

Northern Midlands Council Annual Report 2015/2016



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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

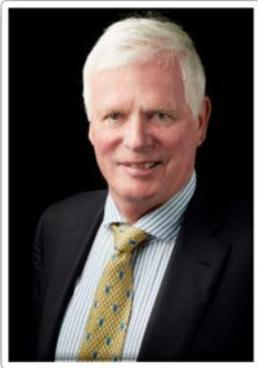
The Northern Midlands Council was created on the 2nd April 1993 from the merger of the former Municipalities of Longford, Evandale, Campbell Town and Ross, together with the towns of Rossarden, Avoca and Royal George from the Fingal municipality.

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 12,749 by the June 2015 ABS figures. This was 2.46% of the estimated State population that totalled 516,586.

MESSAGE FROM THE MAYOR



2015/16 was an exciting year in the Northern Midlands and it is with great pleasure that I present this Annual Report, highlighting the tribulations, and some trials this Council has seen in the last financial year.

Once again there has been a strong focus within Council on key projects and strategic plans. Several master plans have been prepared including:

- The preparations of a concept plan and feasibility study for the replacement of the Campbell Town War Memorial Oval Grandstand and Clubrooms.
- Development of a TRANSlink Stormwater Management Plan and Launceston Gateway Precinct Master Plan.
- Concept plan for the upgrade of the Perth Recreation Ground, including expansion of the playing oval.
- Preliminary plans for the upgrade and refurbishment of the Cressy War Memorial and Ross swimming pools.

Council is now in a position where it is “shovel ready” in the event that funding opportunities arise for these

plans to be progressed. During the Federal Election campaign the Liberal Government committed to funding 50% of the cost of the Campbell Town club rooms redevelopment, and it is envisaged this development will progress this financial year.

In September 2015 Council in conjunction with Northern Tasmania Development hosted a China Trade Delegation Sub-Forum. This saw a delegation of Chinese industry and government representatives visit the north of Tasmania, touring Launceston and parts of the Northern Midlands. The sub-forum was an opportunity to display to our international visitors the rich resources that Tasmania, and in particular the Northern Midlands boast.

Late 2015 saw the launch of a public campaign by the Council to recover the outstanding rate equivalent payments owed by the Launceston Airport. This long running and contentious issue is yet to be resolved, however, Council stands by its decision to pursue this dispute until a resolution is reached.

To summarise the dispute, the Launceston Airport is built on Commonwealth Government owned land. The Launceston Airport land is



leased from the Commonwealth Government by the Australia Pacific Airports Corporation (APAC). Commonwealth owned land is not subject to rate payments. However, the lease agreement between the Commonwealth and APAC provides that the Airport must pay rate equivalent payments to the Northern Midlands Council in respect to areas which generate an income. These areas are determined by the independent State Valuer General.

Until 2013 the Launceston Airport had paid the rate equivalent payments demanded by the Council as identified by the State Valuer General. In 2013 the State Valuer General revalued the land, which increased the rate equivalent payments due by APAC.

APAC refused to pay the increase, and further, reduced the amount of rates it had previously been paying. This has left Council out of pocket approximately \$300,000 each financial year.

The dispute hinges around which areas within the Airport land are subject to rate equivalent payments pursuant to the lease. The dispute comes down to a matter of interpretation of the lease.

Council continues to pursue this issue and is seeking the support of the Federal Government to legislate to resolve the issue and ensure that all ratepayers in this municipality are being treated equally and subject to the same rate calculations.

The 26th of January 2016 saw the holding of the annual *Northern Midlands Council Australia Day event (photo below)* at the Village Green, Longford. Council awarded Citizen of the Year, Young Citizen of the Year and Community Event of the year awards. The successful recipients were: Barbara Baker, Georgia Baker and Woolmers Festival of Roses.



In 2016 Council also incorporated Volunteer Recognition into its Australia Day event which saw twelve volunteers in our community and one volunteer organisation recognised for their invaluable contributions to our community. The formal ceremony was followed by activities and a community BBQ which was well attended by the Northern Midlands community.

Once again the Northern Midlands has been lucky to play host to a range of events throughout the year including: *ANZAC Day celebrations at Evandale (photo previous page)*, the Woolmers Festival of Roses, the Norfolk Plains Jazz Festival, Campbell Town Show, Glover Art Exhibition, Evandale Village Fair, Picnic at Ross, Ross Rodeo, Avoca Spring Festival and the Cressy Trout Expo, to name just a few.

I am pleased to confirm that Council, at its meeting of 18 April 2016 agreed to contribute to a new Rhythm X Supercross Event over a period of three years. This event will see a supercross track developed at Symmons Plains, the only track of its type in Australia. Council is excited to contribute to such a unique event that will be held right here in our backyard.

In April this year we saw the retirement of Works & Infrastructure Manager, Mr Wayne Chellis, after almost 25 years in the position. Wayne came to the Northern Midlands in 1991, and his commitment to the role has been unwavering throughout

his tenure. Wayne has focused on improving the road network within the municipality and I am proud to say our road network is one of the best in the state.

Wayne was a friendly and approachable leader of our Works & Infrastructure team and on behalf of Council I wish Wayne the very best in his retirement and thank him for his dedicated service over the years.

In June 2016 the Northern Midlands experienced significant flooding. The Longford flood gates were installed and the flood waters peaked at 7.3m, 1.7m below the levy height of 9 metres.

I wish to take this opportunity to mention and thank all Council staff, particularly the outdoor staff who worked tirelessly during the flood event, and in the days and weeks following to clean up the community after the damaging event. On behalf of Council I wish to thank these staff, and the community for heeding warnings and complying with direction during this time. I also take the opportunity to acknowledge the other areas affected by flooding in Tasmania during June.

Council has been fortunate in the receipt of funding through the Federal Government Bridge Renewal Program, for the replacement of the Westmoor Bridge on Powranna Road which was opened on 13 May 2016, and also for the replacement of the Lake River Bridge on Macquarie Road. It is a credit to Council officers for their effort placed into Council's funding applications, the reason we have been so successful in obtaining funding through this program. *(Photos – Macquarie River in flood at Westmoor Bridge.)*

In closing, I wish to acknowledge and thank my fellow Councillors, Management and Staff for their ongoing support and effort throughout the year. There are exciting times ahead for the Northern Midlands with many development opportunities and facility upgrades in the planning stages. I look forward to working with Council and staff to see these projects to fruition.



D J Downie
David Downie
MAYOR





GENERAL MANAGER'S REVIEW

It has been another successful year and this report is an opportunity to outline our achievements. I would like to thank those involved in the successes of 2015/2016 as the Council has worked diligently and consistently to build its position as a leader in the region and its commitment to the community.

While the Northern Midlands Council, comprising the Councillors and staff, are responsible for good governance of the Council, this Council has worked in association with our northern council neighbours and Northern Tasmania Development towards a new governance model for economic development in the region. It is expected the new company, known as Northern Tasmania Development Corporation Limited (NTDC) will be established in early 2017.

The new organisation will provide proactive regional leadership, engage with business and the shareholders to consolidate an agreed vision and implement a strategic economic action plan based on the Northern Regional Futures Plan framework. The organisation will be a strong advocate to government and investors to promote the region. The organisation will be governed by a skills-based board and independent chair, with the majority of membership coming from the private and community sectors.

The inaugural funding will comprise the current funding model of Northern Tasmania Development i.e. member Councils as major shareholders. It will be the intent of the new organisation to raise further funding support from other private and government sources, which must also be strategically aligned. The new organisation will also adopt a process to determine the top regional priorities and to give these the necessary focus to ensure successful outcomes.

Council has over the past twelve months worked on the development of the Northern Midlands Strategic Plan 2017/2027 and at the same time been reviewing and preparing a draft for community consultation. The draft Strategic Plan 2017-2027 is based on a number of strategic priorities that are of local, regional and state significance.

The Strategic Plan will be a key driver of Council business and together with the finalisation and implementation of the associated strategic documents will establish our direction for many years to come. The aspirations and outcomes for 2017-2027 are:

- Lead and Progress
 - Lead
Serve with Honesty, Integrity, Innovation and Pride
Council is committed to strong advocacy and community collaboration. Living responsibly within our means, through transparent financial planning and governance. Staff culture espouses integrity, honesty and pride.
 - Progress
Economic Health and Wealth – Grow and Prosper
Our infrastructure growth builds capacity and economic sustainability. We support diverse, innovative, independent business and industry. We thrive with strong collaborative regional partnerships.
- People and Place
 - People
Culture and Society
A vibrant future that respects the past. Diverse towns and villages service a rural-based industry. Connectivity challenges are innovatively managed to unite disparate communities. Equitable delivery of quality assets, programs and services supports sustainability.

- Place

Nurture our Heritage Environment

We cherish the historical heritage of our culture and all its people. It is firmly embedded in planning for the future – an enviable place to live, work and play. We protect our environment and work with business and industry to protect inherent values.

During this reporting period, Council has also eagerly awaited a commitment from our northern council partners and the State Government to progress a joint investigation into a shared services model. All parties having agreed that the local government reform process should first commence with a benchmarking exercise of financial and service delivery measures using an independent consultant with local government experience.

The participating councils have agreed to jointly fund 50% of the project with the other 50% funded by the State Government. The project will commence in late 2016.

I would like to take the opportunity to recognise the efforts of the staff who work tirelessly to ensure the community enjoys the many services and facilities, programs and events provided by the Northern Midlands Council. I also thank the Mayor and Councillors for their ongoing support throughout the year, acknowledging the good working relationship that exists between the Mayor, Councillors and staff; a unified, stable and financially sustainable Council.



Des Jennings
GENERAL MANAGER



*Management Team:
Maree Bricknell – Corporate Services Manager; Amanda Bond – Regulatory & Community Services Manager
and Des Jennings – General Manager*



*Lorraine Green -
Economic &
Community
Development
Manager*



*Duncan Payton –
Planning &
Development
Manager*



*Wayne Chellis –
Works &
Infrastructure
Manager*

*Officers who have served on the Management
Team during 2015/2016*

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 960 kms roads and 10,448m² bridge deck area; more than any other council in the state.
- Council's annual turnover (all functions) in 2015/2016 was \$15.0 million (2014/2015 \$18.1 million).
- In 2015/16, 63% of the total recurrent revenue of the municipality came from rates; 13% from Government Grants, the remainder from user fees and other sundry revenue.
- Many of the features that make the Northern Midlands unique also present some challenges for Council and residents, such as
 - the size of the Council area: although large, is an area with overall low population density, generating its financial resources from a comparatively small number of ratepayers;
 - the various constituent communities: these have different levels of involvement in local government activities and services, and vary widely in their priorities and objectives.



FACILITIES MAINTAINED

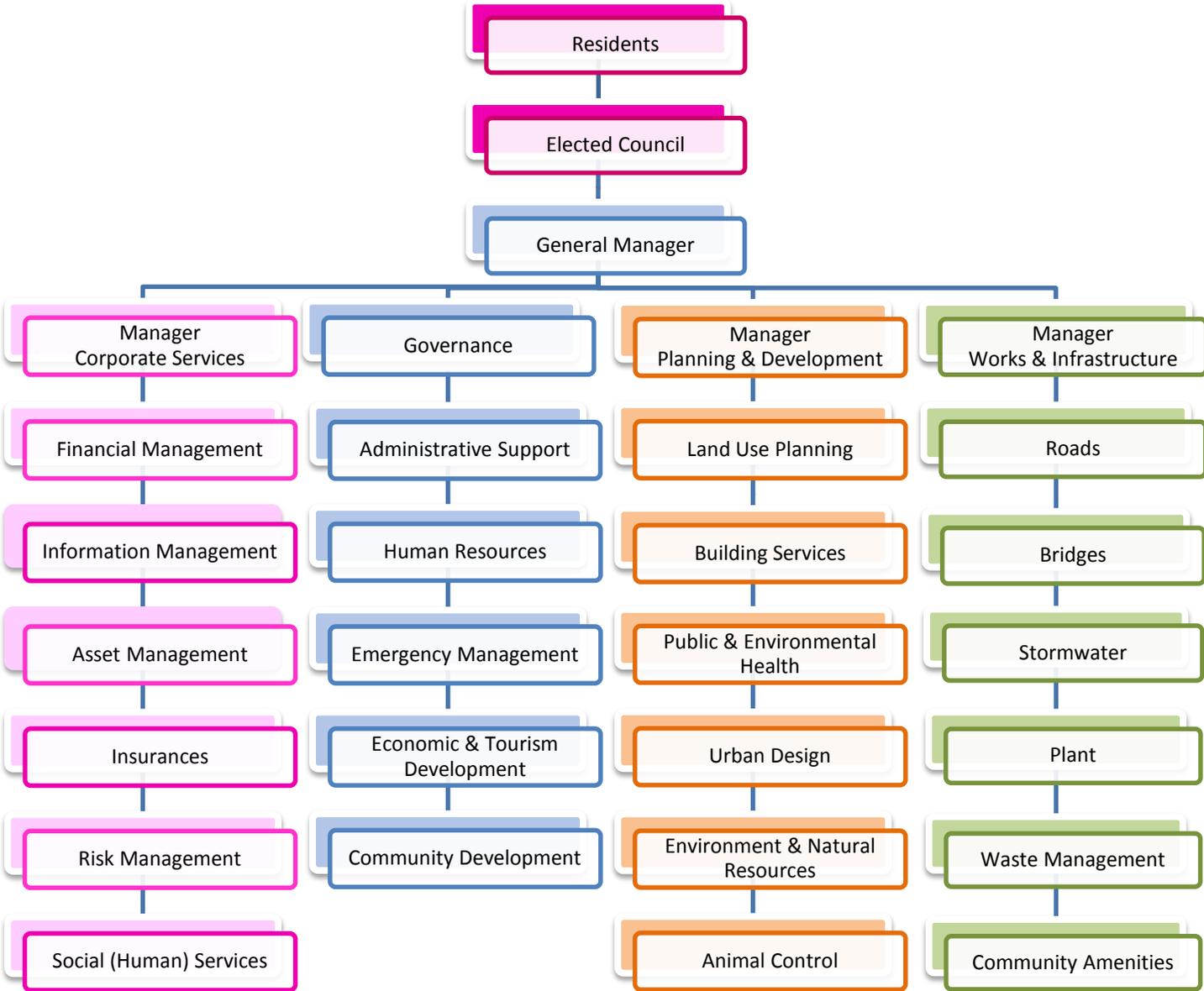
- 573kms of sealed roads
- 124 concrete structures (9,272m²)
- 387kms of unsealed roads
- 16 timber deck bridges (1,176m²)
- 8 ovals for sporting activities
- 24 community halls/centres
- 2 caravan parks
- 3 swimming pools
- 7 waste transfer stations

Council controls property, plant and infrastructure assets amounting to \$240.2 million; including \$37.8 million of land and buildings, \$156.4 million of roads and bridges and \$30.3 million of stormwater.

