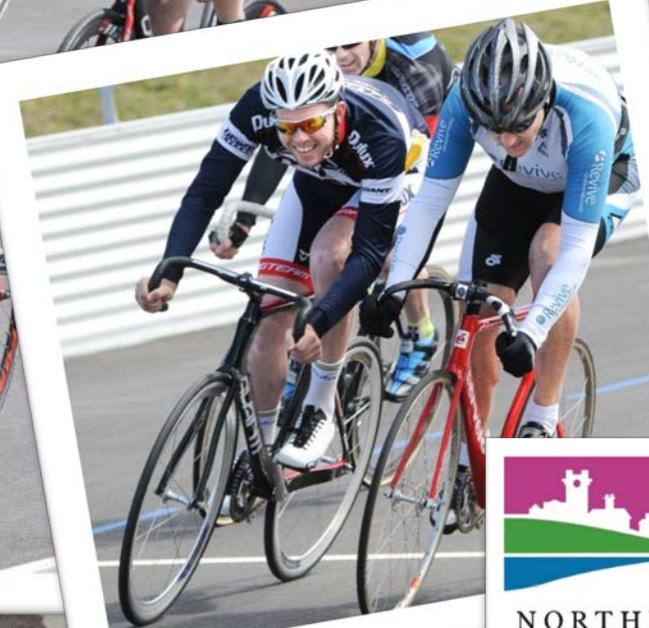


ANNUAL REPORT 2014/2015



NORTHERN
MIDLANDS
COUNCIL

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MISSION STATEMENT

Northern Midlands Council is committed to providing effective, innovative and efficient service to the community it represents. It aims to encourage active local communities of distinct character and to foster a sense of pride in the Northern Midlands area.

OUR VISION

- Northern Midlands communities will be vibrant, sustainable and resilient, promoting diversity and conserving the heritage values of our towns.
- Our competitive strengths will attract more people to the municipality, increase employment, business activity and property values.
- Our community pride will be based on co-operation and self help, evident by our care of natural and constructed assets and our leadership in environmental management.
- Each community's needs will be met with fair and appropriate quality services, creating high community satisfaction with Council's performance and high employee morale and well-being.

OUR GUIDING PRINCIPLES

- Respect for people
- Highest levels of integrity and honesty
- Open representation for all ratepayers and residents
- Equitable distribution of services, costs and opportunities for all members of the community
- Provide progressive community leadership by formulating clear, positive policies and strategies
- Continuous quality improvement
- Encourage community confidence through communication, consultation and participation
- Consideration of economic, environmental and social sustainability when making decisions
- Consistency – being fair and accountable in decision-making and actions
- Commitment to working with facts and accurate data.

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 2007-2017 (2012-2013 revision).

PROFILE

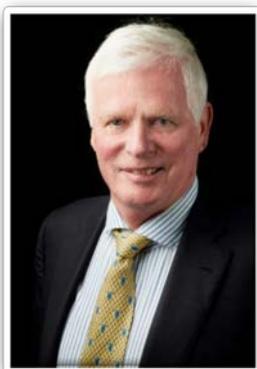
The Northern Midlands Council was created on the 2nd April 1993 from the merger of the former Municipalities of Longford, Evandale, Campbell Town and Ross, together with the towns of Rossarden, Avoca and Royal George from the Fingal municipality.

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 12,775 by the June 2014 ABS figures. This was 2.48% of the estimated State population that totalled 514,762.

MESSAGE FROM THE MAYOR



It is with great pleasure that I present to you the Northern Midlands Council 2014/15 Annual Report.

The past 12 months have seen a number of significant changes at the Northern Midlands Council. Council welcomed new General Manager, Des Jennings to the Northern Midlands in August 2014. State wide Council elections were held in October 2014 and saw the first “all in, all out” elections in Tasmania.

Council farewelled Mrs Kim Polley, who elected not to renominate for Council last year after being a Councillor for the Northern Midlands for 15 years, and holding the position of Mayor for 14 years. Council also farewelled Mr Jeff Carins (12 years as Councillor) and Mr Matthew Brooks (9 years as Councillor) who also chose not to stand for re-election in 2014. I take this opportunity to thank Mrs Polley, Mr Carins and Mr Brooks for their contributions to Council over the years.

Council commenced a heavy focus on identifying and progressing strategic projects within the municipality in 2014/2015. At present we are undertaking a number of master plans and feasibility studies for projects that will see improvements to our facilities, promote tourism within our region and encourage development and economic growth.

Key projects for the 2014/15 financial year include:

- **Launceston Gateway Precinct Master Plan**
Council has been working with a large number of stakeholders to cultivate and overarching development strategy for Launceston Airport, TRANSLink Industrial Estate and associated road and rail infrastructure that facilitates economic growth in Northern Tasmania for the long term. The master plan looks at capitalising on the industrial hub at the TRANSLink site and making it a competitive area attracting business investment and linking air, rail and sea transport of goods in and out of Tasmania.
- **Asset management**
There is a strong focus within the Northern Midlands Council to develop and maintain its infrastructure, in particular its stormwater infrastructure. Council is in the process of developing a Stormwater Management Plan for TRANSLink and Perth. Funding applications have been made to contribute to the cost of the development that will not only benefit the ratepayers of the community, but will encourage investment in the TRANSLink area.
This year Council successfully obtained funding to contribute to the replacement of the Westmoor Bridge on Powranna Road. This is a significant project and brings Council one step closer to its goal of replacing all timber bridges in the municipality with concrete bridges.
- **Ben Lomond National Park Driven Economic Growth Northern Tasmania**
Council has worked closely with a number of key stakeholders to commission a feasibility study investigating establishing Ben Lomond as a financially viable, seasonally reliable, beginners/low intermediate skiing and snow play visitor destination. The final report is awaiting Council and stakeholder approval.
- **Perth Development and Traffic Plan**
In anticipation for the Midland Highway upgrade which is planned to ultimately bypass Perth, Council is working with the Department of State Growth to develop a Perth Town Structure Plan that will give Perth the opportunity to build and promote its town character, providing a reason for visitors to stop and experience the town.

- Feasibility study for the Campbell Town War Memorial Oval

A master plan for the Campbell Town War Memorial Oval was accepted in principle by Council in September 2014. At that time Council requested a feasibility study be prepared to assess the viability of making the Campbell Town War Memorial Oval a statewide facility. Council expects to receive the feasibility study outcome in November 2015. Once that report has been considered by Council it will quantify the funding required to implement the Development Plan.

- Longford Visitor Appeal Study

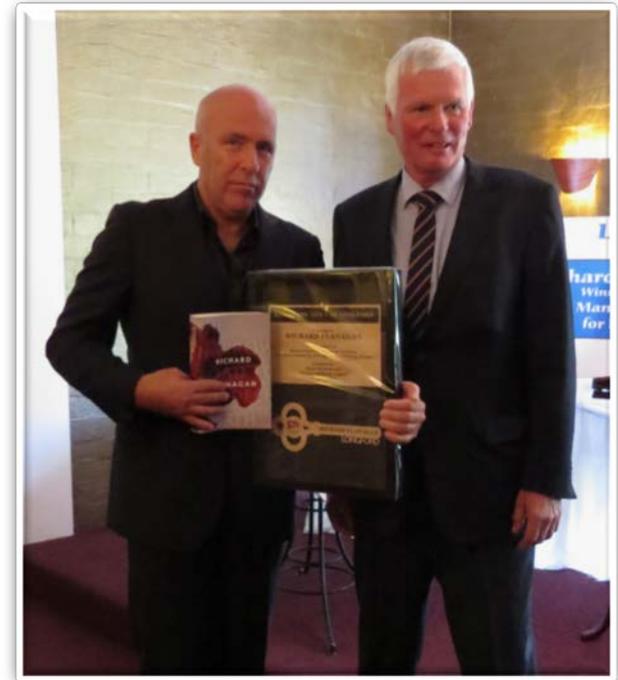
Council this year received the Longford Visitor Appeal Study prepared by Bill Fox. The report made a number of recommendations on ways to enhance Longford and encourage tourists to visit the town. Council officers have commenced an action plan to implement the recommendations and will this year be undertaking a placemaking strategy looking at creating a welcoming and inviting atmosphere encouraging visitors to stop and enjoy Longford.

Council continues to strive to deliver the best possible services at a minimal cost to its ratepayers. This task has been made difficult this year as a result of the loss of two significant income streams to Council: the freezing of Financial Assistance Grants provided by the Federal Government, and, non-payment of rate equivalent payments by the Launceston Airport. Council continues to lobby the Federal Government for support in respect to the recovery of both of these income sources.

This year saw a number of celebrations and events throughout the community. Council hosted its annual Australia Day event including a *citizenship ceremony (photo)*, presentation of Australia Day Awards and family fun day at the Cressy War Memorial Swimming Pool. *We also had the pleasure of hosting a civic reception for Man Booker Prize winner Richard Flanagan for his moving book The Narrow Road to the Deep North (photo).*

2014/2015 was also a busy year for Council's Local District Committees. Below is listed the more substantial projects being investigated and implemented by Council in conjunction with the community representative committees:

- Collaboration and design of a new Campbell Town information sign for Valentine Park, Campbell Town which is scheduled to be installed in November 2015;
- Investigation of a traffic study for Campbell Town, looking at traffic flows and parking. This study is to get under way in the coming months;
- *Design of the Cressy History Board installed in the Cressy Trout Park in August 2015. The board depicts Main Street, Cressy as it was 100 years ago. In conjunction with the History Board, corresponding plaques have been installed on the original properties identified on the History Board (photo);*
- A signage study review for Longford;
- Investigation into the establishment of a standalone Visitor Information Centre in Longford;
- Completion of the Longford Visitor Appeal Study;
- Commencement of investigation into the restoration and ongoing housing of the historic Field Gun at the War Memorial in Ross;



- Commitment to replace the public toilet facility in Ross in the 2015/16 financial year;
- Installation of memorial plaques at Avoca;
- Upgrade of pedestrian and parking facilities at William Street Reserve, Perth;
- *Installation of a visitor information sign at the Train Park in Perth (photo);*
- Upgrade of the visitor information hut on the Village Green, Longford;
- Installation of seating at the War Memorial, Perth;
- Relocation of bus stop from the Midland Highway to Scone Street, Perth;
- Installation of a new playground on Seccombe Street, Perth;
- Supporting the new Cenotaph display in the forecourt of the Evandale Memorial Hall;
- Initiated the formal naming of Honeysuckle Banks, the Council Reserve at Leighlands Road, previously known as Rotary Park;
- Installation of a Penny Farthing silhouette footpath barrier at the Leighlands Road entrance to Evandale.



Finally, I wish to thank my fellow Councillors, Council Management and Staff of the Northern Midlands Council, who, through their time, effort and commitment have enabled the achievements identified above to become reality.

I look forward to the many projects and challenges that lay ahead for the Northern Midlands Council and welcome the opportunity to progress these over the coming three years to create a stronger, richer environment for our community.

David Downie
 David Downie
 MAYOR

GENERAL MANAGER'S REVIEW



The Northern Midlands Council has undergone some significant changes in 2014/2015. I commenced in August 2014 and thank all elected members and staff for their warm welcome.

A key function of the role is to align the organisations structure with the identified outcomes within Council's Strategic Plan.

Council appointed a Human Resources Coordinator to assist with the review of the organisation structure to ensure there is capability and capacity to deliver on the Strategic Plan, meeting community and organisational needs.

A legislation audit process has been implemented to ensure operational practices, systems and procedures are consistent with the Local Government Act and other legislation relevant to Local Government.

A further strategic appointment was a Work Health and Safety Coordinator to assist with the enhancement of Council's safe systems for work, contractor management, incident reporting, work health and safety reporting, auditing and inspections to ensure internal and external compliance.

Sound financial management continues to be a priority for elected members and Council's staff.

Financial achievements include:

- 2014/2015 operating surplus of \$3,3m;
- Cash Reserves of \$11.6m;
- Capital Works Program completed \$4.65m, with a number of major projects detailed below:
 - Reconstruction costing \$1.02 million of rural sealed roads including sections of Burlington Road and Green Rises Road at Cressy, and Tooms Lake Road at Ross;
 - Construction of urban stormwater costing \$0.496 million in Glenelg and High Streets at Campbell Town;
 - Reconstruction of the Memorial Hall carpark and Morven Park roadways at Evandale, and the Talisker Street carpark at Perth costing \$175,000;
 - Reconstruction costing \$0.339 million of urban sealed streets including section of Main Street at Perth, Churchill Street at Avoca, and section of Glenelg Street at Campbell Town;
 - Construction costing \$0.389 million of new or replaced footpaths in sections of Archer, King, Saundridge and Main Street at Cressy; section of Archer Street at Longford; sections of George Street at Perth; Coachman's Lane, Saddlers Court and section of High Street at Evandale, and Richard Street at Western Junction;
 - The official opening of the Kearney Cycling Centre \$374,000;
 - Renovations of the Longford Memorial Hall \$54,000;
 - Installed outdoor street furniture across the municipal area, and a new additional playground at Seccombe Stret, Perth.

ORGANISATIONAL REFORM

Council's approach continues to be engaging effectively with the community. This includes collaboration with neighbouring Councils and the other levels of government.

Council agreed in 2014/2015 to review its Strategic Plan, with the actual review progressing in 2015/2016, with a focus on economic growth, compliance in all areas of Council's operations and maintaining responsible fiscal control.

I welcome all staff contributions at Council this year. It is an exciting time as Council will soon commence the review of its current Strategic Plan. I will welcome your input and advice to establish our plan for the future. I also farewell the following staff who have sought retirement: Gary Upton, Peter Mackenzie and Michael Leedham; and those whom have sought employment in other organisations: Graeme Perkins, Tim Heron, Sarah Acheson and Patricia Cotton. Thank you for your contributions to Council.

In late December 2014 Northern Midlands Council staff and councillors, as well as the community bade a sad farewell to Andrew Grey whom passed away in tragic circumstances. In honour of his mateship Andrew's fellow workers have erected a plaque and bench seat at Valentine's Park in Campbell Town.

STRATEGIC PROJECTS

Council has actively been persuing the preparation of a number of project business plans, with defined strategic benefits and prioritised implementation strategies that will algin with Council's financial capacity and external funding opportunities.

Projects include, but are not limited to:

- Ben Lomond Feasibility Study;
- Launceston Gateway Precinct Master Plan; and
- Campbell Town War Memorial Oval Precinct Redevelopment.

I would like to make special acknowledgement of the Local District Committees and community volunteers and the contribution you make to this great community. What ever your interests and passions, your volunteering; your time, talents and efforts make a significant contribution to the wellbeing of the municipality of Northern Midlands.

Further, I acknowledge the contribution of Maree Bricknell in fulfilling the role of Acting General Manager up to my appointment and Maree's continued passion for the position held, the staff in the department and the commitment to the community.

A thank you to all staff and their commitment to Council and the community.

Finally, I am honoured to be appointed the General Manager for the Northern Midlands Council and thank Mayor Downie and Councillors for their support and vision for the future of the community.



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 972 kms roads and 10,135m² bridge deck area; more than any other council in the state.
- Council's annual turnover (all functions) in 2014/2015 was \$18.1 million (2013/2014 \$14.1 million).
- 51% of the total recurrent revenue of the municipality comes from rates; 32% from Government Grants, the remainder comes 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

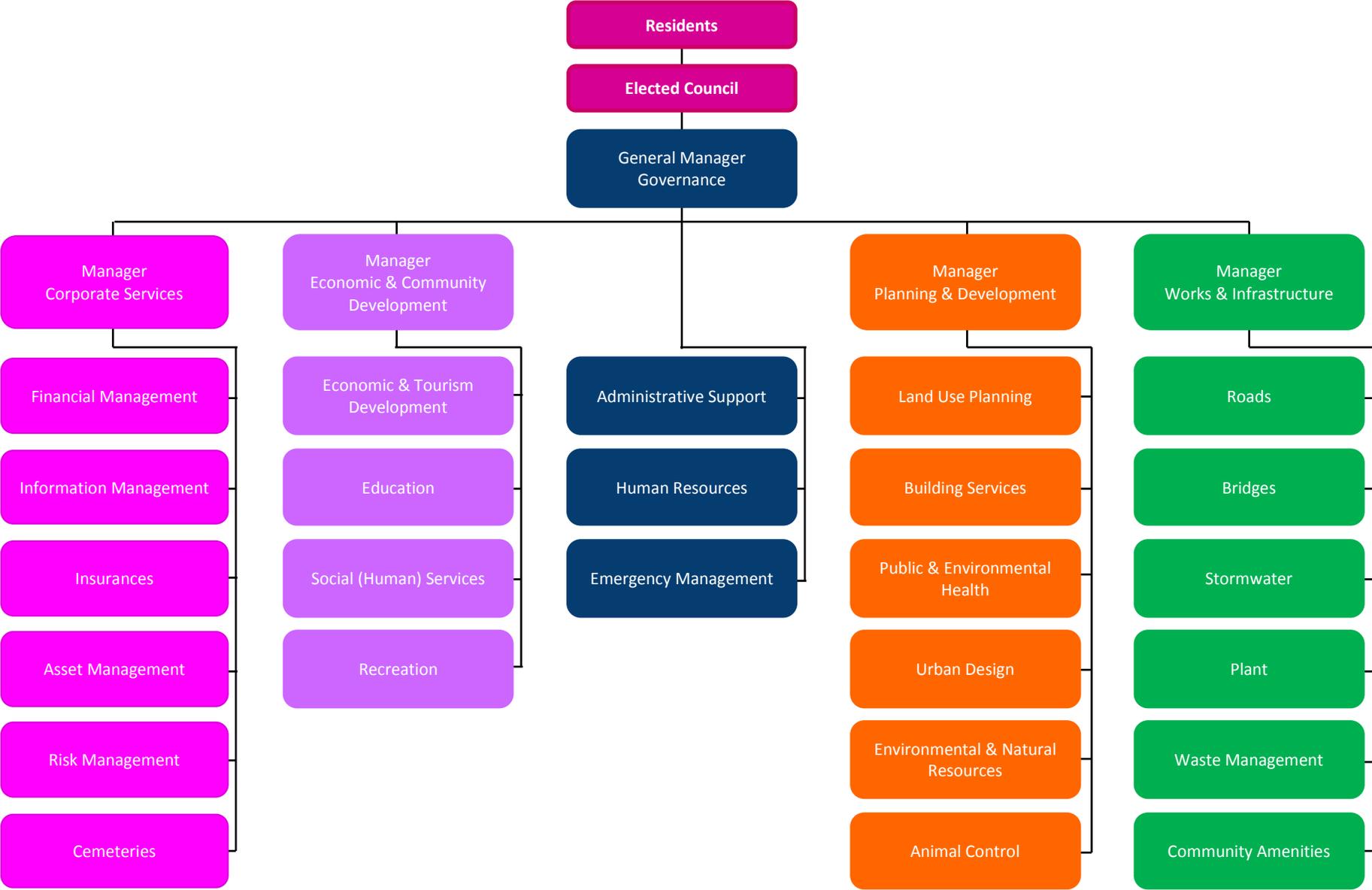
- 573kms of sealed roads
- 120 concrete structures (8,194m²)
- 399kms of unsealed roads
- 20 timber deck bridges (1,514m²)
- 8 ovals for sporting activities
- 24 community halls/centres
- 2 caravan parks
- 3 swimming pools
- 7 waste transfer stations

Council controls property, plant and infrastructure assets amounting to \$227.6 million; including \$37.3 million of land and buildings, \$159.0 million of roads and bridges and \$30.7 million of stormwater.

