</b>	<b>53,880,681</b>

2017	FLOATING INTEREST RATE \$	1 YEAR OR LESS \$	1 TO 5 YEARS \$	OVER 5 YEARS \$	NON INTEREST BEARING \$	TOTAL \$
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents						
- Cash	798,793					798,793
- Investments	1,225,842	10,580,625				11,806,467
Trade and Other Receivables						
- Rates		241,945				241,945
- Sundry					728,574	728,574
Revenue Accrual					53,481	53,481
<b>Non Current Assets</b>						
Trade and Other Receivables						
- Loans to community organisations					1,900,000	1,900,000
Investment Term Deposits						
Available for Sale						
- Investment in Tas Water					39,943,079	39,943,079
<b>Total Financial Assets</b>	<b>2,024,635</b>	<b>10,822,570</b>	<b>-</b>	<b>-</b>	<b>42,625,134</b>	<b>55,472,339</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Trade and Other Payables						
- Sundry Creditors					635,131	635,131
- Monies held in Trust					309,654	309,654
<b>Non Current Liabilities</b>						
Interest bearing loans and borrowings					1,900,000	1,900,000
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,844,785</b>	<b>2,844,785</b>
<b>Net Financial Assets/ (Liabilities)</b>	<b>2,024,635</b>	<b>10,822,570</b>	<b>-</b>	<b>-</b>	<b>39,780,349</b>	<b>52,627,554</b>

### Credit Risk

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

#### (d) IMPAIRMENT LOSSES

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

The movement in the allowance for impairment for trade and rate receivables during the year was as follows:

	2018 \$	2017 \$
Balance at 1 July	1,500,500	1,126,164
Charge for the year	418,915	374,336
Amounts previously charged no longer impaired	-	-
Balance 30 June	<b>1,919,415</b>	<b>1,500,500</b>

#### (e) SENSITIVITY DISCLOSURE ANALYSIS

Taking into account past performances, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are "reasonably possible" over the next 12 months (Base rates are sourced from the Federal Bank of Australia): - A parallel shift of + 0.5% and -0.5% in market interest rates (AUD) from year end rates of 1.5%.

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

	INTEREST RATE RISK				
	CARRYING AMOUNT SUBJECT TO INTEREST	-0.5% -50 BASIS POINTS		0.5% 50 BASIS POINTS	
		PROFIT	EQUITY	PROFIT	EQUITY
2018	\$	\$	\$	\$	\$
Financial assets					
- Cash and cash equivalents	14,183,013	(70,915)	(70,915)	70,915	70,915
- Non Current Investments Term Deposits	6,550,000	(32,750)	(32,750)	32,750	32,750
- Loans and Receivables	325,898	(1,629)	(1,629)	1,629	1,629
		<b>(105,294)</b>	<b>(105,294)</b>	<b>105,294</b>	<b>105,294</b>

	INTEREST RATE RISK				
	CARRYING AMOUNT SUBJECT TO INTEREST	-0.5% -50 BASIS POINTS		0.5% 50 BASIS POINTS	
		PROFIT	EQUITY	PROFIT	EQUITY
2017	\$	\$	\$	\$	\$
Financial assets					
- Cash and cash equivalents	12,605,260	(63,026)	(63,026)	63,026	63,026
- Loans and Receivables	241,945	(1,210)	(1,210)	1,210	1,210
		<b>(64,236)</b>	<b>(64,236)</b>	<b>64,236</b>	<b>64,236</b>

(f) CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Carrying amounts classified as:	2018 \$	2017 \$
<b>Financial assets</b>		
Loan and Receivables	2,621,855	2,924,000
Cash and cash equivalents	14,183,013	12,605,260
Non Current Investments Term Deposits	6,550,000	-
Available for Sale – Investment in TasWater	40,461,498 63,816,366	39,943,079
<b>Financial Liabilities measured at amortised cost</b>		
Payables	1,465,685	944,785
Loans and Borrowings	8,470,000 9,935,685	1,900,000 2,844,785
<b>Net Financial Assets / (Liabilities)</b>	<b>53,880,681</b>	<b>52,627,554</b>