OUR STAFF

2015/2016		
Status	No. of Employees	FTE
Permanent	70	63
Casual	12	2
2014/2015		
Status	No. of Employees	FTE
Permanent	61	55
Casual	19	4

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 2015/2016:

Monday	20 July 2015	Monday	16 November 2015	Monday	21 March 2016
Monday	17 August 2015	Monday	14 December 2015	Monday	18 April 2016
Monday	21 September 2015	Monday	18 January 2016	Monday	16 May 2016
Monday	19 October 2015	Monday	15 February 2016	Monday	27 June 2016

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;
- Works & Infrastructure; and
- Corporate Services;
- 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		
2015/16	2014/15	2013/14
89.7%	89.8%	89.5%
TOTAL REIMBURSEMENTS		
2015/16	2014/15	2013/14
\$192,688	\$192,373	\$181,833
NUMBER OF ITEMS CONSIDERED BY COUNCIL		
2015/16	2014/15	2013/14
390	356	359

COUNCILLOR ALLOWANCES & REIMBURSEMENTS		
	2015/2016	2014/2015
Mayor Downie	\$56,706	\$46,242
Deputy Mayor Goss	\$27,149	\$24,268
Cr D Adams	\$14,054	\$10,589
Cr A Calvert	\$14,049	\$16,466
Cr I Goninon	\$14,054	\$16,166
Cr L Gordon	\$15,069	\$10,918
Cr M Knowles	\$20,371	\$17,524
Cr J Lambert	\$15,204	\$14,386
Cr M Polley	\$16,032	\$9,660

COUNCILLOR ATTENDANCE										
Councillor										
Date	Meeting	Adams	Calvert	Downie	Goninon	Gordon	Goss	Knowles	Lambert	M Polley
20/07/15	Ordinary	✓	✗	✓	✓	✗	✗	✓	✓	✗
17/08/15	Ordinary	✓	✓	✗	✓	✓	✓	✓	✓	✓
21/09/15	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
14/10/15	Special	✓	✗	✓	✓	✗	✗	✓	✓	✓
19/10/15	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
16/11/15	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✗
08/12/15	Annual	✓	✓	✓	✓	✓	✓	✓	✓	✓
08/12/15	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/01/16	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15/02/16	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✗
21/03/16	Ordinary	✓	✓	✓	✓	✗	✓	✓	✓	✓
18/04/16	Ordinary	✓	✓	✓	✓	✓	✓	✗	✓	✓
16/05/16	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
27/06/16	Ordinary	✓	✓	✓	✓	✗	✓	✓	✓	✓

ELECTED MEMBERS OF COUNCIL

Nine (9) Councillors elected by the community under a single electoral district.



*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*

The Mayor and Deputy Mayor were elected by public polls in until the next election, which is to be held in October 2018.

MAYOR DAVID DOWNIE

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

DEPUTY MAYOR RICHARD GOSS

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

COUNCILLOR DICK ADAMS

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

COUNCILLOR ANDREW CALVERT

I am a family man and live at Longford. I was elected 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 Tourism Region 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.

MEMBERS WHO HAVE SERVED ON DISTRICT COMMITTEES IN THE 2015/2016 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	Ms S Jones*
	Mrs S Freeman	Mr G Cobb*	Mr T Gee*	Ms J Allen	
Campbell Town District Forum	Chairperson	Mrs J Clarke		Councillor	Cr L Gordon
	Members	Mr M Roach	Mrs J Davis	Mr J Ashman	Mr O Diefenbach
	Mrs J Lyne	Mr B Perkins	Ms S Hills	Mrs D Thomas	Mrs L Double*
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	Mr D Bassett	Mrs M Taylor	Mrs A Green	Mr D Rowbottom
Evandale Local District Committee	Chairperson	Mr J Lewis	Councillors	Cr J Lambert	Cr M Knowles
	Members	Mr R von Bibra	Mr P Page	Mr C Plaisted*	Mr S Baldock*
	Mr T Terhorst*	Mrs C Brown	Mr A Jobson*	Mrs H Houghton	Mrs R Whitmore*
	Mrs K Heathcote				
Longford Local District Committee	Chairperson	Mr L Grant		Councillor	Cr D Adams
	Members	Mr H Galea*	Ms D Alty	Mr J Cauchi	Mr A Morehouse*
	Mr R Wever*	Ms S Imlach*	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 C Robinson	Councillors	Cr A Calvert	Cr L Gordon*
	Members	Mrs J Bennett	Mr K Draper	Mrs D Cadogan-Cowper	Mrs N Brown
	Mr A Cameron	Mrs F Doe	Mr H Johnson	Mr A Thorpe	

* 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 as identified in the Annual Plan for 2015/16.

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 facilitate local community input on the directions and priorities for local economic development,
- To support 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 2015/2016 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 Lake River Bridge on Macquarie Road and Westmoor Bridge on Powranna Road at Cressy;
- Continued participation in Beacon Foundation's / Northern Midlands Business Partnership Group that assists local high school students to improve their employability skills, explore career opportunities and undertake 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 and development of the Longford Activation Plan;
- 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;
- The continuation of the Chambers Alliance with the Tasmanian Chamber of Commerce and Industry;
- Developing following CBD Master Plans: Perth Structure Plan, Campbell Town Urban Design and Traffic Management Strategy, and Longford Township CBD Urban Design Strategy;
- Collaborating with Northern Midlands Business Association to establish a truckwash facility at Roberts Saleyards, Powranna;
- Collaborating with stakeholders to progress the Launceston Gateway Precinct Master Plan by undertaking a freight demand analysis.

Ongoing projects of significance included the extensive online promotion of the business development opportunities in the TRANSlinc 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 to 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 2015/2016 included:

- Participation in a variety of emergency managements forums and exercises;
- Participation in Northern Health Providers Network meetings sharing information on available services in our community;
- Continuation of the Northern Midlands Further Education Bursary Program;
- Becoming a refugee welcome zone.

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 2015/2016 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;
- Developing master plans for the Campbell Town War Memorial Oval Precinct Development, the Northern Midlands Community Sports Centre, the Perth Recreation Ground, Longford Recreation Ground, and Cressy and Ross Swimming Pools;
- Continuing development of Honeysuckle Banks Master Plan (Evandale);
- Funding secured and finalised design work for Longford Destination Play Space and Play Ground;
- Continuing development of Perth Community Centre Master Plan;
- Finalising Perth Recreation Ground Master Plan.

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 2015/16 which provide a framework for Council to create, renew and maintain major infrastructure in a sustainable manner.

During 2015/2016 Council spent \$3.3 million towards upgrading the road network and \$2.2 million towards maintaining the road asset base. An amount of \$2.3 million was spent on replacement of one (4) bridges, and \$224,517 on additional stormwater assets recognised.

FUTURE FUNDING

Council continues to object to the problem of continued reallocation of responsibilities to Local Government from the State and Federal Government without commensurate financial support. Council welcomes the additional Federal Government Roads to Recovery Program funding allocated 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 and the Bridge Renewal grant program.

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

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

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);

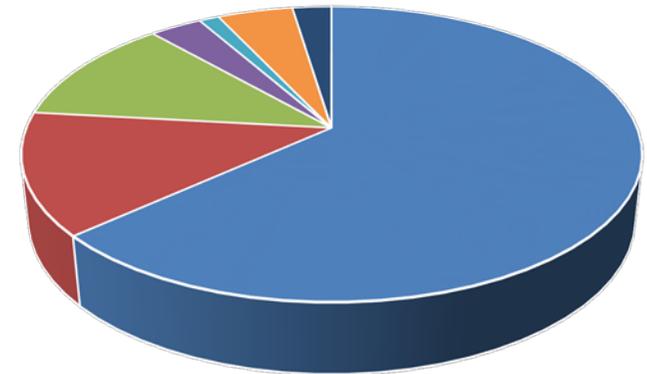
during the financial year.

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.

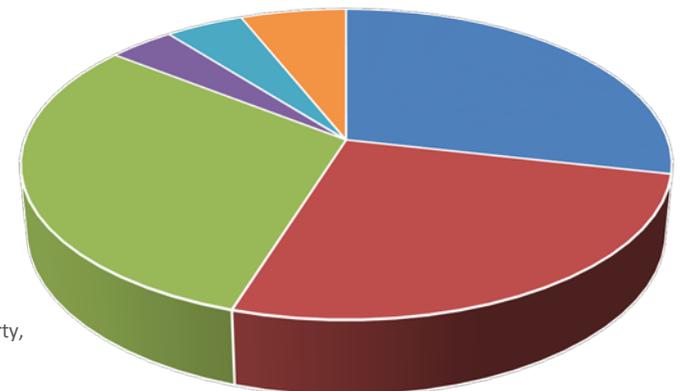
Where the dollars come from
Operating Income \$15,061,893

- 63%-Rate Revenue
- 13%-Grants
- 13%-User Charges
- 3%-Interest
- 1%-Reimbursements
- 5%-Investment revenue from Water Corporation
- 2%-Other



Where the dollars go
Operating Expenditure \$17,402,532

- 28%-Employee Benefits
- 26%-Materials & Services
- 31%-Depreciation and Amortisation
- 4%-Government Levies & Charges
- 5%-Net loss/(gain) on disposal of property, Infrastructure, Plant and equipment
- 6%-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.



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

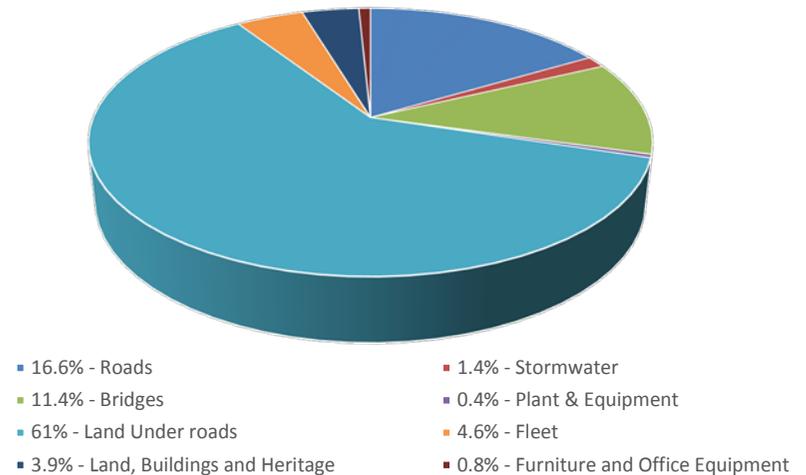
This is the term used to describe the components of the Net Assets, which are:

- 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.

Total Property, Plant & Infrastructure Asset Value



**2015/16 Assets Purchased/Constructed/Received
\$20,770,691**



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 PROGRAMS

GOVERNANCE

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

Objective:

Governance

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

Performance:



12 Ordinary Meetings and 1 Special Meeting were held during 2015/2016. 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 14 December 2015.

Councillors had a Bus Tour of the municipal area, meeting community groups and assessing budget priorities on 6 April 2016 (photos).

Local District Committees at Evandale, Campbell Town, Ross, Longford, Cressy, Perth and Avoca, Royal George & Rossarden, continued to provide valuable input into various issues considered by Council throughout the year.

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

Council

- reviewed its Delegation Register
- Completed a Legislative Audit.

Adopted/reviewed the following Council policies:

- Access to Units Policy
- Asset Management Policy
- Australia Day Awards & Volunteer Recognition Policy
- Code of Conduct for Elected Members

- Contractual Insurances
- Copyright Policy
- Council Chambers, Longford - Use
- Councillors Allowances, Travelling & Other Expenses
- Council's CCTV Program & Code of Practice
- Customer Service Charter
- Fencing Reserves – Contribution
- Illawarra Road Advertising Signs Policy
- Management of Donated Goods After a Disaster
- Meeting Procedures
- Reduction in Planning Application Fees for Community Projects
- Reporting Policy
- Rural Refuse Collection Service
- Town Entrance Statement Policy
- Use of Northern Midlands Council Logo
- Work Health & Safety Policy.

Councillors attended the following conferences and seminars during the year:

- 8 July 2015 - Cr Adams - National Regional Community Engagement Innovation Working Group at Campbell Town.

- 22-24 July 2015 - Mayor Downie and Cr Adams - Local Government of Tasmania annual conference held in Hobart.
- 17-20 November 2015 - Cr Polley - ALGA National Local Roads & Transport Congress in Ballarat.
- 20-21 February 2016 - Crs Gordon, Knowles and Polley - Elected Members Professional Development training in Hobart.
- 17-18 May 2016 – Crs Gordon and Polley - 2016 Future of Local Government National Summit held in Melbourne.
- 19-22 June 2016 - Mayor Downie and Cr Adams - 2016 National General Assembly of Local Government in Canberra.



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:

Northern Midlands Council participated in a sub-forum of Chinese delegates visiting Tasmania to explore setting up friendships / relationships to enhance cooperation on economic, education, cultural and business matters.

Council lobbied Government

- to enforce the provisions of the lease agreement between Australia Pacific Airports Corporation (APAC) and the Commonwealth Government to ensure the payment of Launceston Airport's ex-gratia rates payments to Council
- for funding for the upgrade of water and sewer infrastructure by TasWater
- to support the Tasmanian Freight Equalisation Scheme
- to support a tyre recycling solution for Tasmania
- for support/funding for:
 - Campbell Town War Memorial Oval Redevelopment
 - Longford Community Centre Redevelopment
 - TRANSlink Stormwater Infrastructure Improvements

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

- an advert in the *Your Region* section of Tuesday's Examiner;
- a two page monthly publication in the Country Courier Newspaper; and
- via Facebook – media releases.

Council's Australia Day event was held at Victoria Square (Village Green), Longford. The event was well attended and included the presentation of Council's Australia Day Awards and for the first time in 2016, recognition of volunteers who positively contribute to the community. The following Australia Day Awards were presented:

- Citizen of the Year 2016: Barbara Baker
Barbara was selected for this award as a result of her continued commitment to the community, in particular for her dedication to a range of projects and organisations such as the Mill Dam Improvement Project, the Helping Hand Association, Toosey Aged Care, St Augustines Catholic Church, and her advocacy for improved palliative care.

- Young Citizen of the Year 2016: Georgia Baker
Georgia was selected for this award as a result of her outstanding achievements in cycling, locally, nationally and internationally and her representation of the community in this sport.
- Event of the Year 2016: Woolmers Festival of Roses.
The second consecutive year the festival has won the award - the time and commitment put into the event sees this iconic event continue to grow with the Festival being an absolute standout.

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

- Campbell Town Urban Design and Traffic Management Strategy
- Cressy Swimming Pool Master Plan
- Honeysuckle Banks Master Plan (Evandale)
- Longford Township CBD Urban Design Strategy
- Longford Destination Play Space and Play Ground
- Perth Community Centre Master Plan
- Perth Recreation Ground Master Plan
- Perth Structure Plan
- Ross Swimming Pool Master Plan

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.