OUR STAFF

2014/2015		
Status	No. of Employees	FTE
Permanent	61	55
Casual	25	4
2013/2014		
Status	No. of Employees	FTE
Permanent	59	54
Casual	22	3

ORGANISATION STRUCTURE



ROLE OF COUNCIL

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.

COUNCIL MEETINGS

The Northern Midlands Council held Ordinary Council meetings monthly on a Monday in accordance with the following schedule for 2014/2015:

Monday	21 July 2014	Monday	10 November 2014	Monday	16 March 2015
Monday	18 August 2014	Monday	8 December 2014	Monday	20 April 2015
Monday	15 September 2014	Monday	19 January 2015	Monday	18 May 2015
Monday	13 October 2014	Monday	16 February 2015	Monday	22 June 2015

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;
- Economic & Community Development;
- Corporate Services;
- Works & Infrastructure; and
- Planning & Development.

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 or to make a representation/ 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 just 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 hear presentations from industry stakeholders.

COUNCIL ATTENDANCE		
2014/15	2013/14	2012/13
89.8%	89.5%	91.0%

TOTAL REIMBURSEMENTS		
2014/15	2013/14	2012/13
\$192,373	\$181,833	\$173,445

NUMBER OF ITEMS CONSIDERED BY COUNCIL		
2014/15	2013/14	2012/13
356	359	360

COUNCILLOR ALLOWANCES & REIMBURSEMENTS		
	2014/2015	2013/2014
Mayor / Deputy Mayor Downie	\$46,242	\$27,214
Mayor Polley	\$16,877	\$50,812
Deputy Mayor / Councillor Goss	\$24,268	\$16,815
Cr D Adams	\$10,589	-
Cr M Brooks	\$4,504	\$13,385
Cr A Calvert	\$16,466	\$13,380
Cr J Carins	\$4,504	\$13,385
Cr I Goninon	\$16,166	\$13,385
Cr L Gordon	\$10,918	-
Cr M Knowles	\$17,524	\$18,331
Cr J Lambert	\$14,386	\$15,126
Cr M Polley	\$9,660	-

COUNCILLOR ATTENDANCE													
Date	Meeting	Councillor											M Polley
		Adams	Brooks	Calvert	Carins	Downie	Goninon	Gordon	Goss	Knowles	Lambert	K Polley	
21/07/14	Ordinary		✓	✗	✓	✓	✓		✓	✓	✓	✗	
18/08/14	Ordinary		✓	✓	✓	✓	✓		✓	✓	✓	✗	
15/09/14	Ordinary		✓	✓	✓	✓	✓		✓	✓	✓	✓	
13/10/14	Ordinary		✓	✓	✓	✓	✓		✓	✓	✓	✓	
10/11/14	Ordinary	✓		✓		✓	✓	✓	✓	✓	✓		✓
08/12/14	Annual	✓		✗		✓	✓	✓	✓	✓	✓		✓
08/12/14	Ordinary	✓		✗		✓	✓	✓	✓	✓	✓		✓
19/01/15	Ordinary	✓		✓		✓	✓	✓	✓	✗	✗		✓
16/02/15	Ordinary	✓		✗		✓	✓	✓	✓	✓	✓		✓
16/03/15	Ordinary	✓		✓		✓	✓	✓	✓	✓	✓		✓
20/04/15	Ordinary	✓		✓		✓	✗	✗	✓	✓	✓		✓
18/05/14	Ordinary	✓		✓		✓	✓	✓	✓	✓	✓		✓
22/06/15	Ordinary	✗		✓		✓	✓	✓	✗	✓	✓		✓

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 in until the next election, which is to be held in October 2014.

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

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 on 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 live in Devon Hills on a hobby farm with my wife. I am involved in owning and managing a variety of successful local businesses as well as being an active member of the community on various boards and committees within the Northern Midlands area and Tasmania. As a councillor I am committed to supporting and representing our community to ensure it is a place that we, and those after us, can enjoy. I keenly foster the growth of local businesses within the area as chairman of the Northern Midlands Business Association and strive to see the development of our community's heritage. In the future I will continue in minimising rate rises, encouraging the employment of young people as well as strategically planning our towns for the increased well-being of our community.

COUNCILLOR LEISA GORDON

I am a mother of two school age children, and have resided in northern midlands for six years. I own and operate a small hairdressing business in Campbell Town and was elected Councillor on a platform of respecting the past and embracing the future. I value and respect the wonderful heritage we have inherited and see a very positive future for our region and one which should include the active involvement of our young people whilst creating strong links between our service areas, town folk and farming community.

COUNCILLOR MARY KNOWLES

First elected to Council in October 2009 I live at Gipps Creek where my husband and I run a deer and fine wool farm. For the past 26 years I have been an active community member, listened to and worked tirelessly to enable community projects to happen. On the Board of Greater Esk Tourism, Heritage Highway Association, Heart FM and other community groups I bring a common sense, down to earth 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 which supports farmers, industry, small business, tourist opportunities and infrastructure maintenance to keep our towns vibrant and viable.

COUNCILLOR JANET LAMBERT

Elected to council in October 2011. For the past 20 years, my family and I have been proud to call the Northern Midlands home. I am a secondary school teacher, who is an active member within the Northern Midlands area. I am really passionate about seeing our region prosper. 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 my role within the council, I hope to leave a lasting legacy for the future, ensuring our region is strong and sustainable.

COUNCILLOR MICHAEL POLLEY

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, Cr Leisa Gordon, Deputy Mayor Richard Goss, Cr Janet Lambert, Cr Ian Goninon

MEMBERS WHO HAVE SERVED ON DISTRICT COMMITTEES IN THE 2014/2015 YEAR

Avoca, Royal George & Rossarden Local District Committee	Chairperson	Mrs C Freeman		Councillor	Cr M Knowles
	Members	Mrs S Squires	Mrs H Reynolds	Mrs D Wells	
	Mrs S Freeman	Mr A Hicks*	Mr T Gee	Ms J Allen	
Campbell Town District Forum	Chairperson	Mrs J Clarke		Councillor	Cr Downie* Cr L Gordon*
	Members	Mr M Roach	Mrs J Davis	Mr J Ashman	
	Mrs J Lyne	Mr B Perkins	Ms S Hills	Mrs D Thomas	
Cressy Local District Committee	Chairperson	Mrs F Cox		Councillor	Cr R Goss
	Members	Mrs H Williams	Mr A Turnham	Mrs H Howard	Mrs A Jenkins
	Mr P Goss	Mrs M Cables*	Mrs M Taylor	Mrs A Green	Mr D Rowbottom*
Evandale Local District Committee	Chairperson	Mr J Lewis			
	Councillors	Cr J Lambert*	Cr M Knowles*	Cr Carins*	
	Members	Mr R von Bibra	Mr P Page	Mr J Hewlett*	
	Mr T Terhorst	Mrs C Brown	Mr A Jobson*	Mrs H Houghton	Mrs R Whitmore
Longford Local District Committee	Chairperson	Mr L Grant	H Mackinnon*	Councillor	Cr D Adams
	Members	Mr H Galea	Mrs D Alty	Mr J Cauchi	Mr R Henley*
	Mr R Thomas*	Mrs V Wallace*	Mrs M Stebbings*	Mrs L Dennison*	Mrs J Moore*
	Mr R Wever*	Mrs A O'Hara*	Mrs L Mackenzie*	Mr N Tubb*	
Perth Local District Committee	Chairperson	Mr M Geeves		Councillor	Cr J Lambert
	Members	Mr G Eberhardt	Mrs C Beswick	Mr J Stagg	Mr P Dell
	Mr W Egan*				
Ross Local District Committee	Chairperson	Mr K Draper		Councillor	Cr A Calvert Cr L Gordon*
	Members	Mrs J Bennett	Mrs G Jenkinson*	Mrs C Robinson*	Mr T Jacobson
	Mr A Cameron	Mrs F Doe	Mr H Johnson*	Mr A Thorpe*	Mrs D Cadogan-Cowper
	Ms R Quill*				

* Part of period

MAJOR STRATEGIC ISSUES

INTRODUCTION

Council worked on a number of key issues which were identified in the Strategic Plan 2007-2017 (2012-2013 revision). The Council has undertaken projects to address these issues and further initiatives have been identified in the Annual Plan for 2014/15.

ECONOMIC DEVELOPMENT

Council is committed to promoting economic development in the Northern Midlands and works in collaboration with the Northern Midlands Business Association, the Heritage Highway Tourism Region Association and other relevant stakeholders to achieve the following objectives:

- To identify economic development opportunities in the Northern Midlands and environs,
- To initiate and co-ordinate local community input on the directions and priorities for local economic development,
- To promote and market local economic development,
- To strengthen and diversify the economic base of the Northern Midlands and environs,
- To facilitate sustainable and profitable tourism opportunities through the provision of a series of distinct visitor experiences, by engaging all communities in the development of their individual and complementary identities,
- To maximise business for the region's tourism industry, to develop new market segments and to raise demand for tourism and other businesses in the region.

Key economic development initiatives in 2014/2015 included:

- The undertaking of the Ben Lomond National park-driven economic growth in Northern Tasmania study;
- Securing Bridge Renewal program funding towards the replacement of Westmoor Bridge on Powranna Road at Cressy;
- Collaborating with the Beacon Foundation to facilitate the establishment of a Northern Midlands Business Partnership Group that will assist local high school students to improve their employability skills, explore career opportunities and provide authentic work experience;
- Collaborating with the Heritage Highway Tourism Region Association to plan and implement an intensive online and social media campaign;
- Collaborating with Tourism Northern Tasmania to undertake the Longford Visitor Appeal Study;
- The ongoing operation of the Northern Midlands Economic Development Committee that is driving priority economic development projects and the development of a Northern Midlands Economic Development Strategy;
- Working with the new owners of the Longford Revival Festival to resurrect the festival in 2015;
- Celebrating Longford's bicentennial across the weekend of March 2-3 with celebratory activities on the Village Green and a Longford Memorabilia Exhibition;
- The continuation of the Chambers Alliance with the Tasmanian Chamber of Commerce and Industry;

- The ongoing promotion of 'The Essential Doggy Guide: For all dogs travelling Tasmania's Heritage Highway Region with their humans' that aims to increase our region's share of the growing visitors-with-canine-companions travelling market.

Ongoing projects of significance included the extensive online promotion of the business development opportunities in the TRANSLink precinct; and collaborating with the World Heritage Listed convict-built properties, Woolmers and Brickendon Estates, to leverage tourism number growth by increasing the range of visitor experiences available at the estates.

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 towards Council to play a pro-active role in natural resource management through programs such as Landcare initiatives.

Council continued to work closely with the Regional Natural Resource Management Committee on implementing the Natural Resource Management (NRM) Strategic Plan for the Region. 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 Northern Midlands Council Natural Resource Management Special Committee.

COMMUNITY WELLBEING

Council provides leadership in the community and embraces the concept of community capacity building: that is, facilitating the ability of communities, government and business, to take the steps to find solutions to issues within their own communities.

Significant community development achievements across 2014/2015 included:

- Participation in a variety of emergency managements forums and exercises including the establishment and operation of an evacuation centre in the Longford Town Hall as part of the regional 'Wet Feet Four' exercise;
- Commencement of the development of the 2015-2020 Council Disability Discrimination Action Plan;
- Implementation of the Northern Midlands Further Education Bursary Program;
- Working with the Northern Midlands RSL Sub-Branch to plan and carry through the 2015 Northern Midlands ANZAC Day services, and the Centenary of ANZAC Commemoration Concert.

Council is committed to promoting the health and wellbeing of Northern Midlands residents and visitors to the region through the development and enhancement of recreational and sporting facilities. Significant achievements in 2014/2015 included:

- Collaborating with Health Revival Longford, the private sector lessee of the Northern Midlands Community Sports Centre, to promote the use of the centre and to grow the centre's programs;
- Managed the consultancy briefs for the Financial Analysis of the Campbell Town War Memorial Oval Precinct Development Plan, the Community Sports Centre Masterplan and the Perth Recreation Ground Master Plan;

- Prepared an application that won Council the 2015 Heart Foundation Local Government Award (Councils under 25,000 residents) for initiatives that create a healthy community ;
- Launching the restored and now competition standard 'Kearney Cycling Centre'.

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.

WATER QUALITY & SEWER SERVICES

TasWater has responsibility for water and sewerage services in Tasmania.

Council continues to lobby TasWater, as the responsible entity:

- To provide good, clean drinking water to the smaller villages such as Avoca, Conara and Epping Forest;
- To consider options for sewage disposal at Avoca;
- Not to increase fees in excess of consumer price index.

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 & Asset Management Plans during 2014/15 which provide a framework for Council to create, renew and maintain major infrastructure in a sustainable manner.

During 2014/2015 Council spent \$2.98 million towards upgrading the road network and \$1.95 million towards maintaining the road asset base. An amount of \$10,863 was spent on abutment maintenance of one (1) bridge, and \$801,482 on additional stormwater assets recognised.

FUTURE FUNDING

Council continues to object to the problem of continued reallocation of responsibilities to Local Government from the Commonwealth and Federal Government without commensurate financial support. Council welcomes the additional Federal Government Roads to Recovery Program funding allocated over the next two years and continues to lobby for the continuation of the Roads to Recovery Program after 2019 as, 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, 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.

UNDERSTANDING THE FINANCIAL REPORT

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.

WHAT ARE 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.

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);

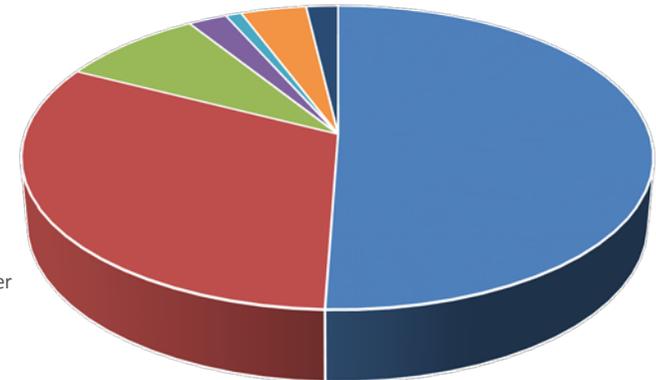
during the financial year.

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.

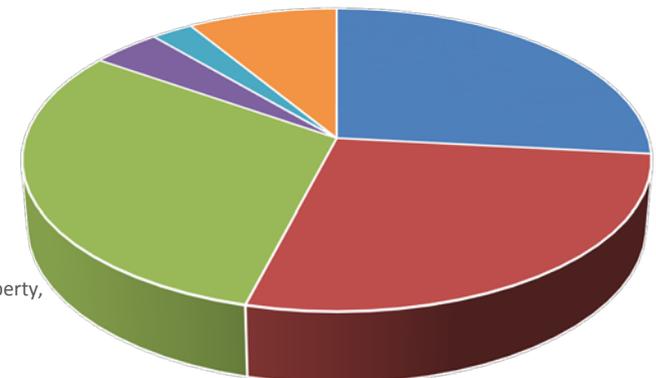
**Where the dollars come from, Operating Income
\$18,134,366**

- 51%-Rate Revenue
- 32%-Grants
- 8%-User Charges
- 2%-Interest
- 1%-Reimbursements
- 4%-Investment revenue from Water Corporation
- 2%-Other



**Where the dollars go, Operating Expenditure
\$16,731,331**

- 27%-Employee Benefits
- 27%-Materials & Services
- 31%-Depreciation and Amortisation
- 4%-Government Levies & Charges
- 2%-Net loss/(gain) on disposal of property, Infrastructure, Plant and equipment
- 9%-Other



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.

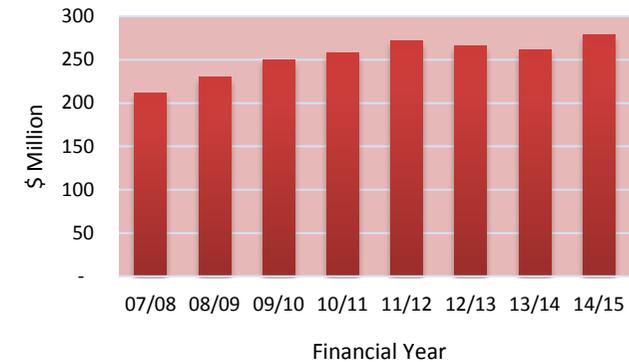
The bottom line of the Statement of Financial Position is Net Assets (Liabilities). This reflects the net worth of Council. The Assets and Liabilities are separated into Current and Non-Current categories, Current Assets and Liabilities are those which will fall due within the next reporting period (the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

Current & Non-Current Assets

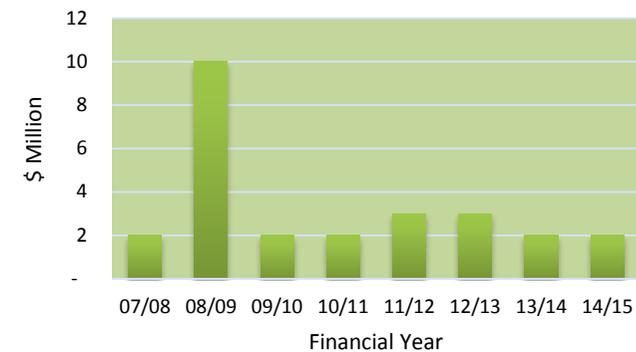
Current & Non-Current Assets include:

- 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.