(g) ANALYSIS OF UNIMPAIRED FINANCIAL ASSETS

	2018 \$	2017 \$
Rate Debtors, not past due	40,851	-
Rate Debtors, less than 30 days past due	-	977
Rate Debtors over 60 days past due	285,047	240,968
Trade Debtors Sundry, not past due	238,854	675,313
Trade Debtors Sundry, less than 30 days past due	10,201	5,267
Trade Debtors Sundry over, 30 days less than 60 Days past due	51	3,561
Trade Debtors Sundry over 60 days past due	45,415	44,433
Accrued Income, Current	101,436	53,481
Loan Receivable, not past due	1,900,000	1,900,000
	<b>2,621,855</b>	<b>2,924,000</b>

(h) FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

**Level 3:** inputs for the asset or liability that are not based on observable market data

2018	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available for sale financial assets	-	-	40,461,498	40,461,498
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-

2017	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available for sale financial assets	-	-	39,943,079	39,943,079
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-

There were no transfers between Level 1 and 2 in either period.

Reconciliation of Level 3 Fair Value Movements	2018 \$	2017 \$
Opening Balance	39,943,079	39,682,700
Gains (losses) recognised in other comprehensive income:		
Change in Fair Value of Investment in Water Corporation	518,419	260,379
Closing Balance	<b>40,461,498</b>	<b>39,943,079</b>

## NOTE 28

### MANAGEMENT INDICATORS

#### (a) FINANCIAL MANAGEMENT INDICATORS

##### (i) Underlying surplus/deficit

	Bench Mark	2018 \$,000s	2017 \$,000s	2016 \$,000s	2015 \$,000s
Recurrent income*		17,776	17,096	16,855	16,341
less recurrent expenditure		17,714	17,775	17,403	16,731
Underlying surplus/(deficit)	<b>0</b>	<b>62</b>	<b>(679)</b>	<b>(548)</b>	<b>(390)</b>

\*Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.

Commentary - A negative result indicates a deficit which is unable to be sustained in the long term, while Council has had a negative result in three of the last 4 years Council believes it is sustainable in the long term and continues to work towards achieving an ongoing positive result.

##### (ii) Underlying surplus ratio

	Bench Mark	2018 \$,000s	2017 \$,000s	2016 \$,000s	2015 \$,000s
Underlying surplus or deficit		62	(679)	(548)	(390)
divided by Recurrent income*		17,776	17,096	16,855	16,341
Underlying surplus ratio %	<b>0%</b>	<b>0%</b>	<b>-4%</b>	<b>-3%</b>	<b>-2%</b>

Commentary - A negative result indicates a deficit which is unable to be sustained in the long term, while Council has had a negative result in three of the last 4 years Council believes it is sustainable in the long term and continues to work towards achieving an ongoing positive result.

##### (iii) Net financial assets (liabilities)

	Bench Mark	2018 \$,000s	2017 \$,000s	2016 \$,000s	2015 \$,000s
Liquid assets		14,905	13,629	11,140	12,040
less total liabilities		11,105	3,841	2,852	2,105
Net financial assets (liabilities)	<b>0</b>	<b>3,800</b>	<b>9,788</b>	<b>8,288</b>	<b>9,935</b>

Commentary - A positive result indicates Council's ability to meet its liabilities from its liquid assets, Council has had a positive result in each of the last four years indicating it has no difficulties meeting its liabilities.

##### (iv) Net financial assets (liabilities) ratio

	Bench Mark	2018 \$,000s	2017 \$,000s	2016 \$,000s	2015 \$,000s
Net financial assets (liabilities)		3,800	9,788	8,288	9,935
divided by Recurrent income*		17,776	17,096	16,855	16,341
Net financial assets (liabilities)	<b>0% to (50)%</b>	<b>21%</b>	<b>57%</b>	<b>49%</b>	<b>61%</b>

Commentary - A positive result indicates Council's ability to meet its liabilities from its liquid assets, Council has had a positive result in each of the last four years indicating it has no difficulties meeting its liabilities.