Objective:

Human Resources

The Human Resources/People & Culture framework aims to consistently operate at best practice standard, ensuring legislative compliance and open and transparent conversations. Similarly, it promotes professionalism, employee satisfaction and high productivity by ensuring the right employees are in the right positions.

Performance

Council continues to add to its Human Resources Policy Manual and has developed policies pertaining to the following subject matters: Employee Entertainment & Hospitality Expenditure, Recognition of Service and Sun Protection. Council also reviewed and made amendments to the following policies and/or procedures: Alcohol & Other Drugs, Health & Wellbeing and Recruitment and Selection during the reporting period.

During the 2015 – 2016 reporting period, the following employees were presented with service milestone certificates:

- Peter Lehner (20 years)
- Robert Pitchford (20 years)
- Duncan Payton (10 years)
- Fiona Dewar (10 years)
- Jonathan Galbraith (10 years)

Council recruited high calibre candidates over the past twelve months, to take on important positions within the organisation. In June 2016, our new Work Health and Safety Officer commenced, bringing with him tremendous experience and valued qualifications which will place Council well to progress forward.

Council also bid farewell to long serving employees during the reporting period. These included *Wayne Chellis (Photo)* and Selwyn Rogers, from our Works and Infrastructure Department, both deciding it was time to retire. Lorraine Green from our Economic & Community Development Department stepped down from manager to take up a part time project officer role. Duncan Payton and Rob Hallam from our Planning and Development Department, by reason of redundancy. We also had a few employees who chose to move on and take up new challenges, these included: Sandra Stojkovski, Michael Higginson, Georgie Pantou, Cathie Dare, Lisa Petersen and Jane Douce.

Council continued to support employees to further their education during the 12 month period.



Council also provided Customer Service training to all indoor employees and some of the outdoors workforce in May this year. The training focused on how employees could strengthen their customer relationship techniques by utilising effective customer service strategies, ultimately resulting in increased customer satisfaction.

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

Employees participated in the annual Performance Appraisal and Development Process, which is a review of their performance over the past twelve months and an opportunity to identify any professional development over the next six to twelve months.

Council negotiated and adopted a new 'Northern Midlands Council Enterprise Agreement 2016-2019' and provided all employees in Year 1 with a 1.75% wage increase (with a minimum increase of \$18.50 per week) in the first full pay period after 1 July 2016.

Total payroll cost in 2015/2016 was \$4,403,551 compared to \$4,034,844 in the previous year. Other employee costs including payroll tax, superannuation, workers compensation insurance, corporate uniform and leave provisions amounted to \$913,134 (\$753,205 previous year).

Senior Staff Remuneration		2015/2016	2014/2015	2013/2014	2012/2013
Between \$ 200,000 - \$ 220,000				1	
Between \$ 160,000 - \$ 180,000		2			1
Between \$ 140,000 - \$ 160,000			3	1	
Between \$ 120,000 - \$ 140,000		3	2	3	2
Between \$ 100,000 - \$ 120,000		1	1	2	4
Total Remuneration		\$ 844,536	\$ 807,676	\$ 967,954	\$ 862,403
Specific Data		2015/2016	2014/2015	2013/2014	2012/2013
Payroll costs		\$ 4,403,551	\$ 4,034,844	\$ 3,963,897	\$ 3,827,768
Superannuation contributions		\$ 498,701	\$ 461,742	\$ 439,582	\$ 456,001
Workers Compensation Insurance/Expenses		\$ 169,619	\$ 130,847	\$ 110,602	\$ 85,015
Annual & Long Service Leave Provisions		\$ 1,172,384	\$ 1,187,640	\$ 1,284,423	\$ 1,423,231
% of Payroll Capitalised		8.1%	8.1%	5.0%	8.1%
Permanent Staff		63 EFT	55 EFT	54 EFT	60 EFT
Casual		2 EFT	4 EFT	3 EFT	4 EFT
Sick Leave Taken/Permanent Employees (paid days)		4.8	8.3	6.0	9.0

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:

Secured funding through the Bridges Renewal Program for the replacement of the Lake River Bridge, Macquarie Road, Cressy.

Prepared a funding applications to Round Three of the National Stronger Regions Fund for the TRANSlink Precinct Stormwater Renewal Program, the development of the Campbell Town Oval precinct.

Partnered with Parks and Wild Life Service and other key stakeholders to progress the implementation of the recommendations of the Investment in Ben Lomond Skifield Northern Tasmania Feasibility Study.

Managed the consultancy briefs for the Longford CBD Urban Design Strategy, the Campbell Town Urban Design Strategy and the Ross Town Square Master Plan.

Collaborating with Northern Tasmania Development on the development of the Asia Engagement Strategy.

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

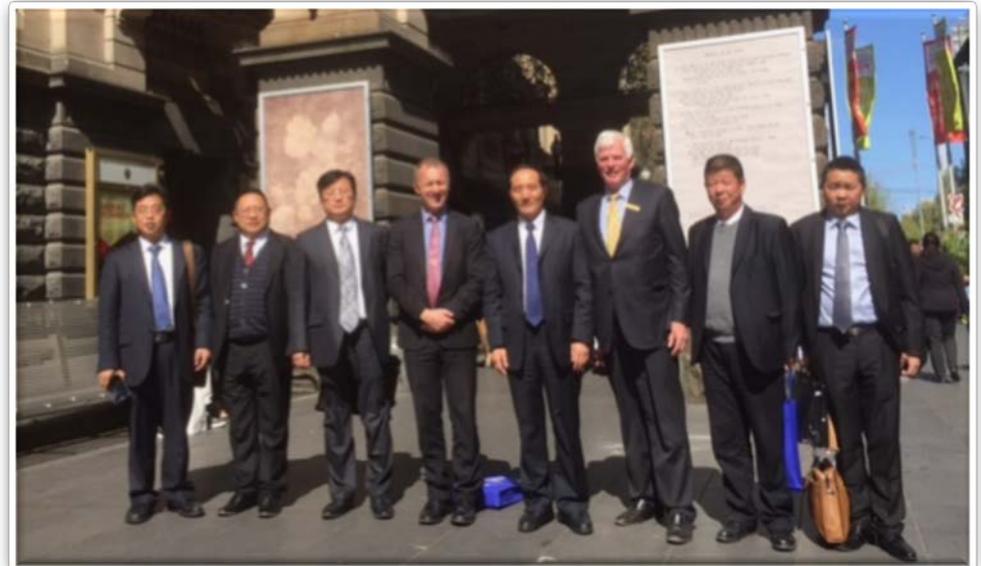
Supported the Northern Midlands Business Association Inc. (NMBA) \$5,970 plus secondment of Council's Economic and Community Development Manager to serve as the Association's Executive Officer for the equivalent of one day per week.

Collaborated with the NMBA on:

- The preparation of a funding application to Round Three of the National Stronger Regions Fund for a Truck Wash Facility at Powranna;
- The continuation of the TCCI Chambers Alliance by participation in the Chambers Alliance quarterly meetings;
- Planning towards a '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;
- The ongoing management and upgrading of the Northern Midlands Business

Promotion and Visitor Information Centre at JJs Bakery, Longford;

- The provision of networking events for Northern Midlands business owners and operators including a 'tour and tipple' to the new distillery at Shene, Pontville;
- The management of the TRANSlink billboard on Evandale Main Road that promotes Northern Midlands events and tourism attractions;
- A TRANSlink business owners/operators networking and issues identification forum;
- Progressing the implementation and consolidation of the Beacon Foundation's Northern Midlands Business Partnership Group that assists Northern Midlands high school students to improve their employability skills, explore career opportunities and undertake authentic work experience;
- The development of a new, comprehensive TRANSlink prospectus, in collaboration with the Department of State Growth.



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 consultancy briefs for the Perth and Longford Recreation Grounds Master Plans.

Prepared a funding application to the Regional Revival Fund Grant Program for the Major Upgrade of the Northern Midlands Community Sports Centre.

Coordinating the *Longford Destination Play Space (photos)* and Playground project and community consultation, in collaboration with Playground Designers, Ultimate Play.

Managed the consultancy brief for the Honeysuckle Park Master Plan (Evandale).

Prepared an application to the 2016 Cycling Luminaries Awards for the Longford Velodrome that was short listed as a finalist.

Facilitated the introduction of Active Launceston's Strength to Strength Exercise Program at Longford and Campbell Town.

Assisted Health Revival Longford with efforts to secure grant funding to expand the range of programs and equipment at the Northern Midlands Community Sports Centre.

Partnered with local cycling clubs to hold a Turbomeet at the Longford Velodrome September 12 2015 during which Council was presented with the award for winning the 2015 Heart Foundation Local Government Award (Councils under 25,000 residents) for initiatives that create a healthy community.

Collaborated with Cycling Australia to hold a stage of the prestigious 2016 Tour of Tasmania in the Northern Midlands.



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:

Managed the consultancy to develop the Longford Place Activation Plan, and the implementation of the recommendations of the Plan.

Assisted Tourism Northern Tasmania with the development of the Investing in Tourism: Tourism Infrastructure Audit for Northern Tasmania, and Tasmania's Visitor Engagement Blueprint.

Collaborated with Woolmers Estate to introduce a new, potentially major event to the Northern Midlands Events Calendar: the "Woolmers Woof, Wag and Walkies" Dogs Day Out.

Commenced working with Tourism Northern Tasmania to trial 'Tourism Tribe', a social media digital training portal facility, with Northern Midlands tourism operators.

Coordinated the Northern Midlands Visitor Centres Network that facilitates face-to-face and online liaison between the local visitor centres, and via registering the Ross and Evandale Visitor Centres as members of the Tasmania Visitor Information Network, enabling the visitor centres to access TVIN training and resources.

Supported Tasmania's Heritage Highway Tourism Region Association Inc. (HHTRA) with \$18,000.

Supported and promoted Special Events within the area and provided \$42,509 grants to:

■ ANZAC DAY	\$15,504
■ Australia Day Celebrations & Volunteer Recognition	\$3,158
■ Avoca Spring Festival	\$300
■ Blessing of the Harvest	\$327
■ Camp Quality , Rock & Rod Fundraiser	\$248
■ Evandale Village Fair	\$894
■ Fusion Australia Day Family Festival	\$500
■ Longford Kermesse Cycling Races	\$3,122
■ Longford Plains Jazz Festival	\$573
■ Longford Cup	\$1,000

Worked with the HHTRA Board to:

- Research the stories of convicts involved with the construction of Campbell Town's Red Bridge as a perquisite to the develop of convict-themed experiences/products;
- Implement an intensive online and social media promotional campaign for the Heritage Highway Region;
- Develop and implement the Association's 2015/2016 Business Plan;
- Plan and implement the innovative 'Visit with Conviction' promotional campaign;
- Represent the Heritage Highway Region at the quarterly Tourism Northern Tasmania Local Tourism Association forums;
- Provide a Voices from the Graves performance at Christ Church Longford as part of the 2016 National Trust's Heritage Festival;
- Develop a new, contemporary Heritage Highway website.

■ Longford Fun Run	\$205
■ Longford Show	\$1,396
■ Longford Folk Festival	\$5,415
■ Longford Turbomeet	\$2,057
■ Longford – The Cleaner Celebrations (photo – next page)	\$1,369
■ Longford – Event Promotion Boards	\$938
■ P E Green Memorial Cycling Road Race	\$350
■ Remembrance Day	\$134
■ Ross Marathon	\$208
■ Rossarden Isolated Children's Christmas Trip	\$689

- RSL Longford National Servicemen's Reunion \$302
- Tas Municipal Bowls Championships Longford \$500
- Tasmanian Trout Fishing Expo (Cressy) \$1,512

- Woolmers Festival of Roses \$917
- Yard Dog Trials \$37
- Other Events Program expenses \$686



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.

Council administers the Lake River Riverworks District funds to minimise environmental harm and risk within the boundaries of its district, complying with the Water Management Act 1999 and its closing funds amounting to \$3,367.

Special Committees represent \$230,824 (including Council maintenance grants) operating income and \$230,261 operating expenditure in Council's financial statement. Special Committees capitalised assets of \$10,018 in 2015/2016 and ended the year with \$261,738 net assets.

Special committees of Council managed the following facilities during 2015/2016:

- Avoca Hall/Community Centre
- Avoca Museum and Information 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 Recreation Ground
- Morven Park Recreation Ground (Evandale)
- Perth Community Centre
- Perth Recreation Ground
- Ross Recreation Ground & Swimming Pool

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:



Facilitated Council becoming a Refugee Welcome Zone by signing the Refugee Welcome Zone Declaration.

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

Participated in the quarterly Northern Midlands Health Service Providers forums.

Supported program for local youth including:

- Contracted National Joblink to provide mentoring programs at Cressy and Campbell Town District High Schools;
- Contracted the Longford and Launceston PCYCs to provide weekly youth activity programs at Longford, Perth and Evandale;
- Supported the Inspiring Futures Program in the Campbell Town and Cressy District High Schools.

Participated in Regional Social Recovery training, networking forums and exercises, and provided social recovery services during the June 2016 flood events at Longford, then participated in the debriefing sessions after the flooding events.

Prepared a funding submission for Eating Disorders Association Tasmania for a statewide community education program, including facilitation of the program evaluation by UTAS.

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.

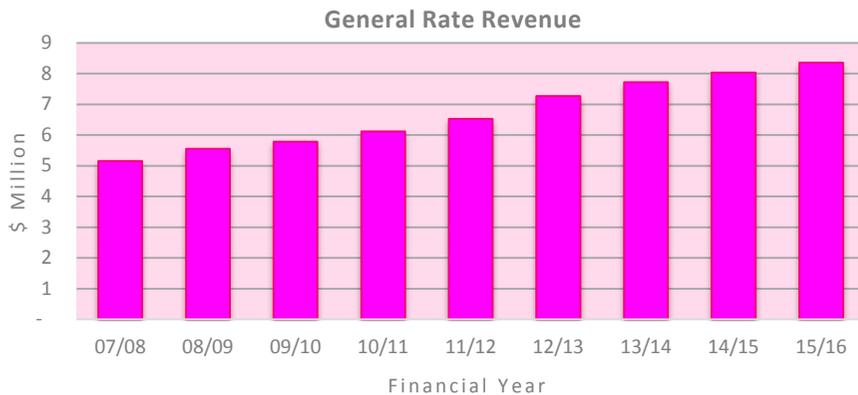
Performance:

Adopted a 2015/2016 Annual Plan and Budget on the 22 June 2015.

The Financial Statement for the year ended 30 June 2016 is appended to this report; included is the Independent Audit report provided by the Tasmanian Audit Office.

Council adopted/reviewed the following Council policies during the year:

- Rates & Charges
- Investment of Council Funds
- Asset Management
- Code of Tendering & Procurement



Council's recurrent revenue during 2015/2016 was \$15.0 million, capital income \$16.3 million resulting in total income of \$31.3 million. Operating expenditure was \$17.4 million, which resulted in a surplus of \$13.9 million.