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.

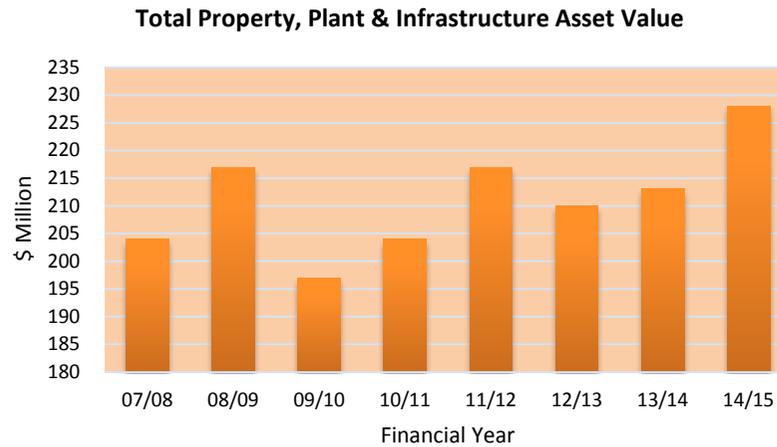
Net Assets

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.

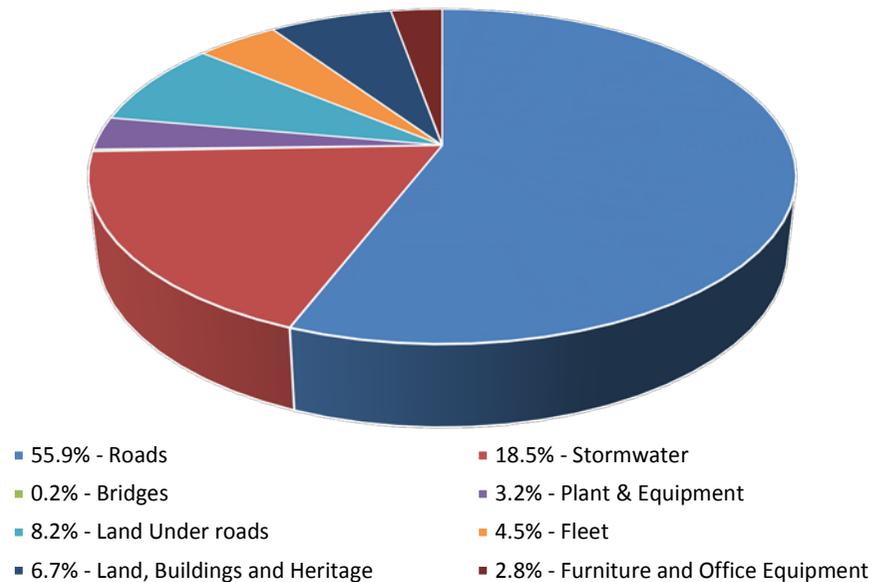
Ratepayer Equity

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 – Fund that have restrictions placed on their use and are not readily available for use by Council.



2014/15 Assets Purchased/Constructed/Received \$5,839,185



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.

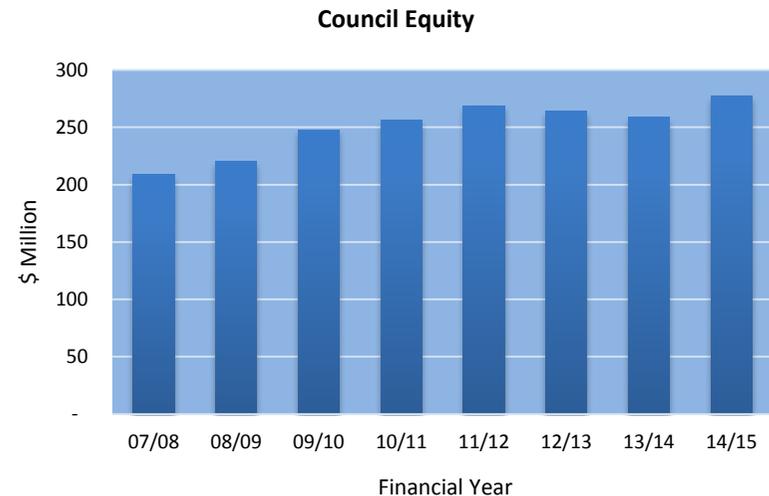
Cash Flows from Investing Activities

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 Income Statement, Balance Sheet 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 Statements 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.

ANNUAL REVIEW OF COUNCIL PROGRAMMES

GOVERNANCE

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

Objective:

Governance

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

Performance:

12 Ordinary Meetings were held during 2014/2015. 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 8 December 2014. *Councillors had a Bus Tour of the municipal area, meeting community groups and assessing budget priorities on 15 April 2015*

Cr Goss attended the ALGA National Local Roads & Transport Congress in Tamworth from 12-14 November 2014.

Deputy Mayor Downie and Councillor Polley attended the 2015 National General Assembly of Local Government in Canberra 14-17 June 2015.

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.

Adopted/reviewed the following Council policies:

- Copyright policy
- Gifts and Benefits policy

Council reviewed its Delegation Register.

The Financial & Risk Management Audit Committee met during the year and provided input to Council's operations.

A civic reception was held for Mr Richard Flanagan to congratulate him as the winner of the prestigious 2014 Man Booker Prize; he was presented on behalf of the community with the 'Key to the Town of Longford' (Photo).



Objective:

Community Representation & Relations

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:

Mayor Downie travelled to China on behalf of Council to explore setting up friendships / relationships to enhance cooperation on economic, education, cultural and business matters.

Lobbied the Government

- for the commencement of the Perth Bypass and endorsed the Terms of Reference for the Perth Bypass Steering Committee
- for the upgrade of the Evandale Main Road from the Breadalbane roundabout to Evandale
- to support the Tasmanian Freight Equalisation Scheme
- to support a tyre recycling solution for Tasmania

Continued to be an active member of Northern Tasmania Development.

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 Sub-Regional Alliance Group.

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

- the Northern Midlands section published by the Examiner's issued on a weekly basis, and
- a one page monthly publication in the Country Courier Newspaper.

Under Council's policy for Australia Day celebrations and award presentations, venues are alternated between venues in the north and south of the municipal area. A Citizenship Ceremony and the 2015 Australia Day Awards were presented as part of a community event held at the Cressy War Memorial Swimming Pool.

The following Australia Day Awards were presented (photo):

- Citizen of the Year 2015: Ross Jones of Longford for his continued commitment to the community, in particular for dedication to organisations such as the Longford Show Society, Scouts and Cubs, Longford RSL and Neighbourhood Watch, to name a few.
- Young Citizen of the Year 2015: Jake Murfett of Longford for his continued commitment to the community, in particular for involvement with Longford Football Club as a player, assistant coach and mentor.
- Event of the Year 2015: Woolmers Festival of Roses.



Objective:

Human Resources

To be an effective and dynamic organisation that promotes high productivity, employee satisfaction and operates a best practice Human Resources function

Performance

Total payroll cost in 2014/2015 was \$4,034,844 compared to \$3,963,897 in the previous year. Other employee costs including payroll tax, superannuation, workers compensation insurance, corporate uniform and leave provisions amounted to \$675,842.

Council takes its human resources responsibilities seriously and in support of this appointed a Human Resources Officer in January 2015. In addition to this demonstrating Council's commitment to workplace health and safety, a full time Work, Health and Safety Coordinator was engaged in October 2014.

Council has developed a Human Resources Policy Manual during the reporting period, which includes the following employee policies and procedures:

- | | |
|---------------------------------|---------------------------|
| ■ Alcohol & Other Drugs | ■ Health & Wellbeing |
| ■ Business Dress | ■ Issues Resolution |
| ■ Communications & Social Media | ■ Overtime |
| ■ Disciplinary | ■ Performance Management |
| ■ Employee Code of Conduct | ■ Recruitment & Selection |
| ■ Equal Employment Opportunity | ■ Work, Health & Safety |
| ■ Fitness for Work | ■ Workplace Behaviour |

Council has also reviewed its employment contract template to ensure it is compliant with legislative requirements, in addition to developing a suite of Human Resources forms and



templates to ensure consistency and an easy process for employees to follow as we progress forward.

Council reviewed and updated their Performance Appraisal and Development System in 2015, of which all employees participated in during the months of June, July and August. As per the *Northern Midlands Council Workplace Agreement 2013-2016*, employees were provided with a 2.85% wage increase in the first full pay period after 1 July 2015. This agreement will be re-negotiated in 2016 as it is due to expire on 30 June in the same year.

During the 2014-2015 period service certificates were presented to the following employees, who reached employment service milestones (photo):

- 20 years service:
 - Martin Maddox
- 10 years service:
 - David Tyrell
 - Matthew Sytsma
 - Sandra Stojkoski
 - Gail Eacher
 - Cathie Dare



Council bade farewell to the following staff who have sought retirement during the year: Gary Upton, Peter Mackenzie and *Michael Leedham* (photo).

Council continued to support employees to further their education during the 12 month period and some examples include:

- Erin Boer - continuing with her Bachelor of Urban Design
- Georgie Panton - undertaking a Certificate III in Business
- Fiona Dewar - Completed a Certificate III in Tourism
- Kate Lee - Completed an Advanced Diploma in Community Sector Management

Council's outdoor workforce continued to undertake training to maintain currency in the various licenses required for their positions.

Council undertook a review of the Planning and Development department and the Economic and Community Development department during the reporting period, which resulted in recommendations to improve effectiveness and efficiencies. The reviews included updating employee position descriptions, ensuring work procedures were in place (or being produced) to streamline processes and ensuring each had adequate resources to meet the objectives of their departments.

A project was undertaken to review and update the position descriptions for the Children's Services workers to ensure these are reflective of the positions being worked. Council also made an assessment of the salaries of these employees to make certain they were classified at the correct level within the *Northern Midlands Council Workplace Agreement 2013-2016*.

Council undertook a succession planning project during the reporting period and whilst this project is not complete – a draft plan has been prepared and work will continue in this area.

Senior Staff Remuneration		2014/2015	2013/2014	2012/2013	2011/2012
Between \$ 200,000 - \$ 220,000			1		
Between \$ 160,000 - \$ 180,000				1	1
Between \$ 140,000 - \$ 160,000		3	1		1
Between \$ 120,000 - \$ 140,000		2	3	2	1
Between \$ 100,000 - \$ 120,000		1	2	4	4
Total Remuneration		\$ 807,676	\$ 967,954	\$ 862,403	\$ 874,000
Specific Data		2014/2015	2013/2014	2012/2013	2011/12
Payroll costs		\$ 4,034,844	\$ 3,963,897	\$ 3,827,768	\$ 3,862,704
Superannuation contributions		\$ 461,742	\$ 439,582	\$ 456,001	\$ 450,352
Workers Compensation Insurance/Expenses		\$ 130,847	\$ 110,602	\$ 85,015	\$ 59,828
Annual & Long Service Leave Provisions		\$ 1,187,640	\$ 1,284,423	\$ 1,423,231	\$ 1,399,360
% of Payroll Capitalised		8.1%	5.0%	8.1%	8.0%
Permanent Staff		55 EFT	54 EFT	60 EFT	61 EFT
Casual		4 EFT	3 EFT	4 EFT	4 EFT
Sick Leave Taken/Permanent Employees (paid days)		8.2	6.0	9.0	8.4

CORPORATE SERVICES

Corporate Services includes provision of financial services and information systems.

Objective:

Financial Resources

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

Performance:

Adopted a 2014/2015 Annual Plan and Budget on the 22 June 2015.

The Financial Statement for the year ended 30 June 2015 is appended to this report; included is the Independent Audit report provided by the Tasmanian Audit Office.

Adopted/reviewed the following Council policies:

- Rates Remissions
- Accounting
- Rates & Charges

Council's recurrent revenue during 2014/2015 was \$18.1 million, capital income \$1.9 million resulting in total income of \$20.1 million. Operating expenditure was \$16.1 million, which resulted in a surplus of \$3.3 million.

The surplus was close to the 2014/2015 budgeted surplus of \$3.7 million, however higher than expected contributions of non-monetary assets from subdividers was a large budget variance of \$0.6 million.

Rate Revenue continued to be raised via a differential rating system in 2014/2015 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 3.0% resulting in total rate revenue amounting to \$9.1 million or 51% of operating revenue and was generally within budget expectations. Rate receivables at 30 June 2015 represent 11.1% (June 2014 10.5%) of rate revenue. The increase mainly due to one large rate debtor.

Commonwealth Financial Assistance Grant Revenue decreased by \$191,900 in 2014/2015 to \$3.625 million (adjusted for advance payments). In addition, Council received \$1,159,856 special grant funding for projects including:

■ Roads to Recovery	\$ 753,617
■ Rural & Remote Child Care	\$ 177,731
■ Perth Childcare	\$ 72,905
■ Heavy Vehicle Motor Tax	\$ 68,421
■ Vulnerable Road Users – Tannery Road footpath	\$ 40,000
■ Flood Mapping (NDRG)	\$ 40,000

General Rate Revenue



■ Ben Lomond Ski Slope Feasibility Study	\$	5,000
■ Australia Day celebrations	\$	2,182

Grant revenue in 2014/15 includes advance Financial Assistance payments from the Commonwealth government of \$1.79 million. Non-monetary contribution revenue is some \$0.6 million above the amount budgeted to receive in 2014/15 due to the handover of more than expected subdivision assets.

Investment revenue from TasWater dividend/tax equivalent income increased from \$467,111 to \$702,000 due to a full year non-priority distributions being allocated to councils in 2014/2015.

Operating Expenditure for the year was \$1.06 million was higher than budgeted mainly due to:

- employee costs being \$262,480 less than budget due to an increase of the proportion of wages capitalized and a reduction in leave provisions/payments.
- depreciation being \$515,734 greater than budget after revaluation of bridge and road assets;
- other expenditure being \$756,709 greater than budget mostly due to a large provision for doubtful debts.

Depreciation actual cost increased from the previous year by \$473,080 to \$5.1m also due to revaluation of bridge and road assets.

Council recorded a net increase in asset revaluation of non-current assets of \$14.5 million on Property and Infrastructure.

Council's total equity in 2014/2015 increased by \$18.1 to \$277.2 million.

Council recorded non-current infrastructure assets with a written down value of \$227.6 million (or Gross Value of \$330.4 million) as at 30 June 2015. (Note 15 in the financial statement provides a breakdown of asset values recognised).

Payments for purchase/construction of fixed assets totaled \$4.7 million, representing 24.5% of annual cashflow during 2014/2015.

Derived proceeds of \$68,492 from sale of fleet/plant items and \$350,456 for land and buildings sales during 2014/15.

Cash and investments totaling \$11.6 million were on hand at the end of the reporting period, which is an increase of \$4.1 million on last year's balance of \$7.5 million. Cash and investments on hand represent money quarantined for the following areas:

■ Infrastructure Reserve	\$	3.305m
■ Unspent Grant Payments	\$	1.803m
■ Trust Funds & Employee Entitlements	\$	1.559m
■ Special Committees	\$	0.265m
■ General Funds	\$	4.702m

Trade and Other Receivables decreased by \$829,090 as at 30 June 2015 mainly due to recognition of a doubtful debt of a significant rate debtor payable under a commonwealth lease agreement.

The Tasmanian State Audit Office was appointed auditor for financial period ending 30 June 2015 at a cost of \$21,510 (2013/2014 \$20,280).

Council adopted a 2014/2015 Annual Plan and Budget on 22nd June 2014.

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 2014/15 underlying result is a \$0.390 million deficit or negative 2% underlying surplus ratio (see note 28), the small deficit is due to one off operating items.

Objective:

Information Systems

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 (Records Management) User Group.

Improvements to Information Technology systems as follows:

- Upgraded 14 staff desktop/ laptop computers, \$16,647;
- Upgraded printers, several mobile phones and sundry electronic items, \$8,096;
- Community Televisions/projector screen at the Longford Information Centre \$1,057; and electronic white board in governance office \$2,996.
- Provision of office WIFI, and public WIFI at Longford CBD area, \$15,623;
- Upgraded to the latest versions of software for all users and network servers;
- Continued development of the secure electronic Councillor website for all Council documents, meeting dates, corporate documents, and provided electronic Council Meeting agendas on iPads;
- Continued to upgrade Council website and facebook presence for the community.



ECONOMIC & COMMUNITY DEVELOPMENT

The Economic and Community Development Unit's areas of responsibility include : Economic Development, Tourism, Social (Human) Services and Recreation

Objective:

Economic Development

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

Performance:

Supported the Northern Midlands Business Association Inc. (NMBA) \$6,853 plus secondment of Council's Economic and Community Development Manager to serve as the Association's Executive Officer for the equivalent of one day per week.