## (b) ASSET MANAGEMENT INDICATORS

### (i) 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.

	Bench Mark	2018 \$,000s	2017 \$,000s	2016 \$,000s	2015 \$,000s
<b>Buildings</b>					
Depreciated replacement cost		25,115	23,901	23,474	25,467
divided by current replacement cost		51,720	48,728	47,071	39,148
Asset consumption ratio %	<b>60%</b>	<b>49%</b>	<b>49%</b>	<b>50%</b>	<b>65%</b>
<b>Road and Bridge Infrastructure</b>					
Depreciated replacement cost		158,078	156,749	156,443	154,988
divided by current replacement cost		238,036	233,693	232,469	229,897
Asset consumption ratio %	<b>60%</b>	<b>66%</b>	<b>67%</b>	<b>67%</b>	<b>67%</b>
<b>Stormwater &amp; Drainage</b>					
Depreciated replacement cost		29,813	29,106	25,344	25,593
divided by current replacement cost		38,763	37,522	34,204	34,045
Asset consumption ratio %	<b>60%</b>	<b>77%</b>	<b>78%</b>	<b>74%</b>	<b>75%</b>

Commentary – These ratios show the depreciated replacement cost of classes of depreciable assets relative to their “as new” (replacement) value. They therefore show the average proportion of new condition left in the assets. Councils ratios for Roads and Bridge Infrastructure and Stormwater and Drainage have consistently over the four year period been above the established benchmark of 60% indicating, an appropriate level of investment in renewal of these asset classes. The Buildings ratio fell from 65% in first year above to an average of 49% in most recent three years above. This primarily occurred as a result of both the componentisation of buildings into 6 parts with the allocation of varying lives to these component parts and the revaluation of the building asset in the 2016 year. As a result of the outcomes of this process Council will continue to regularly review its level of ongoing investment in renewal of its Building assets, in order to actively work toward achievement of the benchmark.

### (ii) 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.

	Bench Mark	2018 \$,000s	2017 \$,000s	2016 \$,000s	2015 \$,000s
<b>Buildings</b>					
Projected capital funding outlays**		5,920	5,920	N/a	N/a
divided by Projected capital expenditure funding***		4,185	4,185	N/a	N/a
Asset renewal funding ratio %	<b>90-100%</b>	<b>141%</b>	<b>141%</b>	<b>N/a</b>	<b>N/a</b>
<b>Road and Bridge Infrastructure</b>					
Projected capital funding outlays**		29,509	34,735	23,161	27,930
divided by Projected capital expenditure funding***		24,708	23,842	24,305	23,051
Asset renewal funding ratio %	<b>90-100%</b>	<b>119%</b>	<b>146%</b>	<b>95%</b>	<b>121%</b>
<b>Stormwater &amp; Drainage</b>					
Projected capital funding outlays**		600	600	2,094	2,357
divided by Projected capital expenditure funding***		390	390	4,800	2,226
Asset renewal funding ratio %	<b>90-100%</b>	<b>154%</b>	<b>154%</b>	<b>44%</b>	<b>106%</b>

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

\*\*\* Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

Commentary – This ratio measures the capacity to fund asset replacement requirements, by comparing funding outlays in the Councils long-term financial plan with projected capital expenditure in Council's long-term strategic asset management plans.

In most years the asset classes reported have exceeded the benchmark with Roads and Bridges.

Stormwater did not meet the benchmark in 2016, as the Asset Management Plan for this class adopted by Council in April 2016 includes additional expenditure not yet updated to the long-term financial plan. Council adopted an updated Long-Term Financial Plan in the 2015/16 financial year, which includes this additional expenditure. Councils Building asset management plan was first adopted by Council in February 2016, ratios have only been calculated for the following financial years.