The surplus would have been close to the 2015/2016 budgeted surplus of \$1.2 million, with the exception of the initial recognition of all land under road assets this year which amounted to \$12.7 million.

Rate Revenue continued to be raised via a differential rating system in 2015/2016 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 2.48% resulting in total rate revenue amounting to \$9.5 million or 64% of operating revenue and was generally within budget expectations. Rate receivables at 30 June 2016 represent 14.3% (June 2015 11.1%) of rate revenue (or 2.5% with the debt impairment adjustment). The increase mainly due to one large rate debtor.

Commonwealth Financial Assistance Grant Revenue decreased by \$160,000 in 2015/2016 to \$3.465 million (adjusted for advance payments). Grant revenue last year includes advance Financial Assistance payments of \$1.79 million.

In addition, Council received \$3,565,129 special grant funding for projects including:

■ Roads to Recovery	\$ 2,136,758
■ Westmoor Bridge Replacement	\$ 921,559
■ Rural & Remote Child Care	\$ 180,041
■ Perth Childcare & Kids Club	\$ 77,869
■ Heavy Vehicle Motor Tax	\$ 68,421
■ Black Spot Road Funding	\$ 123,690
■ Vulnerable Road Users – Elizabeth Street footpath	\$ 35,000
■ Employee Traineeships	\$ 14,955

■ NMC Marquees	\$	5,238
■ Australia Day celebrations	\$	1,600

Non-monetary contribution revenue is some \$0.139 million above the amount budgeted to receive in 2015/2016 due to the handover of more than expected subdivision assets.

Investment revenue from TasWater dividend/tax equivalent income remained at \$702,000 for full year non-priority distributions being allocated to councils in 2015/2016.

Operating Expenditure for the year was \$0.38 million higher than budgeted mainly due to depreciation being \$223,333 greater than budget after revaluation/componentisation of building assets; and net loss on disposal of assets mostly due to no provision for the disposal of the Royal George Hall.

Depreciation actual cost increased from the previous year to \$5.3, also due to revaluation/componentisation of building assets.

Council recorded a net decrease in asset revaluation of non-current assets of \$1.7 million on Property and Infrastructure.

Council's total equity in 2015/2016 increased by \$12.9 to \$289.9 million.

Council recorded non-current infrastructure assets with a written down value of \$240,225 million (or Gross Value of \$354.4 million) as at 30 June 2016. (Note 15 in the financial statement provides a breakdown of asset values recognised).

Payments for purchase/construction of fixed assets totaled \$8.96 million, representing 78% of annual cashflow during 2015/16.

Derived proceeds of \$242,911 from sale of fleet/plant items and \$60,000 for land and buildings sales during 2015/2016.

Cash and investments totaling \$10.6 million were on hand at the end of the reporting period, which is a decrease of \$1.0 million on last year's balance of \$11.6 million. Cash and investments on hand represent money quarantined for the following areas:

■ Infrastructure Reserve	\$	3.544m
■ Money held in Trust	\$	0.344m
■ Employee Entitlements	\$	1.172m
■ Special Committees	\$	0.261m
■ General Funds	\$	5.279m

Trade and Other Receivables increased by \$762,987 as at 30 June 2016 mainly due to large capital works projects in progress.

Work in progress amounts to \$1.698 million as at 30 June 2016 including \$1.03 million works associated with bridge replacements.

The Tasmanian State Audit Office was appointed auditor for financial period ending 30 June 2016 at a cost of \$24,110 (2014/2015 \$21,510).

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 2015/16 underlying result is a \$0.548 million deficit or negative 3% underlying surplus ratio (see note 27), 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

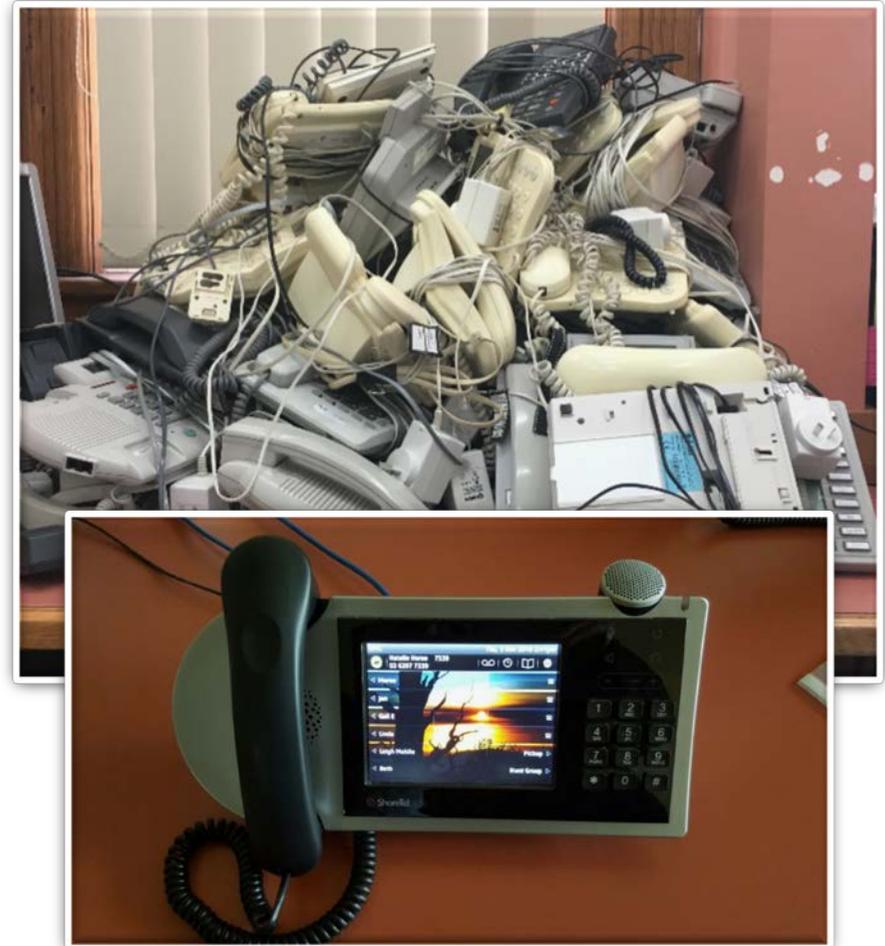
Performance:

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

Reviewed the Information Management Policy.

Improvements to Information Technology systems as follows:

- Replaced Council Office Telephone System with a ShoreTel System (voice over internet) providing a communications system which is more flexible, user friendly and more efficient, \$44,029;
- New office photocopier, \$19,990;
- Provision of community CCTV, \$18,005;
- Upgraded 12 staff desktop/ laptop computers, \$13,933;
- Upgraded server connectivity; \$10,313;
- Upgraded printers, several mobile phones and sundry electronic items, \$5,838;
- Completed ECM upgrade to 4.03 and CiAnywhere.
- Upgraded to the latest versions of other 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.
- Provision of public WiFi at Avoca to attract visitors to stay longer in the township.
- Created a public IntraMaps installation, so that selected spatial data can be made available to the general public.



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:

Secured funding through the Stronger Communities Funding Program for the purchase of five marquees for hire by Northern Midlands event organisers.

Assisted LINC management develop the vision for the future of the LINC's at Longford and Campbell Town.

Collaborated with Queensland Folk Federation to hold a Festival of Small Halls performance at Longford in January 2016.

Managed the Northern Midlands Council Further Education Bursary Program.

Supported the Australasian Chapter of the Association for Preservation Technology to hold the Longford Academy conservation skills training program at Woolmers and Brickendon Estates in May 2016.

Partnered with the Northern Midlands RSL Sub-Branch to plan and carry through the Northern Midlands ANZAC Day 2016 Services, and to commence planning towards the 2018 Remembrance Day Special Event at Longford.

Assisted with the organisation of the community celebrations for The Cleaner when he was successful in gaining a start in the 2015 Cox Plate.

Secured funding toward the Northern Midlands Council annual Australia Day Event, including presentation of Northern Midlands Council achievement awards and Volunteer Recognition.

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

Managed the Council pages in the monthly Country Courier newspaper.

Council allocated Special Project grants totalling \$37,957 to sporting and community groups as follows:

■ Boucher Park improvements	\$ 5,000	■ Liffey Hall external painting	\$ 2,900
■ Campbell Town Mens Shed building repairs and disabled access	\$ 4,000	■ Longford Football Club healthy children program	\$ 500
■ Campbell Town Golf Club painting of club house	\$ 500	■ Morven Park kitchen gas	\$ 2,000
■ Campbell Town Pool replacement of pool covers	\$ 4,750	■ Ross Pool covers and shade	\$ 5,000
■ Cressy Pool carpet replacement	\$ 4,750	■ Ross Hall insect zapper	\$ 400
■ Cressy Town Hall men's toilet renovations	\$ 2,800	■ Rossarden Museum guttering	\$ 1,285
■ Evandale History Society fence mural	\$ 2,072	■ Bishopsbourne Bowls Club mat replacement	\$ 500
■ Evandale Light Rail Society landscaping	\$ 1,000	■ Campbell Town Military History Exhibition – IT equipment	\$ 500

In 2015/2016 Council provided donations totalling \$26,488 under Section 77 of the Local Government Act to:

■ Avoca Primary School - School Achievement Awards	\$30	■ Holman Clinic - re: late Mr B Ellis	\$50
■ Campbell Town District High School - Chaplaincy	\$1,500	■ Longford Care-a-car	\$1,000
■ Campbell Town District High School - Donation - School Achievement Awards	\$90	■ Longford Fire Brigade	\$100
■ Campbell Town District High School - Inspiring Positive Futures Program	\$8,000	■ Longford Primary School - School Achievement Awards	\$30
■ Campbell Town Medical Centre - re: late Mr L Triffitt	\$50	■ Mr B Murray-Skey - International Children's Games - Taiwan	\$120
■ Campbell Town SES - Council wages and plant	\$161	■ NRM - Planning fees - Strathroy Riparian Reserve planting	\$231
■ Christ Church flower show	\$36	■ Perth Fire Brigade	\$50
■ Cressy District High School - Inspiring Positive Futures Program	\$8,000	■ Perth Primary School - School Achievement Awards	\$30
■ Cressy District High School - School Achievement Awards	\$90	■ Rural Alive & Well	\$5,000
■ Evandale Light Railway - Planning / Building Application fees	\$620	■ Swap Meet Tasmania	\$120
■ Evandale Primary School - School Achievement Awards	\$30	■ Toosey Aged Care	\$150
■ Helping Hand Associated	\$1,000		

In 2015/2016 Sporting & Academic Achievement Donations totalling \$10,620 were provided to:

■ Miss Emily Acheson - 2016 Aust Jamboree in Sydney - Cressy Scouts	\$60	■ Mr Kurtis Franklin - Bursary Program 2016	\$500
■ Mr Connor Barron - 2016 Mens Fast Pitch Softball Team	\$60	■ Mr Bailey Groves - 28th Summer Universiade South Korea	\$120
■ Ms Maddison Barron - 2016 Womens Fast Pitch Softball Team	\$60	■ Miss Olivia Harvey - Bursary Program 2016	\$500
■ Ms Ashley Blair - Bursary Program 2016	\$500	■ Miss Kimberley Hearps - Bursary Program 2016	\$500
■ Miss Georgia Brown - 2016 Aust Jamboree in Sydney - Cressy Scouts	\$60	■ Ms Kelsie Hill - Aust Little Athletics Championships	\$60
■ Miss Kaitlyn Cawthen - Indoor Bias Bowls Championships 2015	\$60	■ Mr Lochie Hulme - Australian Youth Boxing Championships	\$60
■ Ms Narinda Cawthen - Indoor Bias Bowls Championships 2015	\$60	■ Mr Chayce Jones - All Australian U15 Football Team (<i>photo next page right</i>)	\$120
■ Mr Caleb Clifford - Bursary Program 2016	\$500	■ Ms Sharnee Johnstone - Bursary Program 2016	\$500
■ Mr Isaac Clifford - Bursary Program 2016	\$500	■ Miss Emma Johnstone - Bursary Program 2016	\$500
■ Mr Joshua Corban-Banks - Bursary Program 2016	\$500	■ Ms Teneasha Latta - Bursary Program 2016	\$500
■ Mr Thomas Cogger - Northern Tasmanian Junior Soccer Association	\$60	■ Mr Thomas Langridge - Bursary Program 2016	\$500
■ Ms Kiera Earley - Bursary Program 2015	\$500	■ Ms Teresa Morris - Aust Darts Championships WA	\$60
■ Mr Samuel Evans - Bursary Program 2016	\$500	■ Ms Madolyn Macintosh-Lucas - U12 Soccer Merimbula Cup (<i>photo next page left</i>)	\$60
■ Mr Cobey Evans - U13 State Team ASICS Little Athletics Championships	\$60	■ Mr Daniel McCullagh - Bursary Program 2016	\$500
■ Mrs Helen Farrow - Indoor Bias Bowls Championships 2015	\$60	■ Mr Robert Montagner - Bursary Program 2016	\$500
■ Ms A Ferrall - U17 National Netball Championships - Perth WA	\$60	■ Miss Kasman Murfet - Royal Edinburgh Military Tattoo - Virginia USA 2016	\$120

- Ms Jenna Myers - Australian Club Championships - Weightlifting \$60
- Miss Sophie Parkin - National U15 Girls Cricket Carnival 2016 \$60
- Mr Brodie Parker - Bursary Program 2016 \$500
- Ms Alysha Verwey - Australian Equestrian Interschool Championships \$60
- Mr Tobias Verhaegh - Bursary Program 2016 \$500

- Ms Ebony Warmisham - Northern Tasmanian Junior Soccer Association \$60
- Miss Tiffany Whitney - Bursary Program 2016 \$500
- Miss Kara Zaporozec - Indoor Bias Bowls Championships 2015 \$60
- Mr Simon Zaporozec - Indoor Bias Bowls Championships 2015 \$60
- Mrs Julie Zaporozec - Indoor Bias Bowls Championships 2015 \$60



U12 Soccer - Merimbula Cup



All Australian U15 Football Team

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 211 building approvals totalling \$31.5 million.

Issued 1,022 Property Certificates (Sec 132 & 337), compared to 1,065 last year.