Collaborated with NMBA on:

- The resurrection of the Longford Revival Festival;
- Undertaking of the *Ben Lomond National Park-driven economic growth in Northern Tasmania study (photo)*;
- Promoting the 'Think Big: Shop Small' campaign in the Northern Midlands;
- Advocating for the consolidation of a Rural Processing Centre at the western end of Powranna Road;
- Preparation of funding applications to the Bridges Renewal program for the replacement of Westmoor Bridge on Powranna Road and the Lake River Bridge on Macquarie Road;
- The establishment of a Longford Equestrian Association;
- The continuation of the Chambers Alliance with the Tasmanian Chamber of Commerce and Industry;
- Working towards the resurrection of HeartFM radio station;
- The ongoing management of the Northern Midlands Business Promotion and Visitor Information Centre at JJ's Bakery, Longford.
- The provision of educational and networking forums and visits for business owners and operators in the Northern Midlands, including a tour of the new Pure Food



Eggs Egg-Grading Facility, a Norfolk Plains bus tour and hosting a luncheon with the Finnish Ambassador Mr Pasi Patokallio;

- The 2014 Excellence in Customer Service Awards ("Are you being served?" awards) in collaboration with the Longford Rotary Club, and
- The management of the TRANSlink billboard that promotes Northern Midlands businesses and events.

Ongoing support of the Northern Midlands Economic Development Committee and worked to progress the committee's initiatives and issues.

Collaborated with the Beacon Foundation to facilitate the establishment of a Northern Midlands Business Partnership Group that will assist Northern Midlands high school students to improve their employability skills, explore career opportunities and provide authentic work experience.

Managed the preparation of a funding application to the National Stronger Regions Fund for the Translink Stormwater Renewal Program; this included developing the business case, procurement management plan, asset management plan, quality management plan, project management plan, risk management plan and development of the Translink business database.

Membership of the Northern Region Futures Plan working group.

Promoted the local history award won by *'The Norfolk Plains: A History of Longford, Cressy, Perth and Bishopsbourne, Tasmania'* as an avenue for increasing sales of the book.



Objective:

Recreation

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 development of the Longford Destination Play Space concept in collaboration with Playground Designers Ultimate Play.

Collaborating with Health Revival Longford, the private sector lessee of the Northern Midlands Community Sports Centre, to promote the use of the centre and to grow the centre's programs to the community.

Ongoing management of the leases of the Longford Riverside and Ross Caravan Parks.

Managed the consultancy briefs for the Financial Analysis of the Campbell Town War Memorial Oval Precinct Development Plan, the Community Sports Centre Masterplan and the Perth Recreation Ground Master Plan.

Winner of the 2015 Heart Foundation Local Government Award (Councils under 25,000 residents) for initiatives that create a healthy community (Photo).



Objective:

Tourism Promotion

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

Performance:

Supported Tasmania's Heritage Highway Tourism Region Association Inc. (HHTRA) with \$21,879.

Worked with HHTRA's Board to:

- Plan and implement an intensive online and social media promotional campaign;
- Provide Northern Midlands input to the quarterly Regional Tourism Association forums held by Tourism Northern Tasmania (TNT);
- Develop and implement a business plan for the Association;
- Blog, twitter and facebook and the Heritage Highway website updates;
- Manage the sales of the "The Essential Doggy Guide: For all dogs travelling Tasmania's Heritage Highway Region with their humans".

Collaborated with TNT to develop the annual funding agreement between Council and to undertake the Longford Visitor Appeal Study.

Supported and promoted Special Events within the area and provided \$44,807 grants to:

ANZAC DAY	\$15,913
Australia Day Celebrations	\$3,541
Blessing of the Harvest	\$1,773
Camp Quality , Rock & Rod Fundraiser	\$535
Campbell Town Show	\$17
Evandale Mud Run September and April	\$388
Evandale Village Fair	\$741
Fusion Australia Day Family Festival	\$500
History Memory Longford	\$40
Longford 200 Years Celebration	\$148
Longford Cup	\$1,000
Longford Fun Run	\$61
Longford Revival Festival	\$2,999
Longford Show	\$808
Midlands Military Meet	\$272
Oceania Orienteering Championship September 2015	\$1,443

Continued to assist a film company with a proposal to produce a documentary on the convict connections between Norfolk Island and the Norfolk Plains.

Assisted the Evandale Visitor Centre to review their Volunteer Registration Form and Induction Process.

Working with Woolmers and Brickendon Estates World Heritage Listed convict-built properties to leverage tourist number growth off the World Heritage listing.

Supported artists on an interactive exhibition at Longford as part of the 2015 Tasmanian International Arts Festival (formerly 'Ten Days on the Island').

Prepared a submission to the Legislative Council Inquiry Committee into Built Heritage Tourism and presented the submission to the Inquiry Committee.

Ongoing project management of the Northern Midlands Historic Cemeteries Preservation project.

P E Green Memorial Cycling Road Race	\$350
Remembrance Day	\$282
Ross Marathon	\$3,338
Rossarden Isolated Children's Christmas Trip	\$685
RSL Longford National Servicemen's Reunion	\$130
Strathroy (Spiky) Bridge Lighting	\$150
Tas Motorcycle Club Aus Moto Trials	\$3,856
Tas Municipal Bowls Championships Longford	\$500
Tasmanian Trout Fishing Expo (Cressy)	\$1,500
The Cleaner Celebrations	\$1,528
Volunteer Recognition Event	\$390
Waste Bin Provision Non Profit Community Events	\$152
Woolmers Festival of Roses	\$692
Yard Dog Trials	\$385
Other Events (Round 2)	\$689

Objective:

Social (Human) Services

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:

Prepared a successful funding application to the new Australian Government Department of Social Services' Family and Communities Program on behalf of the Helping Hand Organisation.

Participated in forums and working groups on 'the Emergency Management Framework for Vulnerable People' and 'Equine Management in Emergencies and Biosecurity Issues'.

Participated in the regional emergency management 'Wet Feet Four' exercise held 14-16 October 2014 which included a presentation to emergency management personnel regarding flooding at Longford and the establishment and operation of an evacuation centre in the Longford Town Hall (*Photo: 1969 Longford Floods*).

Management of the development of the 2015-2020 Northern Midlands Disability Discrimination Action Plan.

Continued to manage the Northern Midlands Child Care Service which provides a long day care service at Perth (5 days per week) and a mobile service 3 days per week at Cressy, 1 day per week at Avoca and 1 day operating the Northern Midlands Toy Library; and before and after school care and vacation care at Perth.

Worked with Council's Work Health and Safety officer to address risk issues identified at the Midlands Kids Club (Perth before and After School Care and Vacation Care Programs).

Participated in the Council for the Ageing forum on age-friendly communities.

Worked with Baptcare to publicise the National Disability Insurance Scheme in the Northern Midlands.

Participated in the quarterly Northern Midlands Health Service Provider forums.

Continued the implementation of Council's Youth Policy which included:

- Contracting National Joblink to provide mentoring programs at Cressy and Campbell Town District High Schools;
- Contracting the Longford and Launceston PCYCs to provide weekly youth activity programs at Longford, Perth and Evandale;
- Supporting the Inspiring Futures (formerly 'No Dole') Program in the two District High Schools.

Collaborated with the University Department of Rural Health and the Department of Health and Human Services to manage the Northern Midlands Rural Health Teaching Site in Campbell Town.



Objective:

Community Services

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:

Collaborated with the Road Safety Branch, Tasmania Police, Longford Rotary and Cressy District High School to plan a road safety clinic for Cressy District High School students in 2015.

In accordance with Council’s Volunteer Recognition Policy, held an award function recognising Sporting and Recreational organisations in the municipal area.

Managed the Northern Midlands Further Education Bursary Program.

Worked with EPA Officers on the ‘Burning Brighter This Winter’ campaign in Longford; a wood heater educational program.

Council supported the owner of the Country Courier to determine a viable future for this valuable community newspaper.

Partnered with the Northern Midlands RSL Sub-Branch to:

- Plan and carry through the Northern Midlands ANZAC Day 2015 that included screening via satellite on the Village Green the Auckland Dawn Service;
- Plan the 2015 ANZAC Day Centenary program for Longford and a Centenary of ANZAC Commemoration Concert that was held at the Door of Hope, Launceston, on April 18th 2015;
- Supported the ANZAC Centenary Memorabilia Display at Campbell Town;
- Supported erection of the Gallipoli Memorial Mural at Evandale (Photo).

Assisted with the community celebrations for the Cleaner when he was successful in gaining a start in the 2014 Cox Plate.

Council provided donations totalling \$11,526 under Section 77 of the Local Government Act to:

■ Avoca Primary School - Contribution re EOY Presentation Primary 2014	\$ 30	■ Evandale Primary School - Contribution re EOY Presentation Primary 2014	\$ 30
■ Campbell Town Community Health Services - Ross Town Hall/Room Hire	\$ 171	■ Helping Hand Association - Christmas Donation 2014	\$ 150
■ Campbell Town District High School - Contribution re EOY Presentation Primary & Secondary 2014	\$ 90	■ Launceston Legacy Welfare Fund - Sponsorship - Legacy Week	\$ 173
■ Campbell Town S.E.S. - Council Wages	\$ 145	■ Longford Fire Brigade - Lolly Run 2014	\$ 100
■ Cressy District High School - Contribution re EOY Presentation Primary & Secondary 2014	\$ 90	■ Longford Football Club - Donation of Sandbags	\$ 104
■ Cressy Scout Group - Donation	\$ 300	■ Longford Mens Shed - Remission of Building and Planning Fees	\$ 2,319
		■ Longford Primary School - Contribution re EOY Presentation Primary 2014	\$ 30



■ Longford Senior Citizens Club - Donation Re War Memorial Hall Hire	\$ 430	■ Ross Mens Shed - Remission of Building and Planning Fees	\$ 633
■ Perth Fire Brigade - Contribution Towards Christmas Lolly Run 2014	\$ 50	■ Williams Family - Donation re caravan destroyed by tree Longford Caravan Park	\$ 100
■ Perth Primary School - Contribution re EOY Presentation Primary 2014	\$ 30	■ Yates, Mr N - Remission of Planning Fees Brick Wall Evandale	\$ 660
■ Red Cross - Catering Re Rose Planting Ceremony Centenary of Red Cross	\$ 31	■ Wreath Presentation	\$ 41

Sporting & Academic Achievement Donations totalling \$5,820 were provided to:

■ Ms Ashley Blair	Bursary Program 2014	\$ 500
■ Mr I Chugg	Contribution towards National Schoolboys Championships	\$ 60
■ Mr Caleb Clifford	Bursary Program 2014	\$ 500
■ Mr Isaac Clifford	Bursary Program 2014	\$ 500
■ Ms S Dixon	Donation towards 2016 Australian Jamboree Cressy Scouts	\$ 60
■ Ms K Earley	Bursary Program 2014	\$ 500
■ Mr Cobey Evans	Contribution towards Tasmanian U12 AFL Schoolboys Team	\$ 60
■ Mr Samuel Evans	Bursary Program 2014	\$ 500
■ Mrs H Farrow	Contribution towards Australian Indoor Bowls Titles	\$ 60
■ Mr N Gilbert	Donation towards Australian Jamboree - Cressy Scouts	\$ 60
■ Mr B Groves	Donation towards ISSF Junior World Cup	\$ 120
■ Ms Olivia Harvey	Bursary Program 2014	\$ 500
■ Ms Sharnee Johnstone	Bursary Program 2014	\$ 500
■ Ms Emma Johnstone	Bursary Program 2014	\$ 500
■ Mr C Jones	Contribution towards Tas U15 AFL Schoolboys Team	\$ 60
■ Mr Robert Montagner	Bursary Program 2014	\$ 500
■ Ms T Morris	Contribution towards Australian Darts Championships	\$ 60
■ Mr J Morris	Contribution towards Australian Junior Championships 2015	\$ 60
■ <i>Mr Daniel Murfet (photo)</i>	Contributions towards U19 National Cricket Championships	\$ 60
■ Miss Sophie Parkin	Contribution towards U15 National Cricket Carnival 2014	\$ 60
■ Mr J Soward	Donation towards Anzac Centenary in Turkey 2015	\$ 120
■ Mr J Williams	Donation towards U15 State Football Team	\$ 60
■ Miss Shenaye Zaporozec	Contribution towards Indoor Bowls Championships Mt Gambier SA 2014	\$ 60
■ Mr Simon Zaporozec	Contribution towards Indoor Bowls Championships Mt Gambier SA 2014	\$ 60
■ Mr Simon Zaporozec	Contribution towards Indoor Bowls Trans Tasman Test Series	\$ 120
■ Mrs Julie Zaporozec	Contribution towards Indoor Bowls Championships Mt Gambier SA 2014	\$ 60
■ Mrs Julie Zaporozec	Contribution towards Indoor Bowls Trans Tasman Test Series	\$ 120



Objective:

Committees of Management & Non-Profit Organisations

To support Council Committees of Management and Community Organisations.

Performance:

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

Special Committees represent \$221,430 (including Council maintenance grants) operating income and \$197,840 operating expenditure in Council's financial statement. Special Committees capitalised assets of \$26,418 in 2014/2015 and ended the year with \$265,006 net assets.

Special committees of Council managed the following facilities during 2014/2015:

- Avoca Hall/Community Centre
- Avoca Tourism Centre
- Bishopsbourne Community Centre
- Campbell Town Pool
- *Cressy Memorial Hall*
- Cressy Recreation Ground
- Cressy War Memorial Pool
- Epping Hall
- Evandale Community Centre
- Evandale War Memorial Hall
- Liffey Hall
- Longford Velodrome and Road Rules Park Management Committee
- Longford Recreation Ground
- Morven Park Recreation Ground (Evandale)
- Perth Community Centre
- Perth Recreation Ground
- Ross Recreation Ground & Swimming Pool

Council allocated Special Project grants totalling \$37,819 to sporting and community groups as follows:

■ <i>Lake Leake Boat Ramp Upgrade (Photo)</i>	\$ 800
■ Perth Child Care, Centre Playground Safety	\$ 2,545
■ Restoration Cleveland Union Chapel	\$ 1,000
■ Tas Gun Club Roadworks	\$ 406
■ Perth Cricket Club Pitch Widening	\$ 1,500
■ Longford Cricket Club Training Nets	\$ 4,223
■ Longford Show Society Roadway Graveling	\$ 500
■ Poultry Club of Tas Pen Front Replacement	\$ 834
■ Morven Park Management Committee Rail Crossover and Fence	\$ 900
■ Epping Hall Kitchenette Section	\$ 6,481
■ Cressy Pool Multi Purpose Cleaner	\$ 4,370
■ Evandale Tourism Centre Curtains	\$ 2,273
■ Cressy Hall Foyer & Men's Toilet Upgrade	\$ 11,988



PLANNING & DEVELOPMENT

Planning & Development includes the provision of the following: Building, Health, Planning Services & Environmental Management:

Objective:

Building Services

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

Performance:

Issued 226 building approvals totalling \$26.8 million.

Issued 1,065 Property Certificates (Sec 132 & 337), compared to 987 last year.

Encouraged electronic submission of applications and plans.

Adopted "Bluebeam" electronic application of approval stamps.

Adopted/reviewed the following Council policies:

- Overhanging Trees Policy
- Overnight Camping – Self Contained Vehicles Policy
- Lake Leake and Tooms Lake development guidelines

Adopted Revised Heritage Code.

Specific Data	2014/2015	2013/2014	2012/2013	2011/2012
Applications approved	226	262	273	236
Dwellings	82	69	50	75
Add. to dwelling & out buildings	103	114	200	146
Industrial/Commercial	14	24	23	15
Value	\$26.8m	\$26.13m	\$24.94m	\$25.00m
Average Processing Time (Days)				
■ Building Permit	7	5	6	5
■ Certificate of Likely Compliance	10	8	11	6
■ Plumbing Permit	6	12	14	17
No of Inspections	818	815	842	785
Septic Tank & AWTs Applications	11	9	10	19
Licensed places of assembly (<i>legislation changes effected 2014/15</i>)	19	55	57	50

Objective:

Land Use & Planning

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 267 planning applications including:

- Bauxite Project - extraction of approximately 1.5 to 2 million tonnes of bauxite over 5 years, Campbell Town
- Mobile concrete-batching plant & landscape supplies, & signage, 23-27 Montagu Street, Campbell Town
- Art gallery, dwelling, carport & signage, 81 High Street, Campbell Town
- Cement batching plant & signage, 18 Boral Road, Western Junction
- 9-lot subdivision including cul de sac, 115 Fairtlough Street (Rose Gold Court), Perth
- Change of use of church to cafe, function and heritage information centre, and hall to dwelling & extension, 55 High St, Campbell Town
- Chicken Laying Shed #2, 164 Panshanger Road, Longford
- Roadworks (Utilities) (widen Midland Highway between Esk Main Road Junction & Panec Street Junction), Conara
- Change of use to takeaway, providore & gift shop (Avoca Berry Delights)
- Archaeological research excavations by Manchester University, Kerry Lodge Convict Station Historic Site, Breadalbane
- Rotary dairy facility, 767 Delmont Road, Cressy
- 7 aged-care units for Toosey Aged & Community Care, 14a Archer Street, Longford
- Change of existing non-conforming use, from landscape sales to tractor display and sales - extension of Midlands Tractors, 4 Mason St, Longford



- Removal of Nile River log jam, Deddington
- Change of use to bakery cafe, 78 Main Street, Cressy
- Retail flower shop, 17 Marlborough Street, Longford
- Installation of a passenger lift, 'Eskleigh', 16087 Midland Highway
- Extension to gazebo for visitor tastings for Tasmanian Gourmet Sauce Company, 174 Leighlands Road, Evandale
- Wholesale plant nursery, 5 Raeburn Road, Breadalbane.

Adopted/reviewed the following Council policies:

- Public Open Space Contribution Policy
- Reduction in Planning Application Fees for Community Projects

Approved 75 new dwellings, 34 units, 75 new sheds, and 24 new lots.

Received 3 Notices of Appeal from RMPAT.

Refused 5 applications and actively followed up illegal works and non-compliance with planning permits.

Continued to lobby the State Government for the establishment of a State tyre-recycling facility.



Objective:

Health

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

Performance:

Acknowledged Red Cross Tasmania on achieving 100 years of service to the Tasmanian community, and planted an official Red Cross rose and commemorative plaque on the Village Green at Longford (*Photo*).

Council environmental health officers have worked in conjunction with the Environment Protection Authority in the assessment and resolution of incidents of potential environmental harm, including:

- Plant emissions at Mt Joy Road
- Smoke from agricultural burn-offs.