### (iii) Asset sustainability ratio

	Bench Mark	2018 \$,000s	2017 \$,000s	2016 \$,000s	2015 \$,000s
Capital Expenditure on replacement/ renewal of existing assets		5,980	4,198	6,625	3,077
divided by annual depreciation expense		5,550	5,378	5,336	5,112
Asset sustainability ratio %	<b>100%</b>	<b>108%</b>	<b>78%</b>	<b>124%</b>	<b>60%</b>

Commentary - This ratio compares the rate of spending on existing infrastructure, property, plant and equipment through renewing, restoring and replacing existing assets against depreciation. Councils average ratio of 92% over the past four years is slightly below the benchmark of 100%, however this is a long term indicator as depreciation costs tend to be relatively stable over a period of time, whereas capital renewal can tend to be much more variable.

	CAPITAL RENEWAL EXPENDITURE \$'000	CAPITAL NEW/ UPGRADE EXPENDITURE \$'000	TOTAL CAPITAL EXPENDITURE \$'000
Land	-	314	314
Buildings	1,052	342	1,394
Heritage Assets	22	19	41
Furniture, Fittings, Office Equipment & Computers	65	83	148
Fleet	863	79	942
Plant	1,046	286	1,332
Road Infrastructure	2,240	277	2,517
Bridges	692	1,124	1,816
Stormwater & Drainage	-	45	45
<b>Total</b>	<b>5,980</b>	<b>2,569</b>	<b>8,549</b>

## NOTE 29

### FAIR VALUE MEASUREMENT

Council measures and recognises the following assets at fair value on a recurring basis:

- Property, plant & infrastructure
- Land
- Land under roads
- Buildings
- Roads Infrastructure
- Bridges
- Stormwater & Drainage
- Investment in Water Corporation

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 opposite 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 2018.

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 2018					
Recurring fair value measurements	NOTE	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$	TOTAL \$
Land	14	-	12,466,343	-	12,466,343
Land under roads	14	-	14,474,775	-	14,474,775
Buildings	14	-	-	51,719,718	51,719,718
Roads Infrastructure	14	-	-	209,297,922	209,297,922
Bridges	14	-	-	28,738,361	28,738,361
Stormwater & Drainage	14	-	-	38,762,748	38,762,748
Investment in Water Corporation	15	-	-	40,461,498	40,461,498
		-	<b>26,941,118</b>	<b>368,980,247</b>	<b>395,921,365</b>

AS AT 30 JUNE 2017					
Recurring fair value measurements	NOTE	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$	TOTAL \$
Land	14	-	10,660,978	-	10,660,978
Land under roads	14	-	14,432,690	-	14,432,690
Buildings	14	-	-	48,728,382	48,728,382
Roads Infrastructure	14	-	-	205,506,142	205,506,142
Bridges	14	-	-	28,187,280	28,187,280
Stormwater & Drainage	14	-	-	37,522,230	37,522,230
Investment in Water Corporation	15	-	-	39,943,079	37,522,230
		-	<b>25,093,668</b>	<b>359,887,113</b>	<b>384,980,781</b>

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.

## (b) HIGHEST AND BEST USE

AASB 13 requires the fair value of non-financial assets to be calculated based on their "highest and best use", 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

### (i) Land

Land fair values were determined by W.P. Coverdale the Valuer-General as at 1 July 2013. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Council Officers have applied adjustment factors provided by the Valuer-General to determine a valuation at 1 July 2017

### (ii) Land under roads

Council recognised all land under roads effective 1 July 2015 in the 2015/16 financial year, this valuation of Land under roads was determined by Councils Officers through the application of a land under roads rate for each category of land (Residential, Commercial, Industrial, Community, Primary Production and Other), determined by W.P. Coverdale the Valuer-General as at 1 July 2014, for the Northern Midlands Municipality. The Valuer-General derived the rates by dividing land values by land area by property class category in each municipality. A 30% discount was applied to average values in each category (residential, commercial, industrial, community and other) to equate to unimproved values, no discount was applied to the primary production property class category.