Specific Data	2015/2016	2014/2015	2013/2014	2012/2013
Applications approved	211	226	262	273
Dwellings	57	82	69	50
Additions to dwelling & out-buildings	38	103	114	200
Industrial/Commercial	26	14	24	23
Value	\$31.5m	\$26.8m	\$26.13m	\$24.94m
Average Processing Time (Days)				
■ Building Permit	6	7	5	6
■ Certificate of Likely Compliance	5	10	8	11
■ Plumbing Permit	6	6	12	14
No of Inspections	764	818	815	842
Septic Tank & AWTS Applications	19	11	9	10
Licensed places of assembly (<i>legislation changes effected 2014/15</i>)	6	19	55	57

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 256 applications including:

- 7 aged-care units for Toosey Aged & Community Care at Longford
- Wholesale plant nursery (5 greenhouses) at Breadalbane
- Midland Highway, Perth to Breadalbane Duplication
- Midland Highway safety upgrades (Utilities) - Symmons Plains to South of Perth
- Midland Highway Safety Upgrades from Tunbridge Tier Road to north of Mona Vale Road, Ross
- Controlled environment agriculture (berry farm) at Pateena Road, Longford
- Extractive hard-rock & gravel quarries at Valleyfield Road, Cressy and Lake Leake Road, Campbell Town
- Tunbridge Tier Quarry upgrade at Tunbridge Tier Road
- Funeral chapel additions at Hobart Road, Youngtown
- Manufacturing & processing workshop at Union Street, Longford
- Fuel canopy & bowsers at 16523 Midland Highway, Perth
- Alterations & additions to St Andrews Church at Perth
- Develop and use east wing of building as shop/office, 6 Russell Street, Evandale
- New bridge over Lake River, Cressy
- Earthworks for construction of dirt bike track adjacent to Symmons Plains Raceway
- Replacement playground at Longford Village Green with contemporary destination play space & children's playground
- Whisky distillery, associated carparking and signage, Drummond Street, Perth

Approved 44 new dwellings, 32 units, 95 sheds and 73 new lots.

Received 4 Notices of Appeal from RMPAT.

Refused 8 applications and actively followed up illegal works and non-compliance with planning permits.

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

Objective:

Health

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

Performance:

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

Matters addressed include:

- Stormwater contamination Western Junction;
- Various incidents of effluent escaping from property;
- Dust from heavy vehicle movements;
- Local industry odour emissions;
- Local industry production increases of significant dimensions; (berry farming, fish farm, motorsport developments; mineral extraction; and, industrial waste storage and processing;
- Blasting complaints; and,
- Air quality (smoke) incidents.

The Community Health Report addressed objectives within the areas of:

- Prevention and control of notifiable diseases;
- General infectious disease control;
 - The School immunisation program is contracted to the City of Launceston Council and is delivered in accordance with the National Health and Medical Research Council recommended schedule.
- Public Health Risk activities;
- Regulated system (prevention of the transmission of legionella);
- Control and mitigation of noise nuisances;
- Water Quality
 - Recreational water quality was monitored in accordance with the *Public Health Act 1993*, Guidelines for Recreational Water Quality.

- Environmental incidents affecting water quality were investigated and managed in cooperation with Taswater and the Environment Protection Authority.
- Food Surveillance
 - Food safety initiatives and regulatory control include food business registration, food business inspections and audits.
- Cemeteries
 - Private burials are assessed as required under the *Public Health Act 1993*.
- Management and Administration.

Specific Achievements / Issues within the Community Health Report	2015/2016	2014/2015	2013/2014
■ Notifiable diseases investigated	4	2	7
■ School immunisations administered	N/a	299	211
■ Recreation water monitoring		91.0%	92.8%
● River water compliance	93%		
● Pool water compliance	98%		
■ Environmental nuisance complaints	48	53	50
■ Registered food premises	161	128	124
■ Food premises inspected	172	131	128
■ Registered temporary food premises	86	56	85
■ Public environmental incidents	0	0	1
Animal Control			
■ Dog Registration	3,773	3,801	3,575
■ Kennel Licences	72	70	72
■ No. of Impounded Animals	76	88	92

* Note: Environmental Nuisance Complaints: undertaken numerous investigations into a large number of complaints from single source in regards to related issue.

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.

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

- NRM North on ground works
- TEER River Bank Erosion Grant – delivery of on ground works as outlined in successful Council application
- Green Army Round 4 Application – 2 on ground teams were successful; with facilitator working with host properties and service provider to assist with contract delivery
- Continuation of support to landholders in the delivery / installation and reporting on funded on-ground works as requested and where required.



Community Engagement with supervised exhibition at Longford and Campbell Town Shows (photo).

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

Council representative on the Tamar Estuary and Esk Rivers (TEER) Scientific Steering Committee.

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

Fifth year of Scotch Oakburn whole of Year 9 excursion to St Johnstone at Campbell Town. 2016 saw the St Johnstone 2 day excursion integrated into the Scotch 9Alive program. Over 2 days, 2 groups of students per day visited St Johnstone to continue native revegetation works along ephemeral creek and to learn about Fire with Tas Fire Services; the lesson touched on topics including fuel loads, ecology, management techniques. Rosemary Grant from ABC radio to attended again this year, the story can be found at: <http://www.abc.net.au/news/2016-08-31/fire-school-burning/7794772>

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

Assistance to Environmental Health Officer, by undertaking Recreational Water Sampling for the 2015/16 season, data entry and Annual Recreational Water Report development.

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

Continuation of relationship with TAS TAFE Horticulture Certificate II & III.

Continuation of support and facilitation of NRM North's Green Army Teams in Northern Midlands in 2016 (Photo).



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 8,931m² of urban, and 36,068m² rural sealed pavements at a total cost of \$1,439 million.

Resheeted gravel roads at a total cost of \$214,000.

Reseals

Sealed 43,551m² new or reconstructed pavements; and resealed 152,435m² of the total sealed road network at a cost of \$955,786.

Footpaths

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

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

- 3,824m² concrete
- 240m² gravel
- 66m² washed concrete
- 61m² asphalt.

Other Road Infrastructure

Projects funded by Roads to Recovery during 2015/2016 were:

- Reconstruction of sections of rural roads including Delmont Road \$398,431; Wilmores Lane \$483,120; and Macquarie Road \$250,913;
- Reconstruction of urban streets including Glenelg Street Campbell Town \$304,525; and Bond Street Campbell Town \$119,737.
- Resealing of Royal George Road \$337,566.
- Replacement of Lake River Bridge no. 32, \$164,625.

Recognised subdivision road assets transferred to Council, \$97,887.

Constructed 1,676m kerb and channel at a cost of \$128,050.

Purchased road plant/ vehicles at a net cost of \$957,400 including a new Komatsu Grader and new street sweeper (*Photos*).



Stormwater

Installed various stormwater pipes and associated manholes and gully pits at a cost of \$224,517.

Progressed the stormwater flooding study for the Translink industrial area and West Perth.

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

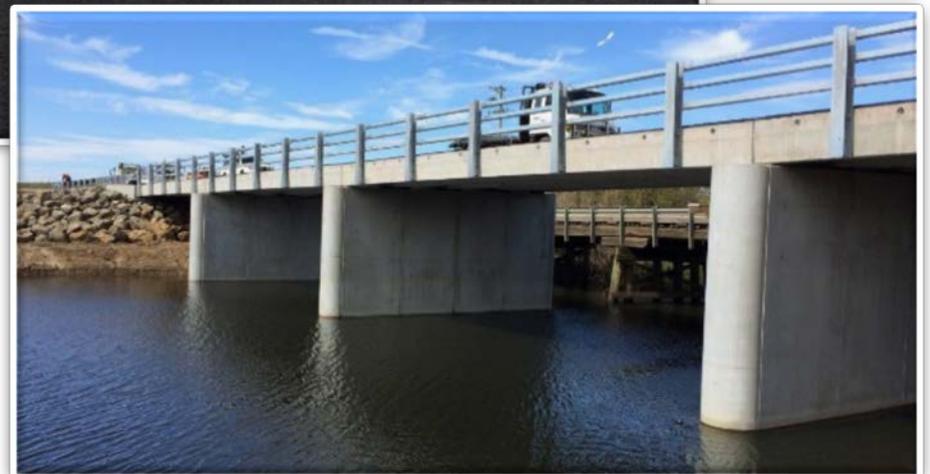
Objective:

Bridges

To manage bridges to ensure safety and maximum life span.

Performance:

Replaced 4 bridges or 1,033m² of timber bridge deck area with concrete structures and associated guard rail on *Powranna Road, Cressy (Photo)*; Kingston Road, Deddington; Royal George Road, Royal George; and Lake River, Cressy; at a total cost of \$2.3 million.



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 2015-16.

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 stairs to safely access the Waste Transfer Station bin platform at Longford, \$6,169.

Objective:

Building Services & Property Management

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

Performance:

Purchased 15 Smith Street at Longford for future development of Council Municipal offices/carpark, \$210,000.

Built a purpose built Archives Storage facility at Council Depot at Longford, \$50,934.

Renovated/upgraded Residential Units for Aged at Evandale \$27,428.

Exterior/interior painting of the Avoca Hall \$33,700.

Refurbishment of the Campbell Town Hall Clock Tower \$19,271.

Installation of new interchange sheds at the Perth Recreation Ground \$8,800.

Replaced Town Signage at Valentine Park \$14,362

Converted Valentine Park flower beds into seats \$17,933.

Purchased land at 33 Church Street, Ross for development of a town reserve \$166,244.

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	
Campbell Town		Longford	
Bridge Street – Footpath reconstruction	●	St George's Square – Footpath reconstruction	●
Bond Street – Road reconstruction	●	Wellington Street – Footpath reconstruction	●
Glenelg Street – Road reconstruction	●	Wilmores Lane – Road reconstruction	●
Macquarie Road – Road reconstruction	●		
Cressy		Perth	
Gatenby Street – Footpath & Road reconstruction	●	Arthur Street – Footpath reconstruction	●
Spencers Lane – Footpath reconstruction	●	Banksia Grove – Footpath reconstruction	●
Delmont Road – Road reconstruction	●	Callistemon Court – Footpath reconstruction	●
		Fairtlough Street – Footpath reconstruction	●
Evandale		George Street – Footpath reconstruction	●
High Street – Footpath reconstruction	●	Fore Street – Road reconstruction	●
Ploughmans Court – Footpath reconstruction	●	Cromwell Street – Road reconstruction	●
Shearers Court – Footpath reconstruction	●		
Stockmans Road – Footpath reconstruction	●	Ross	
Logan Road – Road reconstruction	●	Main Street Program	●
Relbia Road – Road reconstruction	●		

BRIDGES:

	Bridge	Action		Bridge	Action
Macquarie Road – Lake River (Timber to Concrete)	7350	●	Lake River Road – O'Connors Creek (Timber to Concrete)	3259	●
Powranna Road – Macquarie River (Timber to Concrete)	2030	●	Royal George Road – un-named creek (Concrete Abutments)	3767	●
Powranna Road – Macquarie River (Timber to Concrete)	3177	●			

URBAN STORMWATER / DRAINAGE:

Action		Action	
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TRANSLink Area	●
Perth	
Frederick Street	●

Longford	
Flood Levee – Testing site for flood pumps	●
Stormwater Management Plan	●

RECREATION, BUILDING & COMMUNITY:

	Action		Action
Municipal Depot - Improvements	●	Evandale	
Town Entrance Statements	●	Hall & Community Centre– Improvements	●
Avoca		Falls Park – Fence Replacement	●
Hall – improvements	●	Russell Street – Heritage Lighting	●
Bishopsbourne		Evandale Units - Improvements	●
Community Centre – Improvements	●	Longford	
Campbell Town		Office - Alterations (stage 1)	●
Hall - improvements	●	Recreation Ground - Improvements	●
Historic Pump House – Improvements	●	Stokes Park - Redevelopment	●
Library - Improvements	●	Sports Centre - Improvements	●
Recreation Ground Facility Upgrade	●	Town Hall - Improvements	●
Cressy		War Memorial Hall - Renovations/Improvements	●
Childcare Centre - Improvements	●	Perth	
Hall – Improvements	●	Recreation Ground – Replacement of Interchange Shed	●
Recreation Ground –Improvements	●	Ross	
Swimming Pool - Improvements	●	Public Toilets – Replacement)	●
Epping Forest		Rossarden	
Hall – improvements	●	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 7018	133/10	10/02
Kerbside Recycling Processing	1 July 2010 to 1 May 2019		Tonnes collected @ \$48.20 per Tonne	Veolia Environmental Services	PO Box 431, Rosny 7018	134/10	10/03A
Council Waste Clearance & Bin Hire	1 July 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 2016 to 30 June 2020		\$214,646	Just Waste	PO Box 499 Prospect 7250	142/16	16/01
Mulching & removal of Green Waste	1 Sept 2015 to 31 August 2019		Estimated \$45,000 per annum	Barwicks North	PO Box 5338, Launceston 7250	206/15	15/09
Purchase 33 Church Street, Ross	21 March 2016		\$160,000	Mrs S Allen	43a Waterloo Street, Ross 7209	345/15	
Purchase Komatsu GD 655-5 Grader	16 November 2015		\$330,880	Komatsu Australia Pty Ltd		347/15	15/21
Purchase Truck Mounted Vacuum Street Sweeper	14 December 2015		\$330,619	Bucher Municipal		384/15	15/22
Purchase 15 Smith Street, Longford	21 March 2016		\$210,000	Crown Land Services		84/16	
Design & construct Bridge No. 7350 Lake River Bridge, Macquarie Road at Cressy	18 April 2016		\$1,443,200	BridgePro Engineering Pty Ltd	PO Box 3253, Ulverstone 7315	117/16	

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.
Longford Victoria Square Destination Play Space equipment	to 30 September 2016		\$143,089	KOMPAN Playspace Pty Ltd	PO Box 131, Geebung Qld 4034	31/16	
Bi-Annual Contracts for Information Only							
Supply of reach arm slashing of roadsides	to 30 June 2017		Bi-Annual Tender	Mulch Management	9 Range Road, Evandale 7212	277/15	15/14
Spraying of roadsides and footpaths	to 30 June 2017		Bi-Annual Tender	Spider Pest & Weed Control	PO Box 329, Beauty Point 7270	277/15	15/15
Supply and delivery of Road maintenance gravel	to 30 June 2017		Bi-Annual Tender	Stornoway Civil	PO Box 196, Kings Meadows 7249	277/15	15/16 (i)
Supply and delivery of Road maintenance gravel	to 30 June 2017		Bi-Annual Tender	Walters Constructions	PO Box 186, Mole Creek 7304	277/15	15/16 (ii)
Supply of Bituminous resealing of roads (Excluding Asphalt)	to 30 June 2017		Bi-Annual Tender	Venarchie Contracting	PO Box 395, Mowbray Heights 7248	277/15	15/17 (a)
Supply of Bituminous resealing of roads Asphalt Only	to 30 June 2017		Bi-Annual Tender	Crossroads Civil Contracting Pty Ltd	73-79 Lilydale Road, Rocherlea 7248	277/15	15/17 (b)
Construction of concrete kerb and gutter and crossovers	to 30 June 2017		Bi-Annual Tender	Crossroads Civil Contracting Pty Ltd	73-79 Lilydale Road, Rocherlea 7248	277/15	15/18 (a)
Construction of concrete kerb and gutter and crossovers	to 30 June 2017		Bi-Annual Tender	PJ Contracting	PO Box 31, Mowbray Heights 7248	277/15	15/18 (b)
Construction of asphalt footpaths and driveways	to 30 June 2017		Bi-Annual Tender	Northseal Pty Ltd	5A Ray Street, Invermay 7248	277/15	15/19
Construction of concrete footpaths & Driveways	to 30 June 2017		Bi-Annual Tender	Elite Concrete	96 Devon Hills Road, Perth 7300	277/15	15/20 (a)
Construction of concrete footpaths & Driveways	to 30 June 2017		Bi-Annual Tender	Crossroads Civil Contracting Pty Ltd	73-79 Lilydale Road, Rocherlea 7248	277/15	15/20 (b)

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 2015/16					

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 2015/2016 Council provided allowances and reimbursements of all reasonable expenses to the Mayor, Deputy Mayor and Councillors. The total amount of these payments was \$192,688 (compared to \$192,373 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 30 .