The Community Health Report addressed targets within the areas of:

- Infection Disease Control
- Prevent and Control of Disease
- Unhealthy Premises
- Public Health Risk Activities
- Regulated Systems for Air (Cooling Towers)
- Water Quality
 - Lobbied for sewer incident protocols to be reviewed by the State Health Department
 - Recreation water quality

- Environmental waterways
- Environmental Protection
 - Refuse Transfer Stations
 - Environmental Incidents & Environment Nuisance Complaints
- Food Surveillance
 - Registered food premises
 - Food sampling program
 - Temporary food premises
- Cemeteries
- Management and Administration.

Specific Achievements/Issues within the Community Health Report	2014/2015	2013/2014	2012/2013	2011/2012
■ Notifiable diseases investigated	2	7	7	3
■ School immunisations administered	299	211	266	190
■ Recreation water tests	91.0%	92.8%	80.4%	75%
■ Environmental nuisance complaints	53	50	53	36
■ Registered food premises	128	124	122	126
■ Food premises inspected	131	128	124	128
■ Registered temporary food premises	56	85	104	72
■ Public environmental incidents	0	1	2	3
Animal Control				
■ Dog Registration	3,801	3,575	3,666	3,651
■ Kennel Licences	70	72	71	69
■ No. of Impounded Animals	88	92	107	83



Objective:

Environmental Management

To facilitate and co-ordinate Council and community projects that protect and enhance the environment in a sustainable manner.

Performance:

Continuation of delivery of NRM Facilitator Network Partnership with NRM North

On-going facilitation of Mill Dam Action Group and partnership relationships.

Member of Tamar Estuary and Esk Rivers (TEER) Program partnership

Scientific Steering Committee

Support and facilitation of devolved grant submissions for landholders and community groups such as:

- NRM North on ground works
- TEER River Bank Erosion Grants
- Green Army Round 3 Application

Celebrated 5th Anniversary of Community Engagement supervised exhibition at Longford and Campbell Town Shows.

Participated at Woolmers Rose Festival with supervised exhibition in collaboration with NRM North, DPIWWE, and University of Tasmania's Save the Devil Program.

Support and facilitation of delivery / installation and reporting on funded on-ground works as requested and where required.

On-going participation support with local Landcare groups as requested and where required – Perth/Evendale, Nile, Rossarden



Successful 4th year of 2 day outdoor excursion with Scotch Oakburn Year 8 class (whole of year) at St Johnstone. Works included but were not limited to: revegetation installation, previous revegetation monitoring, macro-invertebrate and water quality testing, agronomy session, flora and fauna transects.

On-going collaboration with Department of Primary Industries Parks Water and Environment, with particular focus on Bio-security.

Assistance to EHO, by undertaking Recreational Water Sampling for the 2014-15 season.

Participation with Development application assessment process as part of the Planning and Development team.

Continuation of relationship with TAS TAFE Horticulture Certificate II & III with 2 working bees undertaken in the Northern Midlands assisting with revegetation installation, and maintenance.

Support and facilitation of Green Army in Northern Midlands in 2015, with over 7 landholders participating thus far. Ongoing program into 2016 with many EOI's from landholders seeking Green Army assistance received to date.



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.

Objective:

Roads

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

Performance:

Road Reconstruction

Reconstructed 3,257m² of urban, and 21,812m² rural sealed pavement at a total cost of \$1,142,000.

Reconstructed 2,188m² of gravel road on *English Town Road* at cost of \$33,963, and resheeted gravel roads at a total cost of \$340,850.

Reseals

Sealed 29,345m² new or reconstructed pavement; and resealed 60,431m² of the total sealed road network at a cost of \$586,278.

Projects funded by Roads to Recovery during 2014/2015 were:

- Reconstruction of section of Tooms Lake Road \$640,273
- Reconstruction of section of Green Rises Road \$208,740.

Other Road Infrastructure

- Constructed 1,890m kerb and channel at a cost of \$207,030.
- Purchased road plant/ vehicles at a net cost of \$243,662.
- Recognised subdivision road assets transferred to Council, \$281,825.
- Supported the successful delivery of the Roads to Recovery program on a permanent basis and to increase the level of funding.
- Received an independent Road & Bridge Condition Assessment Report reporting that Council is performing excellently in maintaining/renewal of these assets.
- Adopted new street names *Sheringham Court*, *Shervan Court* and *Rose Gold Court*.

Stormwater

Installed various stormwater pipes and associated manholes and gully pits at a cost of \$801,482.

Formed Longford Flood Levee detention basin off Paton Street \$36,594.

Progressed the stormwater flooding study for the Translink industrial area.

Member of the Northern Stormwater Program, \$5,000.

Footpaths

Negotiated with property owners to make safe the heritage brick walls near footpaths within municipal area.

Constructed/reconstructed footpaths at a cost of \$389,046:

- 162m² washed concrete
- 2,599m² concrete
- 392m² asphalt.

Objective:

Bridges

To manage bridges to ensure safety and maximum life span.

Performance:

Performed abutment maintenance on 1 bridge on *Nile Road, Nile* at a total cost of \$10,863.

Objective:

Waste Management

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 2014-15.

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.

Provided Safety Showers/Eye Wash Units at Waste Transfer Stations at Avoca, Campbell Town, Evandale and Longford, \$21,595.

Objective:

Building Services & Property Management

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

Performance:

The War Memorial Mural of Gallipoli was unveiled in the grounds of the memorial hall gardens at Evandale, and a memorial for Other Conflicts and Peacekeeping Memorial, \$22,000.

Refurbished and officially opened the 'Kearney Cycling Centre' on Sunday 22nd March 2015, \$374,056 (Photo).

Developed a new playground at Seccombe Street at Perth, \$51,675.

Installed rubber soft fall at the Perth Childcare playground, \$13,720.

Upgraded septic systems at the Epping Hall, Bishopsbourne Community Centre and mobile home dump points at Campbell Town and Evandale, \$39,069.

Renovations to the Longford Memorial Hall at Longford, \$54,439.

Installed CCTV at the Kearney Cycling Centre at Longford, Memorial Hall grounds at Evandale, depots at Campbell Town and Longford, Campbell Town Hall, and at the Perth Cenotaph, \$46,320.

Completion of renovations to relocate the Campbell Town Museum to the Campbell Town Hall, \$34,615.

Installation of electronic security gates at the Campbell Town Depot, \$18,250.

Installation of an electronic access system within the Council Offices at Longford, \$22,290.

Improvement to the public toilets at St George's Square at Longford, \$13,735.

Installation of two long jump pits at Longford Little Athletics grounds, \$13,025.

Purchase of hard hose irrigators for Longford and Perth Recreation Grounds, \$11,500.

Installed a new bus shelter at Cressy, \$5,416.

Sale of the former Ross School building.

Sale of vacant land at Conara.

Relinquished the lease from the Crown for the Royal George Hall.



MAJOR WORKS

Action Plan Checklist - Legend			
● Achieved	● Ongoing / In Progress	● Deleted from Program	● Deferred

ROAD INFRASTRUCTURE:

	Action		Action
Avoca		Longford	
Churchill Street – Road reconstruction	●	St George's Square – Footpath reconstruction	●
Campbell Town		Archer Street – Footpath reconstruction	●
Macquarie Road – Road reconstruction	●	Wellington Street – Footpath reconstruction	●
Glenelg Street – Road reconstruction	●	Archer Street – Road reconstruction	●
Cressy		Perth	
Main Street – Footpath reconstruction	●	Youl Road – Footpath reconstruction (Deferred awaiting By-pass negotiations)	●
King Street – Footpath reconstruction	●	Arthur Street – Footpath reconstruction	●
Archer Street – Footpath reconstruction	●	Eskleigh Road - Reconstruction intersection contribution	●
Green Rises Road – Road reconstruction	●	Cromwell Street – Road reconstruction	●
Burlington Road – Stage 1 road construction	●	Talisker Street – Junction Upgrade	●
Evandale		Ross	
High Street – Footpath reconstruction	●	Main Street Program	●
Falls Park – Traffic island (<i>Deleted from program</i>).	●	Tooms Lake Road – Road reconstruction	●
Richard Street – Footpath reconstruction	●		
Hall – Carpark	●		

BRIDGES:

	Bridge	Action		Bridge	Action
Bridge – Macquarie Road, Lake River (Timber to Concrete)	7350	●	Bridge – Royal George Road (un-named creek) (Concrete Abutments)	3767	●

URBAN STORMWATER:

	Action		Action
Longford		Evandale	
Flood Levee - Paton Street Detention Basin works	●	TRANSlink area	●
Flood Levee - Testing site for flood pumps	●	Perth	
Cracraft Street	●	Cromwell Street	●
St George's Square	●	Frederick Street (Deferred)	●

RECREATION, BUILDING & COMMUNITY:

	Action		Action
Municipal Depot - improvements	●	Evandale	
Avoca		Hall – improvements	●
Hall – improvements	●	Falls Park – improvements	●
Bishopsbourne		Falls Park – install dump point (Retained at Morven Park)	●
Community Centre – improvements	●	Russell Street – heritage lighting	●
Campbell Town		Longford	
Hall - improvements	●	Public Open Space -Stokes Park Redevelopment	●
Historic Pump House – improvements	●	Recreation Ground - Improvements	●
Recreation Ground Facility Upgrade - Improvements	●	Little Athletics - Improvements	●
Recreation Ground – top dressing	●	Longford Entrance - Landscaping	●
Cressy		Office - Alterations (stage 1)	●
Recreation Ground – kitchen improvements	●	War Memorial Hall - Renovations/Improvements	●
Hall - Male Toilet Improvements	●	Sports Centre - Improvements	●
Childcare Centre - Footpath Improvements	●	Perth	
Epping Forest		Childcare Centre - Playground Improvements	●
Hall – improvements	●	Ross	
Rossarden		Public Toilets – Renovations (Deferred for replacement)	●
Public Toilets – Upgrade	●		

REPORTING ON LEGISLATIVE REQUIREMENTS

List of Contracts Awarded Over \$100,000 excl GST (Local Government Act)

Public Tenders:

Description of Contract	Period of Contract	Periods of any option for extending the 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 7250	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 7251	134/10	10/03A
Council Waste Clearance & Bin Hire	1 July 2015 to 30 June 2018		Est \$109,868 (inc GST) but based on Unit Rate dependent on No of Clearances	Aussie Waste Management	128 Mornington Road, Mornington 7018	138/15	15/01
Management of Waste Transfer Stations	1 July 2012 to 30 June 2016		\$356,830	Rodney Weller	186 Forest Hall Road, Cleveland 7211	107/12	12/02
Design & construct Bridge No. 2030 - Macquarie River, Powranna Road, Cressy			\$1,563,200 incl GST	BridgePro Engineering Pty Ltd	PO Box 3253 Ulverstone 7315	206/15	15/07
Design & construct Bridge No. 3259 - Lake River, Lake River Road, Cressy			\$162,162 incl GST	BridgePro Engineering Pty Ltd	PO Box 3253 Ulverstone 7315	174/15	15/08
13/15 Bi-Annual Contracts for Information Only							
Supply of reach arm slashing of roadsides	to 30 June 2015		Bi-Annual Tender	Mulch Management	9 Range Road, Evandale 7212	284/13	13/14
Spraying of roadsides and footpaths	to 30 June 2015		Bi-Annual Tender	Spider Pest & Weed Control	PO Box 329, Beauty Point 7270	284/13	13/15

Public Tenders:

Description of Contract	Period of Contract	Periods of any option for extending the contract	Value of Tender Awarded (excl. GST)	Business Name (successful contractor)	Business Address (successful contractor)	Minute Reference	Contract No.
Supply and delivery of Road maintenance gravel	to 30 June 2015		Bi-Annual Tender	Stornoway Civil	PO Box 196, Kings Meadows 7249	284/13	13/16 (i)
Supply and delivery of Silica Gravel	to 30 June 2015		Bi-Annual Tender	Boral Construction Materials Group Pty Ltd	Locked Bag 5052 Parramatta NSW 2124	284/13	13/16 (ii)
Supply and delivery of Silica Gravel	to 30 June 2015		Bi-Annual Tender	Lindsay 's Transport (Willow Vale Resources)	499 Glenore Road, Whitmore 7303	284/13	13/16 (iii)
Supply of Bituminous resealing of roads (Excluding Ashphalt)	to 30 June 2015		Bi-Annual Tender	Venarchie Contracting	PO Box 395, Mowbray Heights 7248	284/13	13/17 (a)
Supply of Bituminous resealing of roads Ashphalt Only	to 30 June 2015		Bi-Annual Tender	Crossroads Civil Contracting Pty Ltd	73-79 Lilydale Road, Rocherlea 7248	284/13	13/17 (b)
Construction of concrete kerb and gutter and crossovers	to 30 June 2015		Bi-Annual Tender	Crossroads Civil Contracting Pty Ltd	73-79 Lilydale Road, Rocherlea 7248	284/13	13/18
Construction of asphalt footpaths and driveways	to 30 June 2015		Bi-Annual Tender	Northseal Pty Ltd	5A Ray Street, Invermay 7250	284/13	13/19
Construction of Concrete Footpaths & Driveways	to 30 June 2015		Bi-Annual Tender	Elite Concrete	96 Devon Hills Road, Perth 7300	284/13	13/20

Non Application of Public Tender Policy:

	Value of Tender Awarded (excl. GST)	Business Name (successful contractor)	Business Address (successful contractor)	Minute Reference	Contract No.
No item during 2014/15					

Attendance at Council and Committee Meetings by Councillors (Local Government Act)

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

Elected Member Allowances and Expenses (Local Government Act)

During 2014/2015 Council provided allowances and reimbursements of all reasonable expenses to the Mayor, Deputy Mayor and Councillors. The total amount of these payments was \$192,373 (compared to \$181,517 the previous year). Please refer to page 13 for further breakdown of allowance and expense payments.

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. Refer table on page 29 .

Grants & Benefits (Local Government Act)

During 2014/2015 Council donations under section 77 as listed on page 39, and rate remissions under its Rate Remission Policy totaling \$46,920 (2013/2014 \$45,675); plus \$90,778 (2013/2014 \$93,222) under *Policy 17 - Rate Incentive For New Development*.

Donation of Land (Local Government Act)

During 2014/2015 Council made no donations of land under section 177.

Public Interest Disclosures Statement (Public Interest Disclosures Act 2002)

There were no disclosures raised or determined during the 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 \$82,275 on health projects in 2014/2015 (2013/2014 \$94,555). Please refer to page 43 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 no new applications under the Right to Information for the period 1 July 2014 to 30 June 2015. 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.

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.



FINANCIAL STATEMENT

30 JUNE 2015



NORTHERN
MIDLANDS
COUNCIL



ANNUAL REPORT 2014/2015



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STATEMENT OF COMPREHENSIVE INCOME – FOR YEAR ENDED 30 JUNE 2015

	Note	2015		2014		2015 Budgeted
		\$	%	\$	%	\$
INCOME						
Recurrent Income						
Rate Revenue		9,170,373	50.57	8,861,273	62.92	9,139,034
Grants	3	5,784,567	31.90	2,210,284	15.69	5,821,393
User Charges		1,547,326	8.53	1,537,733	10.92	1,472,709
Interest		417,020	2.30	485,245	3.45	344,771
Reimbursements		171,216	0.94	210,971	1.50	108,738
Investment Revenue from Water Corporation	4	702,000	3.87	467,111	3.32	702,000
Other		341,864	1.89	310,446	2.20	693,312
		18,134,366		14,083,063		18,281,957
Capital Income						
Capital Grants Received Specifically for New or Upgraded Assets	3	793,617		133,917		755,000
Contribution of Non-Monetary Assets	15	1,129,256		654,619		350,000
		1,922,873		788,536		1,105,000
		20,057,239		14,871,599		19,386,957
EXPENSES						
Employee Benefits	6	4,460,158	26.67	4,407,509	27.64	4,722,638
Materials & Services	7	4,586,386	27.41	4,585,910	28.75	4,515,349
Depreciation and Amortisation	8	5,112,174	30.55	4,639,094	29.09	4,596,440
Government Levies & Charges		685,977	4.10	568,319	3.56	671,656
Net (Loss)/Gain on Disposal of Property, Infrastructure, Plant and Equipment	5	413,482	2.47	943,298	5.91	450,000
Other	9	1,473,154	8.80	804,998	5.05	716,445
		16,731,331		15,949,128		15,672,528
		3,325,908		(1,077,529)		3,714,429
SURPLUS/(DEFICIT)						
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified to surplus or deficit						
Net Asset Revaluation Increment/(Decrement) Reversals		14,495,853		2,561,375		
Items that may be reclassified to surplus or deficit:						
Fair value adjustment on available for sale assets						
- Investment in Water Corporation	16	302,400		(6,273,455)		
		14,798,253		(3,712,080)		
		18,124,161		(4,789,609)		
COMPREHENSIVE RESULT						

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 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	10	11,633,566	7,490,930
Trade and Other Receivables	11	406,402	1,235,492
Inventory	12	33,291	31,612
Assets Held for Sale	13	-	305,000
		12,073,259	9,063,034
NON-CURRENT ASSETS			
Capital Work in Progress	14	404,777	462,996
Property, Plant & Infrastructure	15	227,640,249	212,943,414
Investment in Water Corporation	16	39,009,600	38,707,200
		267,054,626	252,113,610
		279,127,885	261,176,644
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	17	916,901	993,038
Provisions	18	1,039,319	983,435
		1,956,220	1,976,473
NON-CURRENT LIABILITIES			
Provisions	18	148,321	300,988
		148,321	300,988
		2,104,541	2,277,461
		277,023,344	258,899,183
EQUITY			
Accumulated Surplus		140,059,637	136,733,729
Reserves		136,963,707	122,165,454
		277,023,344	258,899,183

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 YEAR ENDED 30 JUNE 2015

	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserves
2015	\$	\$	\$	\$
Equity at Beginning of the Year	258,899,183	136,733,729	126,855,899	(4,690,445)
Comprehensive Result	18,124,161	3,325,908	14,495,853	302,400
Ratepayer Equity at end of the year	277,023,344	140,059,637	141,351,752	(4,388,045)
2014	\$	\$	\$	\$
Equity at Beginning of the Year	263,688,792	137,811,258	124,294,524	1,583,010
Comprehensive Result	(4,789,629)	(1,077,529)	2,561,375	(6,273,455)
Ratepayer Equity at end of the year	258,899,183	136,733,729	126,855,899	(4,690,445)

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 YEAR ENDED 30 JUNE 2015

		Note	2015		2014	
			\$	\$	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES						
Outflows	Employee Costs		(4,541,635)		(4,530,126)	
	Materials and Services		(5,594,055)		(5,850,358)	
	Levies Paid		(685,977)		(568,319)	
	Other		(614,367)		(642,468)	
Inflows	Receipts from Ratepayers		8,930,431		8,131,358	
	Government Grants		5,813,387		2,158,593	
	User Charges		1,855,214		1,760,248	
	Interest Received		434,666		462,439	
	Investment Revenues from Water Corporation		702,000		467,111	
	Other		513,080		521,417	
	Receipts from Australian Taxation Office		770,438		928,914	
	Net Cash Provided by Operating Activities	22		7,583,182		2,838,809
CASHFLOWS FROM INVESTING ACTIVITIES						
Outflows	Payments for Property, Plant & Equipment		(4,651,710)		(6,000,289)	
Inflows	Capital Grants		793,617		133,917	
	Proceeds from Sale of Fixed Assets		417,547		217,909	
	Net Cash Provided by (Used in) Investing Activities			(3,440,546)		5,648,463
	Net Increase (Decrease) in Cash and Cash Equivalents for the Period			4,142,636		(2,809,654)
	Cash and Cash Equivalents at the Commencement of the Period			7,490,930		10,300,584
	Net Cash and Cash Equivalents at the end of the Reporting Period	10		11,633,566		7,490,930

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 2015

1. INTRODUCTION

- (i) 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.
- (ii) 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 Statements of Comprehensive Income, 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 Note 1(f) on page 14 and Note 15 on page 37.
- *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 25 on page 47.
- *Employee entitlements*
Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in Note 1(k) on page 17.
- *Investment in Water Corporation*
Assumptions utilised in determination of Council's valuation of its investment in TasWater are discussed in Note 1(i) on page 17 and in Note 16 on page 42.