As the Valuer General has not issued any adjustment factors in relation to this valuation, no indexation has been applied by Council Officers to its Land under roads asset.

### (iii) Buildings

The fair value of buildings was determined by Mr Murray A Bugg, Dip Val. AAPL, Independent Certified Valuer as at 1 July 2015. Council Officers have applied a Non Residential Building index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2017. Council officers componentised the fair value of buildings into 6 components, being structure, roof cladding, external fabric, internal fit-out, services and site services, with each of these components being assigned unique lives.

Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

Where Council buildings are of a specialist nature (eg heritage buildings, community buildings) and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values have been derived from reference to market data for recent projects and costing guides.

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

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

(iv) **Infrastructure assets**

All Council infrastructure assets were fair valued using written down current replacement cost (CRC). This valuation comprises the asset's gross replacement cost less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 1.

The calculation of DRC 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 Infrastructure**

A full Valuation of Roads and Streets was undertaken by Moloney Asset Management Systems as at 1 July 2014. Council Officers have applied a Road & Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2017.

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban roads and rural roads are managed in segments of varying lengths.

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. As part of the this valuation process each segment of road was individually assessed.

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

**Bridges**

A full valuation of Bridges was undertaken by Moloney Asset Management Systems as at 1 July 2014.

Each bridge was 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.

Council Officers have applied a Road & Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2017.

**Stormwater & Drainage**

A full valuation of Stormwater & Drainage was undertaken by Consulting Engineers Pitt & Sherry as at 1 July 2016.

Similar to roads, 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.

Council Officers have applied a Road & Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2017.

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.

**Investment in Water Corporation**

Refer to Note 15 for valuation technique & Inputs and sensitivities.

**(d) CHANGES IN RECURRING LEVEL 3 FAIR VALUE MEASUREMENTS**

The changes in level 3 assets with recurring fair value measurements are detailed in note 14 (Property, plant & infrastructure).

**(e) VALUATION PROCESSES**

Council's current policy for the valuation of property, infrastructure, plant and equipment and investment in water corporation is set out in note 1(f).

Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

**(f) ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE BUT FOR WHICH FAIR VALUE IS DISCLOSED**

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

## STATEMENT BY GENERAL MANAGER

I, Des Jennings certify that in my opinion:-

The financial report presents fairly the financial position of the Northern Midlands Council as at 30 June 2018, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



**Des Jennings**  
GENERAL MANAGER

Dated at Longford this 27th day of September 2018.

## INDEPENDENT AUDIT REPORT



### Independent Auditor's Report

To the Councillors of Northern Midlands Council

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of Northern Midlands Council (Council), which comprises the statement of financial position as at 30 June 2018 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 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 2018 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* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 28 to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's

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## INDEPENDENT AUDIT REPORT (CONTINUED)

determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

### Responsibilities of the General Manager for the Financial Report

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

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

### Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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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 represents 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.



Stephen Morrison  
Assistant Auditor-General  
Delegate of the Auditor-General

Tasmanian Audit Office

28 September 2018  
Hobart

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Above, clockwise:

- Irrigation machinery (Rosh Dillon) • Longford Town Hall (Rosh Dillon) • Trout Park, Cressy (Rosh Dillon) • Statue, Evandale (Tourism Tasmania & Rob Burnett)
- Caravan park, Ross (Rosh Dillon)

Back cover, clockwise:

- 4 Wheeler landscape (Rosh Dillon) • Council units, Evandale (Rosh Dillon) • Boucher Park, Avoca (Rosh Dillon)



NORTHERN  
MIDLANDS  
COUNCIL

## Contact Us

### Street Address

13 Smith Street, Longford, TAS 7301, Australia

### Postal Address

PO Box 156, Longford, TAS 7301, Australia

Tel: (03) 6397 7303

Fax: (03) 6397 7331

Email: [council@nmc.tas.gov.au](mailto:council@nmc.tas.gov.au)

[www.northernmidlands.tas.gov.au](http://www.northernmidlands.tas.gov.au)