Grants & Benefits (Local Government Act)

During 2015/2016 Council donations under section 77 as listed on page 41, and rate remissions under its Rate Remission Policy totaling \$47,074 (2014/2015 \$46,920); plus \$Nil (2014/2015 \$90,778) under *Policy 17 - Rate Incentive For New Development*.

Donation of Land (Local Government Act)

During 2015/2016 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 \$106,200 on health projects in 2015/2016 (2014/2015 \$82,275). Please refer to page 45 for further details of Council's Community Health Report.

Right to Information Act

The *Right to Information Act* provides the opportunity for public access to Council documents. The Act establishes a legally enforceable right for the community to access information in document form held by Council. Council received one application under the Right to Information for the period 1 July 2015 to 30 June 2016. 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.

Code of Conduct Complaints (Local Government Act)

The requirements in relation to Code of Conduct, Complaints and Complaint Resolution are stipulated in Division 3A of the *Local Government Act*. No Code of Conduct complaints were upheld either wholly or in part during 2015/2016 (Nil 2014/2015).

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.



Northern Midlands Council

Financial Statement 30 June 2016



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STATEMENT OF COMPREHENSIVE INCOME – FOR YEAR ENDED 30 JUNE 2016

	Note	2016		2015		2016 Budgeted
		\$	%	\$	%	\$
INCOME						
Recurrent Income						
Rate Revenue		9,545,572	63.38	9,170,373	50.57	9,430,961
Grants	3	2,012,626	13.36	5,784,567	31.90	2,011,421
User Charges		1,762,130	11.70	1,547,326	8.53	1,721,334
Interest		489,365	3.25	417,020	2.30	397,000
Reimbursements		186,634	1.24	171,216	0.94	102,076
Investment Revenue from Water Corporation	4	702,000	4.66	702,000	3.87	702,000
Other		363,566	2.41	341,864	1.89	449,645
		<u>15,061,893</u>		<u>18,134,366</u>		<u>14,814,437</u>
Capital Income						
Capital Grants Received Specifically for New or Upgraded Assets	3	3,224,704		793,617		3,163,550
Contribution of Non-Monetary Assets	15	439,060		1,129,256		350,000
Initial Recognition of Land under Roads	15	12,660,579		-		-
		<u>16,324,343</u>		<u>1,922,873</u>		<u>3,513,550</u>
Total Income		31,386,236		20,057,239		18,327,987
EXPENSES						
Employee Benefits	6	4,958,929	28.50	4,460,158	26.67	5,116,977
Materials & Services	7	4,591,806	26.39	4,586,386	27.41	4,796,638
Depreciation and Amortisation	8	5,335,507	30.66	5,112,174	30.55	5,047,850
Government Levies & Charges		664,971	3.82	685,977	4.10	662,620
Net (Loss)/Gain on Disposal of Property, Infrastructure, Plant and Equipment	5	790,070	4.54	413,482	2.47	570,000
Other	9	1,061,249	6.10	1,473,154	8.80	886,493
Total Expenses		<u>17,402,532</u>		<u>16,731,331</u>		<u>17,080,578</u>
SURPLUS/(DEFICIT)		13,983,704		3,325,908		1,247,409
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified to surplus or deficit						
Net Asset Revaluation Increment/(Decrement) Reversals		(1,756,950)		14,495,853		
Items that may be reclassified to surplus or deficit:						
Fair value adjustment on available for sale assets						
- Investment in Water Corporation	16	673,100		302,400		
		<u>(1,083,850)</u>		<u>14,798,253</u>		
COMPREHENSIVE RESULT		12,899,854		18,124,161		

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 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	10	10,602,771	11,633,566
Trade and Other Receivables	11	536,760	406,402
Inventory	12	29,231	33,291
Assets Held for Sale	13	-	-
		11,168,762	12,073,259
NON-CURRENT ASSETS			
Capital Work in Progress	14	1,698,506	404,777
Property, Plant & Infrastructure	15	240,225,502	227,640,249
Investment in Water Corporation	16	39,682,700	39,009,600
		281,606,708	267,054,626
		292,775,470	279,127,885
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	17	1,679,888	916,901
Provisions	18	1,051,349	1,039,319
		2,731,237	1,956,220
NON-CURRENT LIABILITIES			
Provisions	18	121,035	148,321
		121,035	148,321
		2,852,272	2,104,541
		289,923,198	277,023,344
EQUITY			
Accumulated Surplus		154,043,341	140,059,637
Reserves		135,879,857	136,963,707
		289,923,198	277,023,344

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 2016

	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserves
2016	\$	\$	\$	\$
Equity at Beginning of the Year	277,023,344	140,059,637	141,351,752	(4,388,045)
Comprehensive Result	12,899,854	13,983,704	(1,756,950)	673,100
Ratepayer Equity at end of the year	289,923,198	154,043,341	139,594,802	3,714,945
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)

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 2016

		Note	2016		2015	
			\$	\$	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES						
Outflows	Employee Costs		(4,931,865)		(4,570,213)	
	Materials and Services		(5,216,343)		(5,975,654)	
	Levies Paid		(664,971)		(685,977)	
	Other		(670,754)		(614,367)	
Inflows	Receipts from Ratepayers		9,152,591		8,930,431	
	Government Grants		2,154,475		5,813,387	
	User Charges		1,731,100		1,855,214	
	Interest Received		495,586		434,666	
	Investment Revenues from Water Corporation		702,000		702,000	
	Other		550,200		923,257	
	Receipts from Australian Taxation Office		1,104,352		770,438	
	Net Cash Provided by Operating Activities	23		4,406,371		7,583,182
CASHFLOWS FROM INVESTING ACTIVITIES						
Outflows	Payments for Property, Plant & Equipment		(8,964,781)		(4,651,710)	
Inflows	Capital Grants		3,224,704		793,617	
	Proceeds from Sale of Fixed Assets		302,911		417,547	
	Net Cash Provided by (Used in) Investing Activities			(5,437,166)		(3,440,546)
	Net Increase (Decrease) in Cash and Cash Equivalents for the Period			(1,030,795)		4,142,636
	Cash and Cash Equivalents at the Commencement of the Period			11,633,566		7,490,930
	Net Cash and Cash Equivalents at the end of the Reporting Period	10		10,602,771		11,633,566

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 2016

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 12 and Note 28 on page 56.
- *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 45.
- *Employee entitlements*
Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in Note 1(k) on page 15.
- *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 15 and in Note 16 on page 41.

(b) Adoption of New Accounting Standards

- (i)* AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (effective from 1 July 2015).

The completion of AASB project to remove Australian guidance on materiality from Australian Accounting Standards with the issue of the final amending standard to effect the withdrawal of AASB 1031 Materiality. Guidance on materiality is now located in AASB 101 Presentation of Financial Statements.

The adoption of these amendments has not impacted Councils accounting policies or changed the reported values in, or the presentation of the Financial Statement.

(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 with the exception of Buildings which were formerly depreciated over 100 years. Building assets were componentised in the current financial year with the individual components being depreciated over the range of years listed below.

Major depreciation period used are listed below and are consistent with prior periods:

Asset	Life (Years)
Land	Unlimited
Land Under Roads	Unlimited
Buildings	
- Structure	75 - 150
- Roof Cladding	75 - 100
- External Fabric	75 - 150
- Internal Fit-out	50 - 75
- Services	40 - 75
- Site Services	40 - 75
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	
- Formation	Unlimited
- Pavement	10 – 90
- Surface Treatment	12 – 80
- Footpaths	15 – 70
- Kerb & Channel	15 – 100
- Street Furniture	15 – 100
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) 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 36. 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

iii) Valuation of Non-Current Assets

Subsequent to the initial recognition of assets, non-current physical assets, other than asset categories listed in the table below as at cost, are measured at their fair value in accordance with AASB 116 Property, Plant 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.

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

iv) Impairment of Assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the 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.

v) Maintenance vs Capitalisation

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

(g) Cash & 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 2016, Council continued to hold a 2.52% ownership interest in TasWater which is based on schedule 2 of the Corporations Constitution which reflects the Council's voting rights.

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

Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year (refer Note 16, page 41).

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 27.

(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 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 2015/16 financial year was 4.8 days (2014/15 8.2 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 has determined, based upon an assessment of the activities it undertakes that it has no significant business activities for the 2016 year.

(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 2016 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 AASB 9 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 15 Revenue from Contracts with Customers, and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (effective from 1 January 2018)

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 impact of the standards application has not been assessed at balance date due to its effective date.

- (iii)** AASB 2014-9 Amendments to Australian Accounting Standards - Equity method in Separate Financial Statements (effective from 1 January 2016)

Under this amendment, the use of the equity method in separate financial statements in accounting for associates, joint ventures and subsidiaries is allowed.

The application of this standard is not expected to impact Council.

- (iv)** AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (effective from 1 January 2016)

Amendments to existing accounting standards, particularly in relation to:

- IFRS 5 - guidance on changes in method of disposal;

- IFRS 7 - clarifies 'continuing involvement for service contracts and also clarifies offsetting disclosures are not specifically required in interim financial statements, but may be included under general requirements of IAS 34;
- IAS 19 - clarifies that discount rates used should be in the same currency as the benefits are to be paid; and
- IAS 34 - clarifies that disclosures may be incorporated in the interim financial statements by cross-reference to another part of the interim financial report.

The application of this standard is not expected to impact Council.

(v) AASB 16 Leases (effective from 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. Council is yet to fully assess the impact of this standard on councils disclosures and policies as it is not operative till 2018.

(vi) Disclosure Initiative - Amendments to AASB 107 (effective from 1 January 2017)

Amendments to AASB 107 will see the introduction of additional disclosures to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as effects of changes in foreign exchange rates and changes in fair values).

It is possible that this Standards 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.

(vii) AASB 1057 Application of Australian Accounting Standards, AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs (effective from 1 January 2016)

The AASB has reissued most of its Standards (and Interpretations) that incorporate IFRSs to make editorial changes. The editorial changes will enable the AASB to issue Australian versions of IFRS more efficiently.

As part of the reissuance, the AASB has moved the application paragraphs that identify the reporting entities and general purpose financial statements to which the pronouncements apply to a new Standard, AASB 1057 Application of Australian Accounting Standards. However, the technical application requirements have not been amended.

It is possible that this Standards 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.

(viii) 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 Council's account or reporting.

- (ix)** 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 council's policy and practice with regard to depreciation.

- (x)** AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (effective from 1 January 2016 for early adoption).

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.

- (xi)** AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (effective from 1 January 2016 for early adoption but not Mandatory)

The amendments extend the scope to AASB 124 Related Party Disclosures to include not-for-profit public sector entities. It is unlikely that 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.

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 25.

		2016		2015	
		\$	\$	\$	\$
Governance					
Recurrent Income					
	Grants	70,021		308,255	
	Other	2,167,503		2,297,634	
	<i>Total</i>		2,237,524		2,605,889
Capital Income					
	Grants	-		-	
	Other	-		-	
	<i>Total</i>		-		-
	Total Income		2,237,524		2,605,889
Expenses					
			2,076,697		2,418,430
	Surplus / (Deficit)		160,827		187,459
	ASSETS		92,557,866		80,893,774

		2016		2015	
		\$	\$	\$	\$
<u>Economic & Community Development</u>					
<i>Recurrent Income</i>					
	Grants	295,137		405,315	
	Other	1,017,388		1,033,859	
	<i>Total</i>		1,312,525		1,439,174
<i>Capital Income</i>					
	Grants	2,461		-	
	Other	-		-	
	<i>Total</i>		2,461		-
	Total Income		1,314,986		1,439,174
<i>Expenses</i>					
			1,204,603		1,182,684
	Surplus / (Deficit)		110,383		256,490
	ASSETS		479,750		485,803
<u>Planning & Development</u>					
<i>Recurrent Income</i>					
	Grants	51,030		176,177	
	Other	1,769,899		1,371,037	
	<i>Total</i>		1,820,929		1,547,214
<i>Capital Income</i>					
	Grants	-		-	
	Other	-		-	
	<i>Total</i>		-		-
	Total Income		1,820,929		1,547,214
<i>Expenses</i>					
			1,548,855		1,392,061
	Surplus / (Deficit)		272,074		155,153
	ASSETS		346,071		361,771

		2016		2015	
		\$	\$	\$	\$
<u>Works & Infrastructure</u>					
<i>Recurrent Income</i>					
	Grants	1,596,438		4,894,820	
	Other	8,094,477		7,647,269	
	<i>Total</i>		9,690,915		12,542,089
<i>Capital Income</i>					
	Grants	3,222,243		793,617	
	Other	13,099,639		1,129,256	
	<i>Total</i>		16,321,882		1,922,873
	Total Income		26,012,797		14,464,962
<i>Expenses</i>					
			12,572,377		11,738,156
	Surplus (Deficit)		13,440,420		2,726,806
	ASSETS		199,391,783		197,386,537
<u>TOTAL</u>					
<i>Recurrent Income</i>					
	Grants	2,012,626		5,784,567	
	Other	13,049,267		12,349,799	
	<i>Total</i>		15,061,893		18,134,366
<i>Capital Income</i>					
	Grants	3,224,704		793,617	
	Other	13,099,639		1,129,256	
	<i>Total</i>		16,324,343		1,922,873
	Total Income		31,386,236		20,057,239
<i>Expenses</i>					
			17,402,532		16,731,331
	Surplus (Deficit)		13,983,704		3,325,908
	ASSETS		292,775,470		279,127,885

(b) Component Functions/Activities

The activities relating to the Council's components reported in Note 2 (a), on page 22, 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:

	2016		2015	
	\$	\$	\$	\$
Federally funded capital grants				
Roads to Recovery	2,136,758		753,617	
NMC Marquees	5,236		-	
		2,141,994		753,617
Federally funded recurrent grants:				
Midlands Kids Club		23,720		21,790
Perth Child Care Professional Development		4,648		9,615
Perth Child Care Service		42,040		41,500
Rural & Remote Child Care Service		180,041		177,731
Rural & Remote Child Care Service – BFF Transition Funding		5,000		-
Commonwealth Government financial assistance grants				
- General Purpose	573,362		2,117,492	
- Roads	1,098,839	1,672,201	3,300,836	5,418,328
		1,927,650		5,668,964
State funded capital grants received specifically for new or upgraded assets				
Blackspot Funding – Talisker/Main Street Perth intersection		57,050		-
Blackspot Funding – Relbia Road guard rail		28,140		-
Blackspot Funding – Fore Street turning head		38,500		-
Bridge Funding – Lake River Bridge No. 7350 replacement		-		-
Bridge Funding – Westmoor Bridge (Powranna Road) replacement		921,559		-
Midlands Kids Club Heating/Ventilation improvements		2,461		-
Vulnerable Road Users – Tannery Road Longford footpath		-		40,000
Vulnerable Road Users – Elizabeth Street Perth footpath		35,000		-
		1,082,710		40,000
State funded recurrent grants:				
Australia Day Celebrations		1,600		2,182
Ben Lomond Ski Slope Feasibility		-		5,000
Employee Training		14,955		-
Flood Plain Mapping (NDRG)		-		40,000
Heavy Vehicle Motor Tax Grant		68,421		68,421
		84,976		115,603
Total Capital Grants		3,224,704		793,617
Total Recurrent Grants		2,012,626		5,784,567
TOTAL GOVERNMENT GRANTS		5,237,330		6,578,184

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2014/2015 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 2014/2015 by \$1,793,237. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in 2014/2015 by \$1,793,237. In the 2015/2016 Budget the Commonwealth announced it would not continue with this approach of prepaying instalments. Therefore there was no prepayment in 2015/2016 and Council met its budgeted position.