(b) Adoption of New Accounting Standards

- (i) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures and the relevant amending standards, AASB 2013-8 Amendments to Australian Accounting Standards- Australian Implementation Guidance for Not-for-Profit Entities - Control Structured Entities, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards, AASB 1012-10 Amendments to Australian Accounting Standards - Transition Guidance and other amendments (effective from 1 January 2014). This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. Council has undertaken an assessment and no material changes to the composition of Council's accounts are anticipated from the application of the new standard, Council has assessed the possible impact of this new standard and does not consider it to have impacted financial reporting.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules. As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

AASB 2013-8 Amendments to Australian Accounting Standards- Australian Implementation Guidance for Not-for-Profit Entities - Control Structured Entities adds guidance to AASB 10 regarding criteria for determining whether one entity controls another entity from the perspective of not-for-profit entities.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards gives effect to many consequential changes to a number of standards arising from the issuance of the new consolidation and joint arrangements standard.

AASB 1012-10 Amendments to Australian Accounting Standards - Transition Guidance and other amendments provides guidance on amendments to AASB 10, AASB 11, and AASB 12 to simplify transition and provide relief from the disclosures in respect of unconsolidated structure entities on transition to the suite of consolidation standards. Also, provides guidance on the additional amendments to AASB 10 and related standards to revise their application paragraphs, so that they apply mandatorily to not-for-profit entities.

(ii) AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

This standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of Council.

(iii) AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets (effective from 1 January 2014).

This standard amends the disclosure requirements of AASB 136. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The adoption of this standard will not impact Council's accounting policies but may result in changes to information disclosed in the financial statements.

- (iv) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part A - Conceptual Framework effective from 20 December 2013; Part B - Materiality effective from 1 January 2014; Part C - Financial Instruments effective from 1 January 2015).

Part A of this standard updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of AASB CF 2013-1 in December 2013.

Part B of this standard deletes references to AASB 1031 Materiality in various other standards. Once all references to AASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn.

Part C of this standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015.

The adoption of this standard will not impact Council's accounting policies.

- (v) Interpretation 21 Levies

This Interpretation provides clarity that a liability to pay government imposed levies, other than income taxes, is deferred until thresholds are exceeded.

The adoption of this standard will not impact Council's accounting policies.

- (vi) AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

This amendment provides relief for not-for-profit public sector entities from certain AASB 13 Fair Value Measurement disclosure requirements applicable to fair value measurements categorised as Level 3 in the fair value hierarchy.

The standard provides relief from disclosure of quantitative information about the significant unobservable inputs used in the fair value measurement and a description of the sensitivity of the fair value measurement to changes in those unobservable inputs.

The relief is limited to property, plant and equipment (including infrastructure assets) within the scope of AASB 116 Property, Plant and Equipment that is held for its current service potential rather than to generate future cash inflows.

As the Standard is able to be early adopted for 30 June 2015 reporting period, Council has elected to do so. The effect of this early adoption is to reduce some disclosures in Councils Financial Report.

(c) 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 & 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 period used are listed below and are consistent with prior periods:

Asset	Life (Years)
Land	Unlimited
Land Under Roads	Unlimited
Buildings	100
Flood Levee Infrastructure - Depreciable Component	100
- Non-Depreciable Component	Unlimited
Furniture, Fittings, Office Equipment & Computers	2 – 20
Fleet	2 – 20
Heritage Assets - Depreciable Component	20 - 100
- Non-Depreciable Component	Unlimited
Plant	10
Roads Infrastructure - Depreciable Component	10 – 100
- Non-Depreciable Component	Unlimited
Bridges	30 – 100
Stormwater & Drainage	80 – 100

(iii) Repairs & 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) Council has elected not to recognise land under roads prior to the 1st of July 2008 as an asset in accordance with AASB 1051 Land under Roads. Council has accounted for land under roads acquired subsequent to 1 July 2008 at cost and subsequently revalued it on a fair value basis.

(iii) *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 15 on page 37. 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.

Asset	Threshold \$
Land	Nil
Land Under Roads	Nil
Buildings	5,000
Flood Levee Infrastructure	3,000
Furniture, Fittings, Office Equipment & Computers	1,000
Fleet	1,000
Plant	1,000
Roads Infrastructure	5,000
Bridges	5,000
Stormwater & Drainage	3,000
Heritage Assets	1,000

iv) 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 and 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.

Land under roads acquired after 30 June 2008 brought to account at cost and subsequently revalued on a fair value basis. Council does not recognise land under roads that it controlled prior to that period.

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

Asset	Valuation basis
Land	Fair value
Land Under Roads	Fair value
Buildings	Fair value
Flood Levee Infrastructure	Cost
Furniture, Fittings, Office Equipment & Computers	Cost
Fleet	Cost
Plant	Cost
Roads Infrastructure	Fair value
Bridges	Fair value
Stormwater & Drainage	Fair value
Heritage Assets	Cost

v) 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 asset’s carrying value. Any excess of the asset’s carrying value of 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.

vi) 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 & 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 three 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 2015, Council held a 2.52% (2014 2.52%) ownership interest in TasWater which is based on schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

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 16, page 42).

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, page 28.

(j) 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.

(k) Employee Benefits

i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits, 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 plans 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 expected to be 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 2013/14 financial year was 8.2 days (2013/14 was 6.0 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.

(l) Accruals/Prepayments

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

(m) Net Fair Values of Financial Assets & 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.

(n) 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 disclosure is recorded in Note 27 on page 57.

Council has determined, based upon materiality, that Road Infrastructure is Council's only significant business activity for the 2015 year.

In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- The notional opportunity cost of capital was calculated by applying an interest rate of 4% (5% 2014/15) which council has determined as an appropriate interest rate adjusted for a risk margin.
- Taxation equivalents were calculated by an applicable taxation rate of 30% applied to the activities notional accounting profit.
- The impact of fringe benefits tax credits, stamp duty and debits were determined to be immaterial and have not been included.

(o) 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.

(p) 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.

(q) Budget Figures

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

(r) 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.

(s) Rounding

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

(t) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below

(i) AASB 9 Financial Instruments and the relevant amending standards (effective from 1 January 2018)

AASB 9 is one of a series of amendments that are expected to replace AASB 139 Financial Instruments: Recognition and Measurement. The main impact of the standard is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four categories of financial assets in AASB 139 will be replaced with two measurement categories: fair value and amortised cost.

Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments.

Fair value is to be used for all other financial assets. 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 an irrevocable election has been made to present in other comprehensive income changes in the fair value of an equity instrument not held for trading.

When adopted, the standard will affect, in particular, Council's accounting for its available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB9 Fair Value gains and losses on available-for-sale assets will have to be recognised directly in profit or loss. However, investments in equity instruments can be designated as "fair value through other comprehensive income" assets. This designation is irrevocable. Council is likely to designate its 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.

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.

(ii) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations (effective from 1 January 2016)

Under AASB 2014-3 business combination accounting is required to be applied to acquisitions of interests in a joint operation that meets the definition of a 'business' under AASB 3 Business Combinations. It is not anticipated that the adoption of this standard will have any implication on Councils account or

reporting.

- (iii) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)

This amendment introduces a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. In addition to this, there is limited opportunity for presumption to be overcome and clarifies that revenue-based depreciation for property, plant and equipment cannot be used. It is not anticipated that adoption of this standard will lead to a change in councils policy and practice with regard to depreciation.

- (iv) AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (effective from 1 January 2016)

The amendments to AASB 101 do not require any significant change to current practice, but should facilitate improved reporting, including emphasis on only including material disclosures, clarity on the aggregation and disaggregation of line items, the presentation of subtotals, the ordering of notes and the identification of significant accounting policies.

- (v) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (effective from 1 January 2016)

The amendments extend the scope to AASB 124 Related Party Disclosures to include not-for-profit public sector entities. It is unlikely the adoption of this standard will impact Council's accounting policies but it is possible its adoption may result in changes to information disclosed in the financial statements, the full impact of its adoption has not yet been assessed by Council.

- (vi) AASB 15 Revenue from Contracts with Customers, and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (effective from 1 January 2017)

Under the new standard, a single model that applies to contracts with customers and two approaches to recognising revenue, at a point in time or over time is proposed. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The new standard will apply to contracts of not-for-profit entities that are exchange contracts.

AASB 1004 Contributions will continue to apply to non-exchange transactions until the Income from Transactions of Not-for-Profit Entities project is completed. The adoption of this standard will not impact Council's accounting policies but may result in changes to information disclosed in the financial statements.

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

(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) on page 26.

		2015		2014	
		\$	\$	\$	\$
Governance					
Recurrent Income					
	Grants	308,255		56,259	
	Other	2,297,634		1,773,148	
	<i>Total</i>		2,605,889		1,829,407
Capital Income					
	Grants	-		-	
	Other	-		-	
	<i>Total</i>		-		-
	Total Income		2,605,889		1,829,407
Expenses					
			2,418,430		1,622,029
	Surplus / (Deficit)		187,459		207,378
	ASSETS		80,893,774		79,792,605

		2015		2014	
		\$	\$	\$	\$
<u>Economic & Community Development</u>					
<i>Recurrent Income</i>					
	Grants	405,315		290,700	
	Other	1,033,859		1,079,364	
	Total		1,439,174		1,370,064
<i>Capital Income</i>					
	Grants	-		30,000	
	Other	-		-	
	Total		-		30,000
	Total Income		1,439,174		1,400,064
<i>Expenses</i>					
			1,182,284		1,197,399
	Surplus / (Deficit)		256,490		202,665
	ASSETS		485,803		380,785
<u>Planning & Development</u>					
<i>Recurrent Income</i>					
	Grants	176,177		44,252	
	Other	1,371,037		1,268,055	
	Total		1,547,214		1,312,307
<i>Capital Income</i>					
	Grants	-			
	Other	-			
	Total		-		-
	Total Income		1,547,214		1,312,307
<i>Expenses</i>					
			1,392,061		1,275,825
	Surplus / (Deficit)		155,153		36,482
	ASSETS		361,771		342,218

		2015		2014	
		\$	\$	\$	\$
<u>Works & Infrastructure</u>					
<i>Recurrent Income</i>					
	Grants	4,894,820		1,819,073	
	Other	7,739,149		7,752,213	
	<i>Total</i>		12,633,969		9,571,286
<i>Capital Income</i>					
	Grants	793,617			
	Other	1,037,376			
	<i>Total</i>		1,830,993		758,535
	Total Income		14,464,962		10,329,821
<i>Expenses</i>					
			11,738,156		11,853,875
	Surplus (Deficit)		2,726,806		(1,524,054)
	ASSETS		197,386,537		180,661,036
<u>TOTAL</u>					
<i>Recurrent Income</i>					
	Grants	5,784,567		2,210,284	
	Other	12,441,679		11,872,780	
	<i>Total</i>		18,226,246		14,083,064
<i>Capital Income</i>					
	Grants	793,617		133,917	
	Other	1,037,376		654,618	
	<i>Total</i>		1,830,993		788,535
	Total Income		20,057,239		14,871,599
<i>Expenses</i>					
			16,731,331		15,949,128
	Surplus (Deficit)		3,325,908		(1,077,529)
	ASSETS		279,127,885		261,176,644

(b) Component Functions/Activities

The activities relating to the Council's components reported in Note 2 (a), on page 23, are as follows:

Governance

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

Economic & Community Development

The provision of Community Services Management, Economic Development, Tourism Promotion and Recreation Management services to Council.

Planning & Development

The provision of Planning, Building, Health & Environmental Management and Natural Resource Management services to Council.

Works & Infrastructure

The maintenance and construction of Council's infrastructure and facilities.

3. GRANT REVENUE

Grants were received in respect of the following:

	2015		2014	
	\$	\$	\$	\$
Federally funded capital grants				
Aged Care Units LGEEP	-		30,000	
Roads to Recovery	753,617		-	
Longford Velodrome Redevelopment	-		15,000	
		753,617		45,000
Federally funded recurrent grants:				
Midlands Kids Club		21,790		26,260
Perth Child Care Professional Development		9,615		-
Perth Child Care Service		41,500		40,850
Rural & Remote Child Care Service		177,731		167,058
Rural & Remote Child Care Service – project support		-		15,000
Commonwealth Government financial assistance grants				
- General Purpose	2,117,492		553,194	
- Roads	3,300,836	5,418,328	1,326,899	1,880,093
		5,668,964		2,129,261
State funded capital grants received specifically for new or upgraded assets				
Flood Mitigation Longford		-		5,000
Longford Velodrome Redevelopment		-		80,000
Morven Park Outdoor Gym Equipment		-		3,917
Vulnerable Road Users – Tannery Road footpath		40,000		-
		40,000		88,917
State funded recurrent grants:				
Australia Day Celebrations		2,182		-
Ben Lomond Ski Slope Feasibility		5,000		-
Flood Plain Mapping (NDRG)		40,000		-
Heavy Vehicle Motor Tax Grant		68,421		81,023
		115,603		81,023
Total Capital Grants		793,617		133,917
Total Recurrent Grants		5,784,567		2,210,284
Total Government Grants		6,578,184		2,344,201

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2014/15 the Commonwealth made early payment of the 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 resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2014/15 by \$1,793,237. This has impacted the Statement of Comprehensive Income resulting in the surplus/(deficit) being higher in 2014/15 by \$1,793,237. With fewer instalments due to be received in 2015-16, the reverse effect may occur, however future payments remain at the Commonwealth's discretion.

In 2012/13 the commonwealth prepaid two quarterly instalments for the following year. In the 2014/15 budget, the Commonwealth announced it would discontinue the approach of paying instalments in advance. As a consequence there were no prepayments in 2013/14. This has impacted the Statement of Profit and Loss and Other Comprehensive Income with the early receipt of 2013/14 instalments resulting in the surplus being lower in 2013/14 by \$1,936,898.