Government funds received in relation to pensioner rates of \$408,223 (\$396,647 2014/2015) 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:

	2016		2015	
	\$	\$	\$	\$
Commonwealth Financial Assistance Grant				
- General Purpose	-		697,195	
- Roads	-		1,096,042	1,793,237
Midlands Kids Club Heating/Ventilation improvements		2,461		-
Perth Child Care - Professional Development		7,685		4,808
Rural & Remote Child Care Service – Project Support		-		4,723
		10,146		1,802,768

4. INVESTMENT REVENUE FROM WATER CORPORATION

	2016	2015
	\$	\$
Dividend Revenue	475,779	517,610
Tax Equivalents	169,472	129,598
Guarantee Fee	56,749	54,792
TOTAL INVESTMENT REVENUE FROM WATER CORPORATION	702,000	702,000

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:

	2016	2015
	\$	\$
Land		
Proceeds from sales	60,000	105,460
Written down value of assets sold	180,000	115,000
Gain /(loss) on sale	(120,000)	(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	74,246	94,467
Gain /(loss) on disposal	(74,246)	(94,467)
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 disposed with no proceeds	10,925	280
Gain /(loss) on disposal	(10,925)	447
Fleet		
Proceeds from sales	242,911	66,364
Written down value of assets sold	136,267	96,090
Gain /(loss) on sale	106,644	(29,726)
Plant		
Written down value of assets disposed with no proceeds	-	2,128
Gain /(loss) on disposal	-	(2,128)

	2016	2015
	\$	\$
Roads Infrastructure		
Written down value of assets disposed with no proceeds	600,399	140,071
Gain /(loss) on disposal	(600,399)	(140,071)
Bridges		
Written down value of assets disposed with no proceeds	80,402	-
Gain /(loss) on disposal	(80,402)	-
Stormwater & Drainage		
Written down value of assets disposed with no proceeds	10,742	77,993
Gain /(loss) on disposal	(10,742)	(77,993)
Total		
Proceeds from sales	302,911	417,547
Written down value of assets sold	316,267	516,090
Gain /(loss) on sale of fixed assets	(13,356)	(98,543)
Written down value of assets disposed with no proceeds	776,714	314,939
GAIN /(LOSS) ON SALE AND DISPOSAL OF FIXED ASSETS	(790,070)	(413,482)

6. EMPLOYEE BENEFITS

	2016		2015	
	\$	\$	\$	\$
Wages and Salaries	3,628,829		3,215,725	
Superannuation	498,701		461,742	
Annual/ Sick/ Long Service/ Other Leave	774,722		819,119	
Total Employee Benefits Expenses		4,902,252		4,496,586
State Government Payroll Tax	238,889		220,028	
Workers Compensation	169,619		130,846	
Provision for Leave Entitlements	(24,490)		(87,943)	
Other Employee Oncost Expenses	30,415		28,532	
Total Other Employee Related Expenses		414,433		291,463
		5,316,685		4,788,049
Less Amounts Capitalised				
Non-current assets constructed		(357,756)		(327,891)
TOTAL EMPLOYEE BENEFITS AND RELATED EXPENSES		4,958,929		4,460,158

Number of employees as at 30 June are:

	2016		2015	
	Total	Full Time Equivalent	Total	Full Time Equivalent
Permanent	70	63	61	55
Casual	12	2	19	4
Total	82	65	80	59

7. MATERIALS & SERVICES

	2016		2015	
	\$	\$	\$	\$
Contractor Payments				
Community Buildings and Halls	75,717		68,192	
Kerbside Garbage and Recycling	606,676		542,503	
Parks and Reserves	76,933		112,915	
Public Amenities	61,464		69,561	
Roads and Bridges	575,925		454,876	
Urban Stormwater	27,135		66,804	
Waste Transfer Stations	520,046		511,891	
Other Contractor Payments	456,229	2,400,125	460,219	2,286,961
Materials				
Community Buildings and Halls	22,476		20,440	
Corporate Services and Governance	175,240		153,751	
Parks and Reserves	60,687		89,963	
Public Amenities	24,506		41,632	
Roads and Bridges	337,103		367,531	
Urban Stormwater	16,457		32,034	
Other Material Purchases	(134,961)	501,508	198,474	903,825
Consultants Fees		722,916		475,839
Electricity Costs		345,285		317,832
Insurance		141,452		139,080
Telecommunication Costs		72,542		76,638
Other		407,978		386,211
TOTAL MATERIALS & SERVICES		4,591,806		4,586,386

8. DEPRECIATION & AMORTISATION EXPENSE

Depreciation and amortisation expense for the year is as follows:

	2016	2015
	\$	\$
Buildings	606,407	386,816
Plant	165,810	165,451
Flood Levee Infrastructure	18,934	18,882
Furniture, Fittings, Office Equipment & Computers	113,977	105,017
Fleet	361,139	372,720
Road Infrastructure	3,284,793	3,269,953
Bridges	364,922	381,622
Stormwater & Drainage	411,000	403,693
Heritage Assets	8,525	8,020
TOTAL DEPRECIATION & AMORTISATION EXPENSE	5,335,507	5,112,174

During the year Council componentised its building assets which had been previously been recognised as single assets. The componentisation process split each building into 6 components being structure, roof, external, internal, services and site services, with each of these components having their lives reassessed based on the class of building. Buildings previously had a useful life of 100 years, the newly componentised buildings have lives ranging from 40 to 150 years.

The assessment of the useful lives of components resulted in an overall decrease in the remaining lives of buildings and a significant increase in the accumulated depreciation attributed to these assets.

These changes in conjunction with a revaluation of the capital value of the building assets resulted in an increase in buildings depreciation expense of approximately \$220,000 for the current and future years.

9. OTHER EXPENSES

Other expenses for the year are as follows:

	2016	2015
	\$	\$
Bad & Doubtful Debts	342,445	703,166
Contributions & Donations	189,191	137,158
Councillors' Remuneration	192,688	192,373
Fringe Benefits Tax	33,675	36,024
Rate Remissions & Discounts	48,050	155,701
Special Committee Expenditure	230,261	197,840
Refunds & Reimbursements	15,786	30,358
Work in Progress from prior years Not Capitalised	9,153	16,734
Other Expenses	-	3,800
	1,061,249	1,473,154

10. CASH & CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash on Hand	600	600
Cash at Bank	501,801	2,389,992
Cash held by Special Committees of Council	261,738	265,006
Money Market Call Accounts	435,688	9,998
Short Term Fixed Deposits	9,402,944	8,967,970
	10,602,771	11,633,566

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 41).	1,172,384	1,187,640
Monies held in Trust (Note 17, page 41).	334,837	371,543
Special Committee Cash Held	261,738	265,006
Grants received which have not yet been applied to the purpose for which they were provided (Note 3, page 26)	10,146	1,802,767
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.	3,544,033	3,304,639
RESTRICTED FUNDS	5,323,138	6,931,595
UNRESTRICTED CASH & CASH EQUIVALENTS	5,279,633	4,701,971

11. TRADE & OTHER RECEIVABLES

	2016		2015	
	\$	\$	\$	\$
Current				
Trade Debtors - Sundry		240,885		109,893
Rates Outstanding	1,365,785		1,017,753	
Less Provision for Impairment of Debts	(1,126,164)	239,621	(783,719)	234,034
Accrued Income		56,254		62,475
TOTAL MATERIALS & SERVICES		536,760		406,402

Rates payments received in advance are treated as rate revenue in the year in which they are received, in 2015/16 this amounted to \$248,380 (2014/15 \$187,082).

Council as at the 30th June 2016 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

	2016	2015
	\$	\$
Timber – held for distribution at average cost	4,731	8,327
Norfolk Plains History Book – held for sale at cost	20,913	21,353
Longford 200 Years Medallions – held for sale at cost	3,587	3,611
	29,231	33,291

13. ASSETS HELD FOR SALE

	2016	2015
	\$	\$
<u>Gross Value</u>		
Opening Balance	-	305,000
Sales	-	(305,000)
	-	-

14. CAPITAL WORK IN PROGRESS

	2016	2015
	\$	\$
Opening Balance	404,777	462,996
Additions	1,510,069	357,434
Transfers out	(216,340)	(415,653)
CLOSING BALANCE AT COST	1,698,506	404,777

15. PROPERTY, PLANT & INFRASTRUCTURE

LAND	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening balance	10,020,340		10,135,340	
Additions - Purchased	231,244		-	
Additions – Donated or Contributed	276,633		-	
Sales	(180,000)		(115,000)	
Revaluation Adjustment	-		-	
NET AMOUNT AT FAIR VALUE		10,348,217		10,020,340
LAND UNDER ROADS	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening balance	1,772,111		1,294,189	
Initial Recognition	12,660,579		477,922	
Revaluation Adjustment	-		-	
NET AMOUNT AT FAIR VALUE		14,432,690		1,772,111
BUILDINGS	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening Balance	39,147,779		39,084,154	
Additions – Purchased or Constructed	297,007		312,012	
Disposals with no proceeds	(204,976)		(209,917)	
Revaluation Adjustment	7,830,799		(38,470)	
Closing Balance		47,070,609		39,147,779
Accumulated Depreciation				
Opening Balance	13,681,113		13,423,170	
Depreciation Expense	606,407		386,816	
Disposals with no proceeds	(130,730)		(115,451)	
Revaluation Adjustment	9,440,283		(13,422)	
Closing Balance		23,597,073		13,681,113
NET AMOUNT AT FAIR VALUE		23,473,536		25,466,666

HERITAGE ASSETS	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening Balance	1,098,288		1,020,288	
Additions – Purchased or Constructed	-		7,250	
Additions – Donated or Contributed	-		70,750	
Closing Balance		1,098,288		1,098,288
Accumulated Depreciation				
Opening Balance	157,883		149,863	
Depreciation Expense	8,525		8,020	
Closing Balance		166,408		157,883
NET AMOUNT AT COST		931,880		940,405

FLOOD LEVEE INFRASTRUCTURE	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening Balance	5,205,942		5,205,942	
Additions – Purchased or Constructed	-		-	
Closing Balance		5,205,942		5,205,942
Accumulated Depreciation				
Opening Balance	134,442		115,560	
Depreciation Expense	18,934		18,882	
Closing Balance		153,376		134,442
NET AMOUNT AT COST		5,052,566		5,071,500

FURNITURE, FITTINGS, OFFICE EQUIPMENT & COMPUTERS	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening Balance	2,105,136		2,002,142	
Additions – Purchased or Constructed	162,909		163,635	
Disposals with no proceeds	(53,424)		(60,641)	
Closing Balance		2,214,621		2,105,136

Accumulated Depreciation			
Opening Balance	1,531,809		1,487,152
Depreciation Expense	113,977		105,017
Disposals with no proceeds	(42,500)		(60,360)
Closing Balance		1,603,286	1,531,809
NET AMOUNT AT COST		611,355	573,327

FLEET	2016		2015	
	\$	\$	\$	\$

Gross Value				
Opening Balance	4,419,073		4,334,419	
Additions – Purchased or Constructed	957,401		243,662	
Additions – Donated or Contributed	-		21,130	
Sales	(745,442)		(180,138)	
Closing Balance		4,631,032		4,419,073

Accumulated Depreciation				
Opening Balance	2,125,637		1,836,966	
Depreciation Expense	361,139		372,720	
Sales	(609,174)		(84,049)	
Closing Balance		1,877,602		2,125,637
NET AMOUNT AT COST		2,753,430		2,293,436

PLANT	2016		2015	
	\$	\$	\$	\$

Gross Value				
Opening Balance	2,753,645		2,570,475	
Additions – Purchased or Constructed	79,448		186,350	
Disposals with no proceeds	(104,410)		(3,180)	
Closing Balance		2,728,683		2,753,645

Accumulated Depreciation				
Opening Balance	1,832,404		1,668,005	
Depreciation Expense	165,810		165,451	
Disposals with no proceeds	(104,409)		(1,052)	
Closing Balance		1,893,805		1,832,404
NET AMOUNT AT COST		834,878		921,241

ROADS INFRASTRUCTURE	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening Balance	204,273,284		177,410,103	
Additions – Purchased or Constructed	3,350,386		2,984,675	
Additions – Donated or Contributed	87,399		281,825	
Disposals with no proceeds	(2,628,955)		(2,278,646)	
Revaluation Adjustment	-		25,875,327	
Closing Balance		205,082,114		204,273,284
Accumulated Depreciation				
Opening Balance	67,141,263		55,062,731	
Depreciation Expense	3,284,793		3,269,953	
Disposals with no proceeds	(2,028,556)		(2,138,574)	
Revaluation Adjustment	-		10,947,153	
Closing Balance		68,397,500		67,141,263
NET AMOUNT AT FAIR VALUE		136,684,614		137,132,021

BRIDGES	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening Balance	25,623,263		24,939,938	
Additions – Purchased or Constructed	2,368,140		10,863	
Disposals with no proceeds	(584,504)		-	
Revaluation Adjustment	(20,227)		672,462	
Closing Balance		27,386,672		25,623,263
Accumulated Depreciation				
Opening Balance	7,767,269		5,653,277	
Depreciation Expense	364,922		381,622	
Disposals with no proceeds	(504,102)		-	
Revaluation Adjustment	-		1,732,370	
Closing Balance		7,628,089		7,767,269
NET AMOUNT AT FAIR VALUE		19,758,583		17,855,994