Government funds received in relation to pensioner rates of \$396,647 (\$389,852 2013/14) 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:

	2015		2014	
	\$	\$	\$	\$
Commonwealth Financial Assistance Grant				
- General Purpose	697,195		-	
- Roads	1,096,042	1,793,237	-	-
Longford Velodrome Redevelopment		-		80,000
Rural & Remote Child Care – Project Support		4,723		15,000
Perth Child Care – Professional Development		4,807		-
		1,802,767		95,000

4. INVESTMENT REVENUE FROM WATER CORPORATION

	2015	2014
	\$	\$
Dividend Revenue	517,610	297,477
Tax Equivalents	129,598	114,435
Guarantee Fee	54,792	55,199
Total investment revenue from water corporation	702,000	467,111

5. GAIN/(LOSS) ON SALE AND DISPOSAL OF ASSETS

The gain/(loss) on sale and disposal of fixed assets for the period was comprised of:

	2015	2014
	\$	\$
Land		
Proceeds from sales	105,460	-
Written down value of assets sold	115,000	-
Gain /(loss) on sale	(9,540)	-
Land Held for Sale		
Proceeds from sales	56,229	-
Written down value of assets sold	70,000	-
Gain /(loss) on sale	(13,771)	-
Buildings		
Written down value of assets disposed with no proceeds	94,467	285,981
Gain /(loss) on disposal	(94,467)	(285,981)
Buildings Held for Sale		
Proceeds from sales	188,767	-
Written down value of assets disposed with no proceeds	235,000	-
Gain /(loss) on disposal	(46,233)	-
Furniture, Fittings, Office Equipment & Computers		
Proceeds from sales	727	-
Written down value of assets sold	-	-
Written down value of assets disposed with no proceeds	280	-
Gain /(loss) on disposal	447	-
Fleet		
Proceeds from sales	66,364	217,909
Written down value of assets sold	96,090	326,254
Gain /(loss) on sale	(29,726)	(108,345)
Plant		
Written down value of assets disposed with no proceeds	2,128	-
Gain /(loss) on disposal	(2,128)	-

	2015	2014
	\$	\$
Roads Infrastructure		
Written down value of assets disposed with no proceeds	140,071	425,530
Gain /(loss) on disposal	(140,071)	(425,530)
Bridges		
Written down value of assets disposed with no proceeds	-	89,319
Gain /(loss) on disposal	-	(89,319)
Stormwater & Drainage		
Written down value of assets disposed with no proceeds	77,993	34,123
Gain /(loss) on disposal	(77,993)	(34,123)
Total		
Proceeds from sales	417,547	217,909
Written down value of assets sold	516,090	326,254
Gain /(loss) on sale of fixed assets	(98,543)	(108,345)
Written down value of assets disposed with no proceeds	314,939	834,953
Gain /(loss) on sale and disposal of Fixed Assets	(413,482)	(943,298)

6. EMPLOYEE BENEFITS

	2015		2014	
	\$	\$	\$	\$
Wages and Salaries	3,215,725		3,249,217	
Superannuation	461,742		439,582	
Annual/ Sick/ Long Service/ Other Leave	819,119		714,680	
Total Employee Benefits Expenses		4,496,586		4,403,479
State Government Payroll Tax	220,028		210,596	
Workers Compensation	130,846		110,604	
Provision for Leave Entitlements	(87,943)		(151,828)	
Other Employee Oncost Expenses	28,532		32,167	
Total Other Employee Related Expenses		291,463		201,539
		4,460,158		4,605,018
Less Amounts Capitalised				
Non-current assets constructed		(327,891)		(197,509)
TOTAL EMPLOYEE BENEFITS AND RELATED EXPENSES		4,460,158		4,407,509

Number of employees as at 30 June are:

	2015		2014	
	Total	Full Time Equivalent	Total	Full Time Equivalent
Permanent	61	55	59	54
Casual	25	4	22	3
Total	86	59	81	57

7. MATERIALS & SERVICES

	2015		2014	
	\$	\$	\$	\$
Contractor Payments				
Community Buildings and Halls	68,192		32,484	
Kerbside Garbage and Recycling	542,503		538,622	
Parks and Reserves	112,915		174,639	
Public Amenities	69,561		34,950	
Roads and Bridges	454,876		596,171	
Urban Stormwater	66,804		56,961	
Waste Transfer Stations	511,891		525,490	
Other Contractor Payments	460,219	2,286,961	394,767	2,354,084
Materials				
Community Buildings and Halls	20,440		23,696	
Corporate Services and Governance	153,751		127,162	
Parks and Reserves	89,963		53,867	
Public Amenities	41,632		34,657	
Roads and Bridges	367,531		475,333	
Urban Stormwater	32,034		33,020	
Other Material Purchases	198,474	903,825	246,324	994,059
Consultants Fees		475,839		400,564
Electricity Costs		317,832		337,745
Insurance		139,080		135,479
Telecommunication Costs		76,638		72,627
Other		386,211		291,352
TOTAL MATERIALS & SERVICES		4,586,386		4,585,910

8. DEPRECIATION & AMORTISATION EXPENSE

Depreciation and amortisation expense for the year is as follows:

	2015	2014
	\$	\$
Buildings	386,816	383,393
Plant	165,451	165,512
Flood Levee Infrastructure	18,882	18,063
Furniture, Fittings, Office Equipment & Computers	105,017	111,018
Fleet	372,720	354,441
Road Infrastructure	3,269,953	2,908,200
Bridges	381,622	306,518
Stormwater & Drainage	403,693	384,227
Heritage Assets	8,020	7,722
TOTAL DEPRECIATION & AMORTISATION EXPENSE	5,112,174	4,639,094

9. OTHER EXPENSES

Other expenses for the year are as follows:

	2015	2014
	\$	\$
Bad & Doubtful Debts	703,166	12,061
Contributions & Donations	137,158	136,946
Councillors' Remuneration	192,373	181,833
Fringe Benefits Tax	36,024	37,313
Rate Remissions & Discounts	155,701	149,973
Special Committee Expenditure	197,840	196,685
Refunds & Reimbursements	30,358	36,731
Work in Progress from prior years Not Capitalised	16,734	52,323
Other Expenses	3,800	1,133
	1,473,154	804,998

10. CASH & CASH EQUIVALENTS

	2015	2014
	\$	\$
Cash on Hand	600	600
Cash at Bank	2,389,992	36,184
Cash held by Special Committees of Council	265,006	243,629
Money Market Call Accounts	9,998	7,536
Short Term Fixed Deposits	8,967,970	7,202,981
Total Cash & Cash Equivalents	11,633,566	7,490,930

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 18, page 43).	1,187,640	1,284,423
Monies held in Trust (Note 17, page 43).	371,543	354,287
Special Committee Cash Held	265,006	243,629
Grants received which have not yet been applied to the purpose for which they were provided (Note 3, page 27)	1,802,767	95,000
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.	3,304,639	3,002,132
Restricted Funds	6,931,595	4,979,471
Unrestricted Cash & Cash Equivalents	4,701,971	2,511,459

11. TRADE & OTHER RECEIVABLES

	2015	2014
	\$	\$
Current		
Trade Debtors - Sundry	109,893	302,573
Rates Outstanding	1,017,753	933,431
Less Provision for Impairment of Debts	(783,719)	(80,633)
Accrued Income	62,475	80,121
	406,402	1,235,492

Rates payments received in advance are treated as rate revenue in the year in which they are received, in 2014/15 this amounted to \$187,082 (2013/14 \$160,725).

Council as at the 30th June 2015 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.

12. INVENTORY

	2015	2014
	\$	\$
Timber – held for distribution at average cost	8,327	2,319
Norfolk Plains History Book – held for sale at cost	21,353	24,646
Longford 200 Years Medallions – held for sale at cost	3,611	4,647
	33,291	31,612

13. ASSETS HELD FOR SALE

	2015	2014
	\$	\$
<u>Gross Value</u>		
Opening Balance	305,000	-
Internal transfer from Land	-	47,563
Internal transfer from Buildings	-	753,697
Sales	(305,000)	-
	-	801,260
Impairment adjustment	-	(496,260)
	-	305,000

14. CAPITAL WORK IN PROGRESS

	2015	2014
	\$	\$
Opening Balance	462,996	723,153
Additions	357,434	427,327
Transfers out	(415,653)	(687,484)
Closing Balance at Cost	404,777	462,996

15. PROPERTY, PLANT & INFRASTRUCTURE

LAND	2015		2014	
	\$	\$	\$	\$
Gross Value				
Opening balance	10,135,340		11,588,028	
Transfer to Assets Held for Sale	-		(47,563)	
Additions - Purchased	-		104,401	
Sales	(115,000)		-	
Revaluation Adjustment	-		(1,509,526)	
NET AMOUNT AT FAIR VALUE		10,020,340		10,135,340
LAND UNDER ROADS	2015		2014	
	\$	\$	\$	\$
Gross Value				
Opening balance	1,294,189		913,173	
Additions – Donated or Contributed	477,922		186,900	
Revaluation Adjustment	-		194,116	
NET AMOUNT AT FAIR VALUE		1,772,111		1,294,189
BUILDINGS	2015		2014	
	\$	\$	\$	\$
Gross Value				
Opening Balance	39,084,154		40,552,454	
Additions – Purchased or Constructed	312,012		614,182	
Transfer to Assets Held for Sale	-		(978,954)	
Disposals with no proceeds	(209,917)		(375,125)	
Revaluation Adjustment	(38,470)		(728,403)	
Closing Balance		39,147,779		39,084,154
Accumulated Depreciation				
Opening Balance	13,423,170		13,600,324	
Depreciation Expense	386,816		383,393	
Transfer to Assets Held for Sale	-		(225,257)	
Disposals with no proceeds	(115,451)		(89,144)	
Revaluation Adjustment	(13,422)		(246,146)	
Closing Balance		13,681,113		13,423,170
NET AMOUNT AT FAIR VALUE		25,466,666		25,660,984

HERITAGE ASSETS		2015		2014	
		\$	\$	\$	\$
Gross Value					
Opening Balance		1,020,288		1,020,288	
Additions – Purchased or Constructed		7,250		-	
Additions – Donated or Contributed		70,750		-	
	Closing Balance		1,098,288		1,020,288
Accumulated Depreciation					
Opening Balance		149,863		142,141	
Depreciation Expense		8,020		7,722	
	Closing Balance		157,883		149,863
	NET AMOUNT AT COST		940,405		870,425

FLOOD LEEVE INFRASTRUCTURE		2015		2014	
		\$	\$	\$	\$
Gross Value					
Opening Balance		5,205,942		5,124,028	
Additions – Purchased or Constructed		-		81,914	
	Closing Balance		5,205,942		5,205,942
Accumulated Depreciation					
Opening Balance		115,560		97,497	
Depreciation Expense		18,882		18,063	
	Closing Balance		134,442		115,560
	NET AMOUNT AT COST		5,071,500		5,090,382

FURNITURE, FITTINGS, OFFICE EQUIPMENT & COMPUTERS		2015		2014	
		\$	\$	\$	\$
Gross Value					
Opening Balance		2,002,142		1,846,428	
Additions – Purchased or Constructed		163,635		155,714	
Disposals with no proceeds		(60,641)		-	
	Closing Balance		2,105,136		2,002,142

Accumulated Depreciation			
Opening Balance	1,487,152		1,376,134
Depreciation Expense	105,017		111,018
Disposals with no proceeds	(60,360)		-
Closing Balance		1,531,809	1,487,152
NET AMOUNT AT COST		573,327	514,990

FLEET	2015		2014	
	\$	\$	\$	\$
Gross Value				
Opening Balance	4,334,419		4,174,723	
Additions – Purchased or Constructed	243,662		691,717	
Additions – Donated or Contributed	21,130		-	
Sales	(180,138)		(532,021)	
Closing Balance		4,419,073		4,334,419
Accumulated Depreciation				
Opening Balance	1,836,966		1,688,292	
Depreciation Expense	372,720		354,441	
Sales	(84,049)		(205,767)	
Closing Balance		2,125,637		1,836,966
NET AMOUNT AT COST		2,293,436		2,497,453

PLANT	2015		2014	
	\$	\$	\$	\$
Gross Value				
Opening Balance	2,570,475		2,446,425	
Additions – Purchased or Constructed	186,350		130,845	
Disposals with no proceeds	(3,180)		(6,795)	
Closing Balance		2,753,645		2,570,475
Accumulated Depreciation				
Opening Balance	1,668,005		1,509,288	
Depreciation Expense	165,451		165,512	
Disposals with no proceeds	(1,052)		(6,795)	
Closing Balance		1,832,404		1,668,005
NET AMOUNT AT COST		921,241		902,470

ROADS INFRASTRUCTURE		2015		2014	
		\$	\$	\$	\$
Gross Value					
Opening Balance		177,410,103		172,396,007	
Additions – Purchased or Constructed		2,984,675		3,403,407	
Additions – Donated or Contributed		281,825		262,420	
Disposals with no proceeds		(2,278,646)		(2,703,037)	
Revaluation Adjustment		25,875,327		4,051,306	
	Closing Balance		204,273,284		177,410,103
Accumulated Depreciation					
Opening Balance		55,062,731		53,183,893	
Depreciation Expense		3,269,953		2,908,195	
Disposals with no proceeds		(2,138,574)		(2,277,507)	
Revaluation Adjustment		10,947,153		1,248,150	
	Closing Balance		67,141,263		55,062,731
	NET AMOUNT AT FAIR VALUE		137,132,021		122,347,372

BRIDGES		2015		2014	
		\$	\$	\$	\$
Gross Value					
Opening Balance		24,939,938		23,967,922	
Additions – Purchased or Constructed		10,863		748,733	
Disposals with no proceeds		-		(378,191)	
Revaluation Adjustment		672,462		601,474	
	Closing Balance		25,623,263		24,939,938
Accumulated Depreciation					
Opening Balance		5,653,277		5,511,504	
Depreciation Expense		381,622		306,518	
Disposals with no proceeds		-		(288,872)	
Revaluation Adjustment		1,732,370		124,127	
	Closing Balance		7,767,269		5,653,277
	NET AMOUNT AT FAIR VALUE		17,855,994		19,286,661

STORMWATER & DRAINAGE		2015		2014	
		\$	\$	\$	\$
Gross Value					
Opening Balance		32,216,208		29,713,275	
Additions – Purchased or Constructed		801,482		329,531	
Additions – Donated or Contributed		277,629		205,298	
Disposals with no proceeds		(83,961)		(34,800)	
Revaluation Adjustment		833,715		2,002,904	
	Closing Balance		34,045,073		32,216,208
Accumulated Depreciation					
Opening Balance		7,873,060		7,061,405	
Depreciation Expense		403,693		384,227	
Disposals with no proceeds		(5,968)		(677)	
Revaluation Adjustment		181,080		428,105	
	Closing Balance		8,451,865		7,873,060
	NET AMOUNT AT FAIR VALUE		25,593,208		24,343,148

TOTAL PROPERTY, PLANT & INFRASTRUCTURE	2015		2014	
	\$	\$	\$	\$
Gross Value				
Opening Balance	300,213,198		293,742,751	
Transfer to Assets Held for Sale	-		(1,026,517)	
Additions – Purchased or Constructed	4,709,929		6,260,444	
Additions – Donated or Contributed	1,129,256		654,618	
Sales	(295,138)		(532,021)	
Disposals with no proceeds	(2,636,345)		(3,497,948)	
Revaluation Adjustment	27,343,034		4,611,871	
Closing Balance		330,463,934		300,213,198
Accumulated Depreciation				
Opening Balance	87,269,784		84,170,470	
	-		(225,257)	
Depreciation Expense	5,112,174		4,639,097	
Sales	(84,049)		(205,767)	
Disposals with no proceeds	(2,321,405)		(2,662,995)	
Revaluation Adjustment	12,847,181		1,554,236	
Closing Balance		102,823,685		87,269,784
NET AMOUNT		227,640,249		212,943,414

16. INVESTMENT IN WATER CORPORATION

	2015	2014
	\$	\$
Opening Balance Investment in Water and Sewerage Corporation	38,707,200	44,980,655
Fair Value adjustments on Available-for-Sale Assets	302,400	(6,273,455)
Total Investment in Water and Sewerage Corporation	39,009,600	38,707,200

Council has derived returns from the water corporation as disclosed at Note 4, page 28.

At 30 June 2015, 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.

17. TRADE & OTHER PAYABLES

	2015	2014
	\$	\$
Current		
Trade Creditor	472,558	581,257
Accrued Wages	72,800	57,494
Money Held in Trust	371,543	354,287
	916,901	993,038

18. PROVISIONS

	2015		2014	
	\$	\$	\$	\$
Current				
Employee Benefits - Annual Leave	379,811		418,803	
Employee Benefits - Long Service Leave	477,645		402,337	
Employee Benefits - Oncosts	181,863		162,295	
		1,039,913		983,435
Non-Current				
Employee Benefits - Long Service Leave	122,028		250,823	
Employee Benefits - Oncosts	26,293		50,165	
		148,321		300,988
AGGREGATE EMPLOYEE BENEFITS		1,187,640		1,284,423

19. CAPITAL EXPENDITURE COMMITMENTS

(a) Capital/Contractual Commitments

	2015	2014
	\$	\$
Estimated expenditure contracted for at balance date but not yet incurred:		
- payable not later than one year	2,365,796	986,692
- payable later than one year but no later than two years	464,416	713,003
- payable later than two years	835,519	1,174,032
	3,665,731	2,873,727

20. CONTINGENT LIABILITIES

Council has a contingent liability with regard to legal costs associated with a planning appeal, the value of any liability which may be payable by Council has not yet been determined.

21. AUDITORS REMUNERATION

	2015	2014
	\$	\$
Audit fees to conduct external audit – Tasmanian Audit Office	21,510	20,280

22. SPECIAL COMMITTEES

The statements include transactions for the following committees:

Committee Name	2015				2014			
	Operating	Operating	Amounts	Net	Operating	Operating	Amounts	Net
	Income	Expenditure	Capitalised	Assets	Income	Expenditure	Capitalised	Assets
	\$	\$	\$	\$	\$	\$	\$	\$
About Campbell Town	12,498	8,488	-	12,742	9,096	7,622	-	8,732
Avoca Community Centre	7,673	5,049	2,748	10,655	4,051	2,962	249	8,465
Avoca Museum & Information Centre	10,466	1,874	-	7,777	10,215	10,557	-	(871)
Avoca, Royal George and Rossarden Local District Committee	-	-	-	-	-	246	-	-
Bishopsbourne Community Centre	20,197	13,551	1,000	51,697	14,680	11,264	-	44,239
Campbell Town Swimming Pool	12,561	18,730	-	32,977	17,675	12,723	120	39,080
Campbell Town Recreation Ground	7,727	1,691	-	10,040	5,506	3,556	1,000	4,008
Cressy Hall	5,118	5,371	-	5,841	3,823	2,948	534	6,390
Cressy War Memorial Swimming Pool	26,793	28,798	4,481	12,824	31,741	35,527	10,345	14,256
Cressy Recreation Ground	9,167	4,332	-	12,624	10,945	6,892	-	8,201
Devon Hills Residents	15	257	-	1,439	-	550	-	1,699
Epping Hall	3,589	2,264	-	2,862	2,195	3,809	-	1,599
Evandale Community Centre & War Memorial Hall	25,369	27,128	-	8,717	23,068	24,223	-	10,424
Liffey Hall	3,164	1,237	-	4,229	2,492	1,348	-	2,125
Longford Recreation Ground	12,928	15,564	9,716	8,583	9,203	4,354	-	12,795
Morven Park Recreation Ground	12,016	13,891	1,973	3,323	16,255	10,492	-	5,686
Perth Community Centre	-	-	-	13,925	22,049	14,590	-	13,925
Perth Recreation Ground	8,118	13,665	6,500	1,376	11,626	4,235	-	8,120
Ross Community Sports Club	44,031	35,950	-	63,375	38,533	38,787	-	54,756
	221,430	197,840	26,418	265,006	233,153	196,685	12,248	243,629

23. RECONCILIATION OF CASH FLOWS FROM OPERATIONS ACTIVITIES TO SURPLUS/(DEFICIT)

	2015	2014
	\$	\$
Surplus/(Deficit)	3,325,908	(1,077,529)
Capital grants received specifically for new or upgraded assets	(793,617)	(133,917)
Contribution of non-monetary assets	(1,129,256)	(654,618)
Net Loss/(Gain) on disposal of property, Infrastructure, Plant and Equipment	413,482	943,298
Depreciation	5,112,174	4,639,094
Changes in Operating Assets & Liabilities		
(Increase)/Decrease in Trade and Other Receivables	829,090	(568,816)
(Increase)/Decrease in Inventory	(1,679)	33,528
Increase/(Decrease) in Creditors	(76,137)	(203,423)
Increase/(Decrease) in Provisions	(96,783)	(138,808)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,583,182	2,838,809

24. RELATED PARTY DISCLOSURE

(a) Allowances & Reimbursements

	2015	2014
	\$	\$
Councillors Allowances and Reimbursements	192,373	181,833

(b) Register of Interests – 2014/2015

Interests of Councillors notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings are detailed below:

No Material Interest Declared:

Cr Dick Adams (Elected 1/11/14)	Mayor David Downie	Cr Janet Lambert
Cr Matthew Brooks (Term Expired 31/10/14)	Cr Leisa Gordon (Elected 1/11/14)	Mayor Kim Polley (Term Expired 31/10/14)
Cr Andrew Calvert	Deputy Mayor Richard Goss	Cr Michael Polley (Elected 1/11/14)
Cr Jeff Carins (Term Expired 31/10/14)	Cr Mary Knowles	

Material Interest Declared:

Cr Ian Goninon	Nature:	Shareholder/Director
	Company:	Specialist Collection Services
	Period:	1 July 2014 – 30 June 2015
	Relevant dealings:	Provision of Debt Collection Services under normal terms and conditions
	Value of dealings:	\$5,533 (2013/14 \$1,087)

25. SUPERANNUATION

The Northern Midlands Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), which is a sub fund of the Quadrant Superannuation Scheme (the 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 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2015 the Council contributed 11.0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2014. The review disclosed that at that time the net market value of assets available for funding members benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000 and the value of total accrued benefits was \$58,093,000. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Schemes financial statements for Council employees.

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

Net Investment Return	7.0% per annum
Salary Inflation	4.0% per annum
Price Inflation	n/a

The actuarial review concluded that:

1. The value of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2014.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the fund in respect of accrued benefits as at 30 June 2014.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the fund in respect of vested benefits at all times during the period up to 30 June 2017.

The Actuary recommended that the Council contribute 11.0% of salaries in 2014/15 and 9.5% of salaries thereafter.

The Actuary will continue to undertake a brief review of the financial position of the fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2017 and is expected to be completed in late 2017.

Council also contributes to accumulation schemes (Quadrant & Tasplan) on behalf of a number of employees, however the Council has no ongoing responsibility to make good any deficiencies that may occur in these schemes.

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

During the reporting period the amount of contributions paid to defined benefits schemes was \$22,097 compared to \$28,744 in the previous reporting period, and the amount paid to accumulation schemes was \$439,645 compared to \$410,838 in the previous reporting period.

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

- The 2014 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is different from the method used at the previous actuarial review in 2011.

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

- In terms of Clause 1.9.2 of the Scheme Trust Deed, there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Clause 1.9.2(b). However in terms of Clause 1.9.2 (d), the only contributions that can be sought from the Employer and its employee Members are any arrears of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Clause 1.22.2(a) requiring the Employer to make good any shortfall before the cessation of participation is approved.

Clause 1.22.2(b) specifically provides that employers participating in the fund will not be liable for the obligations of other Employers in other funds within the Scheme.

- The application of Fund assets on the Fund or the Scheme being wound-up is set out in Clause 1.21.3. This Clause provides that expenses, pensions in payment and the Superannuation Guarantee benefits of other members should have first call on the available assets. Additional assets will initially be applied proportionately to providing Member’s benefits in respect of completed service. If additional assets are available they are applied to increasing members’ benefits.

The Trust Deed does not contemplate the Fund withdrawing from the Scheme. However it is likely that Clause 1.9.2 would be applied in this case (as detailed above).

- As reported in this note above, Assets exceed accrued benefits as at the date of the last actuarial review, 30 June 2014. Favourable investment returns, since that date, make it quite probable that this is still the position. The financial position of the fund will be fully investigated at the actuarial review at 30 June 2017.
- An analysis of the assets and vested benefits of Funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2014, showed that the Fund had assets of \$66.3 million and members’ Vested Benefits were \$57.5 million. These amounts represent 8.4% and 7.5% respectively of the corresponding total amounts for the Scheme.

26. FINANCIAL INSTRUMENTS

(a) Accounting Policy, Terms & Conditions

Financial Instruments	Note	Accounting Policy	Terms & Conditions
Financial Assets			
Cash & Cash Equivalents		Cash and cash equivalents are valued at face value. Interest is recognised as it accrues. Investments are valued at cash. 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 1.3 % (2.1 % 2013/14) Funds returned fixed interest rates between 2.35% (3.35% 2013/14) and 4.1%(4.3% 2013/14)
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 1.5% (any such discount allowed is shown as an expense of Council in its income statement). Overdue Rates attract a penalty of 5% (5% 2014/15), 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. 2013/14) 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).
Financial Liabilities			
Trade and Other Payables	17	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:

	2015	2014
	\$	\$
Total Corporate Credit Cards Facility Limit	50,000	50,000
Corporate Credit Card Facility Limit Used at Reporting Date	5,416	4,580
<i>Available at Reporting Date Corporate Credit Card</i>	44,584	45,420

No other credit standby arrangements and loan facilities are used or available to be used as at 30/06/2015 (30/06/2014).

(c) Financial Risk Exposure & 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 Council's main financial instruments and our practices for minimising these risks are detailed below.

i) 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.

ii) 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.

iii) 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:

2015	Weighted Average Effective Interest Rate	Floating Interest Rate	1 Year or Less	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
Assets							
Current Assets							
Cash and Cash Equivalents							
- Cash	1.30%	2,655,599					2,655,599
- Investments	3.50%	9,998	8,967,969				8,977,967
Trade and Other Receivables							
- Rates	7.50%		234,034				234,034
- Sundry						109,893	109,893
Revenue Accrual						62,475	62,475
Available for Sale							
- Land and Buildings						-	-
Non Current Assets							
Available for Sale							
- Investment in TasWater						39,009,600	39,009,600
Total Financial Assets 2015		2,665,597	9,202,003	-	-	39,181,968	51,049,568
Liabilities							
Trade and Other Payables							
- Sundry Creditors						545,358	545,358
- Monies held in Trust						371,543	371,543
Total Financial Liabilities 2015		-	-	-	-	916,901	916,901
NET FINANCIAL ASSETS/(LIABILITIES) 2015		2,665,597	9,202,003	-	-	38,265,067	50,132,667

2014	Weighted Average Effective Interest Rate	Floating Interest Rate \$	1 Year or Less \$	1 to 5 Years \$	Over 5 Years \$	Non-Interest Bearing \$	Total \$
Assets							
Current Assets							
Cash and Cash Equivalents							
- Cash	2.10%	280,413					280,413
- Investments	3.80%	7,536	7,202,981				7,210,517
Trade and Other Receivables							
- Rates	7.50%		852,798				852,798
- Sundry						302,573	302,573
Revenue Accrual						80,121	80,121
Available for Sale							
- Land and Buildings						305,000	305,000
Non Current Assets							
Available for Sale							
- Investment in TasWater						38,707,200	38,707,200
Total Financial Assets 2014		287,949	8,055,779	-	-	39,394,894	47,738,622
Liabilities							
Trade and Other Payables							
- Sundry Creditors						638,751	638,751
- Monies held in Trust						354,287	354,287
Total Financial Liabilities 2014		-	-	-	-	993,038	993,038
NET FINANCIAL ASSETS/(LIABILITIES) 2014		287,949	8,055,779	-	-	38,401,856	46,745,584

iv) **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:

	2015	2014
	\$	\$
Balance at 1 July	80,633	68,571
Charge for the year	703,166	12,062
Amounts previously charged no longer impaired	(80)	-
BALANCE AT 30 JUNE	783,719	80,633

(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 +1% and -1% in market interest rates (AUD) from year end rates of 2.0%.

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:

2015	Carrying Amount Subject to Interest	INTEREST RATE RISK			
		-1% Profit	-100 basis points Equity	1% Profit	100 basis points Equity
Financial Assets					
Cash & Cash Equivalents	11,633,566	(116,336)	(116,336)	116,336	116,336
Receivables	234,034	(2,340)	(2,340)	2,340	2,340
		(118,676)	(118,676)	118,676	118,676
2014					
Financial Assets					
Cash & Cash Equivalents	7,490,930	(74,909)	(74,909)	74,909	74,909
Receivables	852,798	(8,528)	(8,528)	8,528	8,528
		(83,437)	(83,437)	83,437	83,437

(f) **Categories of Financial Assets & Liabilities**

Carrying amounts classified as:

	2015	2014
	\$	\$
Financial Assets		
Loans and Receivables	406,402	1,235,492
Cash and Cash Equivalents	11,633,566	7,490,930
Available for Sale – Investment in TasWater	39,009,600	38,707,200
	51,049,568	47,433,622
Financial Liabilities measured at amortised cost		
Payables	916,901	993,038
	916,901	993,038
NET FINANCIAL ASSETS / (LIABILITIES)	50,132,667	46,440,584

(g) **Analysis of Unimpaired Financial Assets**

	2015	2014
	\$	\$
Rate debtors, not past due	-	-
Rate debtors, less than 30 days past due	-	1,053
Rate debtors over 60 days past due	234,034	848,563
Trade Debtors Sundry, not past due	84,350	265,971
Trade Debtors Sundry, less than 30 days past due	5,359	2,362
Trade Debtors Sundry, over 30 days less than 60 days past due	933	10,758
Trade Debtors Sundry, over 60 days past due	19,251	26,664
Accrued Income, Current	62,475	80,121
	406,402	1,235,492

(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

30 JUNE 2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Available for sale financial assets	-	-	39,009,600	39,009,600
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-

30 JUNE 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Available for sale financial assets	-	-	38,707,200	38,707,200
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	2015 \$	2014 \$
Opening Balance	38,707,200	44,980,655
Gains (losses) recognised in other comprehensive income:		
Change in Fair Value of Investment in Ben Lomond Water	302,400	(6,273,455)
CLOSING BALANCE	39,009,600	38,707,200

27. SIGNIFICANT BUSINESS ACTIVITIES

Road & Bridge Infrastructure	2015 \$	2014 \$
Revenue		
Rates	2,273,562	2,215,300
Grants	3,982,827	1,193,729
Other	5,408	3,927
	6,261,797	3,412,956
Expenditure		
<i>Direct</i>		
Employee Costs	575,555	664,757
Materials and Services	1,400,865	1,645,187
Levies	-	-
Interest	-	-
Loss on Disposal/ Revaluation of Fixed Assets	140,071	514,848
Other	-	-
	2,116,491	2,824,792
<i>Indirect</i>		
Administration and Engineering	355,200	447,792
	355,200	447,792
<i>Capital Costs</i>		
Depreciation	3,065,980	3,214,713
Opportunity Cost of Capital	6,073,477	7,143,966
	9,139,457	10,358,679
Competitive Neutrality Costs	217,238	-

28. MANAGEMENT INDICATORS

(a) Financial Management Indicators

	Bench Mark	2015 \$,000's	2014 \$,000's	2013 \$,000's	2012 \$,000's
i) Underlying Surplus/Deficit					
Recurrent Income*		16,341	16,020	15,061	14,457
Less Recurrent Expenditure		16,731	15,949	15,144	16,240
Underlying Surplus/(Deficit)	0	(390)	71	(83)	(1,783)

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

ii) Underlying Surplus Ratio					
Underlying Surplus or Deficit		(390)	71	(83)	(1,783)
Divided by Recurrent Income*		16,341	16,020	15,061	14,457
Underlying Surplus Ratio %	0%	(2)%	0%	(1)%	(12)%

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

iii) Net Financial Assets (Liabilities)					
Liquid Assets		12,040	8,726	10,962	10,179
Less Total Liabilities		2,105	2,277	2,614	2,507
Net Financial Assets (Liabilities)	0	9,935	6,449	8,348	7,672

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.

iv) Net Financial Assets (Liabilities) Ratio					
Net Financial Assets (Liabilities)		9,935	6,449	8,348	7,672
Divided by Recurrent Income*		16,341	16,020	15,061	14,457
Net Financial Assets (Liabilities)	0% to (50)%	61%	40%	55%	53%

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

(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.

		2015	2014	2013	2012
		\$,000's	\$,000's	\$,000's	\$,000's
■ <u>Buildings</u>					
	Depreciated replacement cost	25,467	25,661	26,952	27,627
	Divided by current replacement cost	39,148	39,084	40,552	40,551
	Asset consumption ratio %	65%	66%	66%	68%
■ <u>Road Infrastructure</u>					
	Depreciated replacement cost	154,988	141,634	137,669	146,327
	Divided by current replacement cost	229,897	202,350	196,364	208,615
	Asset consumption ratio %	67%	70%	70 %	70%
■ <u>Stormwater & Drainage</u>					
	Depreciated replacement cost	25,593	24,343	22,652	21,551
	Divided by current replacement cost	34,045	32,216	29,713	28,024
	Asset consumption ratio %	75%	76%	76%	77%

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	2015 \$,000's	2014 \$,000's	2013 \$,000's	2012 \$,000's
■ <u>Road & Bridge Infrastructure</u>					
Projected capital funding outlays**		27,930	32,124	55,981	59,274
Divided by projected capital expenditure funding***		23,051	29,737	58,289	61,577
Asset renewal funding ratio%	90-100%	121%	108%	96%	96%
■ <u>Stormwater & Drainage</u>					
Projected capital funding outlays**		2,357	2,625	561	594
Divided by projected capital expenditure funding***		2,226	2,544	596	596
Asset renewal funding ratio%	90-100%	106%	103%	94%	100%

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

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

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

iii) **Asset Sustainability Ratio**

	Bench Mark	2015 \$,000's	2014 \$,000's	2013 \$,000's	2012 \$,000's
Capital Expenditure on replacement/ renewal of existing assets		3,077	4,524	4,668	5,929
Divided by annual depreciation expense		5,112	4,639	4,456	4,649
Asset sustainability ratio%	100%	60%	98%	105%	128%

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

	Capital Renewal Expenditure \$'000	Capital New/ Upgrade Expenditure \$'000	Total Capital Expenditure \$'000
Land	-	-	-
Buildings	-	141	141
Flood Levee Infrastructure	-	-	-
Furniture, Fittings, Office Equipment & Computers	46	118	164
Fleet	236	8	244
Plant	148	38	186
Road Infrastructure	2,546	543	3,089
Bridges	94	-	94
Stormwater & Drainage	7	727	734
	3,077	1,575	4,652

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

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

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise land and buildings as disclosed in Note 13 on page 36. A description of the valuation techniques and the inputs used to determine the fair value of this land and buildings is included below under the heading 'Land held for sale' and 'Buildings held for sale'.

(a) **Fair Value Hierarchy**

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1
Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3
Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2015. Comparative information has not been provided as allowed by the transitional provisions of AASB 13.

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 2015:	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
■ Land	14	-	10,020,340	-	10,020,340
■ Land under roads	14	-	1,772,111	-	1,772,111
■ Buildings	14	-	-	39,147,779	39,147,779
■ Roads Infrastructure	14	-	-	204,273,284	204,273,284
■ Bridges	14	-	-	25,623,263	25,623,263
■ Stormwater & Drainage	14	-	-	34,045,073	34,045,073
		-	11,792,451	303,089,399	314,881,850

As at 30 June 2014	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
▪ Land	15	-	10,135,340	-	10,135,340
▪ Land under roads	15	-	1,294,189	-	1,294,189
▪ Buildings	15	-	-	39,084,154	39,084,154
▪ Roads Infrastructure	15	-	-	177,410,103	177,410,103
▪ Bridges	15	-	-	24,939,938	24,939,938
▪ Stormwater & Drainage	15	-	-	32,216,208	32,216,208
		-	11,429,529	273,650,403	285,079,932
Non-recurring fair value measurements					
Assets held for sale					
▪ Land	13	-	47,563	-	47,563
▪ Stormwater & Drainage	13	-	257,437	-	257,437
		-	305,000	-	305,000

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

Council adopted AASB 13 *Fair Value Measurement* for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

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.

ii) Land Under Roads

Valuation of Land was determined by Councils Officers through application of the average land value of the adjoining land, the value of this adjoining land being determined by W.P. Coverdale the Valuer-General as at 1 July 2013, this fair value of land was determined using the approach described in point (ii) above.

iii) Buildings

The fair value of buildings was determined by Mr Murray A Bugg, Dip Val. AAPL, Independent Certified Valuer as at 1 July 2012. 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 2014.

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 1 on page 8.

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 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.

- Stormwater & Drainage

A full valuation of Stormwater & Drainage was undertaken by Consulting Engineers Pitt & Sherry as at 1 July 2013. 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 2014.

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.

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.

(d) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in Note 15 on page 37 (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) on page 14.

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).

CERTIFICATION

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 2015, 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 28th day of *September 2015*.

INDEPENDENT AUDIT REPORT



Independent Auditor's Report

To the Councillors of Northern Midlands Council

Financial Report for the Year Ended 30 June 2015

Report on the Financial Report

I have audited the accompanying financial report of Northern Midlands Council (Council), which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2015 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility 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 Section 84 of the *Local Government Act 1993*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the General Manager's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information or the asset renewal funding ratio in Council's financial report.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office

A handwritten signature in black ink, appearing to read "Jara K Dean".

Jara K Dean
Assistant Auditor-General Financial Audit
Delegate of the Auditor-General

Hobart
28 September 2015

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