STORMWATER & DRAINAGE	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening Balance	34,045,073		32,216,208	
Additions – Purchased or Constructed	224,517		801,482	
Additions – Donated or Contributed	75,028		277,629	
Disposals with no proceeds	(12,937)		(83,961)	
Revaluation Adjustment	(127,239)		833,715	
Closing Balance		34,204,442		34,045,073
Accumulated Depreciation				
Opening Balance	8,451,865		7,873,060	
Depreciation Expense	411,000		403,693	
Disposals with no proceeds	(2,196)		(5,968)	
Revaluation Adjustment	-		181,080	
Closing Balance		8,860,669		8,451,865
NET AMOUNT AT FAIR VALUE		25,343,773		25,593,208

TOTAL PROPERTY, PLANT & INFRASTRUCTURE	2016		2015	
	\$	\$	\$	\$
Gross Value				
Opening Balance	330,463,934		300,213,198	
Additions – Purchased or Constructed	7,671,052		4,709,929	
Additions – Donated or Contributed	439,060		1,129,256	
Initial Recognitions	12,660,579		-	
Sales	(925,442)		(295,138)	
Disposals with no proceeds	(3,589,206)		(2,636,345)	
Revaluation Adjustment	7,683,333		27,343,034	
Closing Balance		354,403,310		330,463,934
Accumulated Depreciation				
Opening Balance	102,823,685		87,269,784	
Depreciation Expense	5,335,507		5,112,174	
Sales	(609,174)		(84,049)	
Disposals with no proceeds	(2,812,493)		(2,321,405)	
Revaluation Adjustment	9,440,283		12,847,181	
Closing Balance		114,177,808		102,823,685
NET AMOUNT		240,225,502		227,640,249

16. INVESTMENT IN WATER CORPORATION

	2016	2015
	\$	\$
Opening Balance Investment in Water and Sewerage Corporation	39,009,600	38,707,200
Fair Value adjustments on Available-for-Sale Assets	673,100	302,400
TOTAL INVESTMENT IN WATER AND SEWERAGE CORPORATION	39,682,700	39,009,600

Council has derived returns from the water corporation as disclosed at Note 4, page 27.

At 30 June 2016, 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

	2016	2015
	\$	\$
Current		
Trade Creditor	1,229,931	472,558
Accrued Wages	115,120	72,800
Money Held in Trust	334,837	371,543
	1,679,888	916,901

18. PROVISIONS

	2016		2015	
	\$	\$	\$	\$
Current				
Employee Benefits - Annual Leave	416,405		379,811	
Employee Benefits - Long Service Leave	451,192		477,645	
Employee Benefits - Oncosts	183,752		181,863	
		1,051,349		1,039,319
Non-Current				
Employee Benefits - Long Service Leave	99,576		122,028	
Employee Benefits - Oncosts	21,459		26,293	
		121,035		148,321
AGGREGATE EMPLOYEE BENEFITS		1,172,384		1,187,640

19. CAPITAL EXPENDITURE COMMITMENTS

(a) Capital/Contractual Commitments

	2016	2015
	\$	\$
Estimated expenditure contracted for at balance date but not yet incurred:		
- payable not later than one year	1,184,773	2,365,796
- payable later than one year but no later than two years	717,726	464,416
- payable later than two years	825,502	835,519
	2,728,001	3,665,731

20. CONTINGENT LIABILITIES

Council has no contingent liabilities.

21. AUDITORS REMUNERATION

	2016	2015
	\$	\$
Audit fees to conduct external audit – Tasmanian Audit Office	24,110	21,510

22. SPECIAL COMMITTEES & RIVERWORKS DISTRICT

The statements include transactions for the following committees:

(a) Special Committees

Committee Name	2016				2015			
	Operating	Operating	Amounts	Net	Operating	Operating	Amounts	Net
	Income	Expenditure	Capitalised	Assets	Income	Expenditure	Capitalised	Assets
	\$	\$	\$	\$	\$	\$	\$	\$
About Campbell Town	7,912	8,110	-	12,544	12,498	8,488	-	12,742
Avoca Community Centre	6,238	2,064	-	14,659	7,673	5,049	2,748	10,655
Avoca Museum & Information Centre	1,616	5,319	113	3,701	10,466	1,874	-	7,777
Bishopsbourne Community Centre	18,649	16,387	1,870	54,347	20,197	13,551	1,000	51,697
Campbell Town Swimming Pool	12,615	10,282	-	35,501	12,561	18,730	-	32,977
Campbell Town Recreation Ground	2,929	3,798	1,318	8,815	7,727	1,691	-	10,040
Cressy Hall	7,442	1,703	-	11,884	5,118	5,371	-	5,841
Cressy War Memorial Swimming Pool	29,196	25,725	-	16,719	26,793	28,798	4,481	12,824
Cressy Recreation Ground	8,186	10,587	4,041	9,183	9,167	4,332	-	12,624
Devon Hills Residents	318	179	-	1,573	15	257	-	1,439
Epping Hall	3,701	1,405	-	5,217	3,589	2,264	-	2,862
Evandale Community Centre & War Memorial Hall	28,420	31,097	-	5,920	25,369	27,128	-	8,717
Liffey Hall	8,339	8,852	-	3,641	3,164	1,237	-	4,229
Longford Recreation Ground	9,788	11,372	390	6,084	12,928	15,564	9,716	8,583
Morven Park Recreation Ground	9,062	10,546	-	1,473	12,016	13,891	1,973	3,323
Perth Community Centre	22,704	31,261	-	4,273	-	-	-	13,925
Perth Recreation Ground	9,768	4,800	1,206	6,176	8,118	13,665	6,500	1,376
Ross Community Sports Club	43,941	46,774	1,080	60,028	44,031	35,950	-	63,375
	230,824	230,261	10,018	261,738	221,430	197,840	26,418	265,006

(b) Riverworks District

	2016	2015
	\$	\$
The Lake River Riverworks District		
Opening Cash Balance	9,032	392
Plus Income	-	14,944
Less Expenditure	(5,665)	(6,304)
CLOSING CASH BALANCE	3,367	9,032

The Lake River Riverworks District aims to minimise environmental harm and risk within the boundaries of its district, complying with all statutory provisions. It is overseen by a management committee that held its most recent meeting on 23 June 2016.

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

	2016	2015
	\$	\$
Surplus/(Deficit)	13,983,704	3,325,908
Capital grants received specifically for new or upgraded assets	(3,224,704)	(793,617)
Contribution of non-monetary assets	(439,060)	(1,129,256)
Initial Recognition of land under roads	(12,660,579)	
Net Loss/(Gain) on disposal of property, Infrastructure, Plant and Equipment	790,070	413,482
Depreciation	5,335,507	5,112,174
Changes in Operating Assets & Liabilities		
(Increase)/Decrease in Trade and Other Receivables	(130,358)	829,090
(Increase)/Decrease in Inventory	4,060	(1,679)
Increase/(Decrease) in Creditors	762,987	(76,137)
Increase/(Decrease) in Provisions	(15,256)	(96,783)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,406,371	7,583,182

24. RELATED PARTY DISCLOSURE

(a) Allowances & Reimbursements

	2016	2015
	\$	\$
Councillors Allowances and Reimbursements	192,688	192,373

(b) Register of Interests – 2015/2016

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

Cr Andrew Calvert

Mayor David Downie

Cr Leisa Gordon

Deputy Mayor Richard Goss

Cr Mary Knowles

Cr Janet Lambert

Cr Michael Polley

Material Interest Declared:

Cr Ian Goninon	Nature:	Shareholder/Director
	Company:	Specialist Collection Services
	Period:	1 July 2015 – 30 June 2016
	Relevant dealings:	Provision of Debt Collection Services under normal terms and conditions
	Value of dealings:	\$1,570 (2014/15 \$5,533)

25. SUPERANNUATION

Council makes superannuation contributions for one of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. 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 and accordingly no asset or liability is recognised in these accounts in respect of the scheme.

For the year ended 30 June 2016 Council contributed 9.5% 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, 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 member benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000, the value of total accrued benefits was \$58,093,000, and the number of members was 187.

The actuarial review concluded that, 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.

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

- During the reporting period the amount of contributions paid to defined benefits schemes was \$13,434 (2014-15, \$22,097), and the amount paid to accumulation schemes was \$485,267 (2014-15, \$439,645).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$1,550, and the amount to be paid to accumulation schemes is \$536,965.
- As at 30 June 2015 the Fund had 164 members and the total employer contributions and member contributions for the year ending 30 June 2015 were \$2,083,883 and \$325,833 respectively.

Council adopted reduced disclosure in relation to the Fund based on an assessment that the impact of non-disclosure is insignificant to users of the accounts. The assessment was based on the number of Council employees that are members of the Fund (One) and Council's contributions to the Fund (as noted above) in comparison to both the Fund's total members and contributions and Council's total employee numbers and superannuation contributions. In addition, the Fund is currently in surplus. If the Fund's position changes, the need for increased disclosure will be considered.

26. FINANCIAL INSTRUMENTS

(a) Accounting Policy, Terms & Conditions

Financial Instruments	Note	Accounting Policy	Terms & Conditions
Financial Assets			
Cash & Cash Equivalents		<p>Cash and cash equivalents are valued at face value. Interest is recognised as it accrues.</p> <p>Investments are valued at cash. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.</p>	<p>On call deposits returned a floating interest rate of 0.8 % (1.3 % 2014/15).</p> <p>Funds returned fixed interest rates between 2.45%(2.35% 2014/15) and 3.75%(4.10% 2014/15).</p>
Rate Debtors	11	<p>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.</p>	<p>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. 2014/15) Furthermore Council instigates collection proceedings in accordance with provisions of the <i>Local Government Act 1993</i> (as amended), for any amounts which remain unpaid outside of Council's approved payment options.</p>
Trade Debtors	11	<p>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.</p>	<p>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 <i>Local Government Act 1993</i> (as amended).</p>
Financial Liabilities			
Trade and Other Payables	17	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date.</p>	<p>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.</p>

(b) Financing Arrangements

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

	2016	2015
	\$	\$
Total Corporate Credit Cards Facility Limit	50,000	50,000
Corporate Credit Card Facility Limit Used at Reporting Date	4,200	5,416
AVAILABLE AT REPORTING DATE CORPORATE CREDIT CARD	45,800	44,584

No other credit standby arrangements and loan facilities are used or available to be used as at 30/06/2016 (30/06/2015).

(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 Councils 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:

2016	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	0.80%	764,139					764,139
- Investments	3.00%	435,688	9,402,944				9,838,632
Trade and Other Receivables							
- Rates	7.50%		239,621				239,621
- Sundry						240,885	240,885
Revenue Accrual						56,254	56,254
Available for Sale							
- Land and Buildings							
Non Current Assets							
Available for Sale							
- Investment in TasWater						39,682,700	39,682,700
Total Financial Assets 2016		1,199,827	9,642,565	-	-	39,979,839	50,822,231
Liabilities							
Trade and Other Payables							
- Sundry Creditors						1,345,051	1,345,051
- Monies held in Trust						334,837	334,837
Total Financial Liabilities 2016		-	-	-	-	1,679,888	1,679,888
NET FINANCIAL ASSETS/(LIABILITIES) 2016		1,199,827	9,642,565	-	-	38,299,951	49,142,343

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

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:

	2016	2015
	\$	\$
Balance at 1 July	783,719	80,633
Charge for the year	345,547	703,166
Amounts previously charged no longer impaired	(3,102)	(80)
BALANCE AT 30 JUNE	1,126,164	783,719

(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 1.75%.

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.

2016	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	10,602,771	(106,028)	(106,028)	106,028	106,028
Receivables	239,621	(2,396)	(2,396)	2,396	2,396
		(108,424)	(108,424)	108,424	108,424
2015					
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

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

Carrying amounts classified as:

	2016	2015
	\$	\$
Financial Assets		
Loans and Receivables	536,760	406,402
Cash and Cash Equivalents	10,602,771	11,633,566
Available for Sale – Investment in TasWater	39,682,700	39,009,600
	50,822,231	51,049,568
Financial Liabilities measured at amortised cost		
Payables	1,679,888	916,901
	1,679,888	916,901
NET FINANCIAL ASSETS / (LIABILITIES)	49,142,343	50,132,667

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

	2016	2015
	\$	\$
Rate debtors, not past due	-	-
Rate debtors, less than 30 days past due	-	-
Rate debtors over 60 days past due	239,621	234,034
Trade Debtors Sundry, not past due	198,139	84,350
Trade Debtors Sundry, less than 30 days past due	3,858	5,359
Trade Debtors Sundry, over 30 days less than 60 days past due	2,378	933
Trade Debtors Sundry, over 60 days past due	36,510	19,251
Accrued Income, Current	56,254	62,475
	536,760	406,402

(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 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Available for sale financial assets	-	-	39,682,700	39,682,700
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-

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	-	-	-	-

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

Reconciliation of Level 3 Fair Value Movements	2016	2015
	\$	\$
Opening Balance	39,009,600	38,707,200
Gains (losses) recognised in other comprehensive income:		
Change in Fair Value of Investment in Ben Lomond Water	673,100	302,400
CLOSING BALANCE	39,682,700	39,009,600

27. MANAGEMENT INDICATORS

(a) Financial Management Indicators

	Bench Mark	2016 \$,000's	2015 \$,000's	2014 \$,000's	2013 \$,000's
i) Underlying Surplus/Deficit					
Recurrent Income*		16,855	16,341	16,020	15,061
Less Recurrent Expenditure		17,403	16,731	15,949	15,144
Underlying Surplus/(Deficit)	0	(548)	(390)	71	(83)

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

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

ii) Underlying Surplus Ratio					
Underlying Surplus or Deficit		(548)	(390)	71	(83)
Divided by Recurrent Income*		16,855	16,341	16,020	15,061
Underlying Surplus Ratio %	0%	(3)%	(2)%	0%	(1)%

Commentary - A negative result indicates a deficit which is unable to be sustained in the long term, while Council has had a negative result in three of the last 4 years, this ratio shows that these negatives are a low percentage of recurrent income, because of this Council believes it is sustainable in the long term and continues to work towards achieving an ongoing positive result.

iii) Net Financial Assets (Liabilities)					
Liquid Assets		11,140	12,040	8,726	10,962
Less Total Liabilities		2,852	2,105	2,277	2,614
Net Financial Assets (Liabilities)	0	8,288	9,935	6,449	8,348

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

iv) Net Financial Assets (Liabilities) Ratio					
Net Financial Assets (Liabilities)		8,288	9,935	6,449	8,348
Divided by Recurrent Income*		16,855	16,341	16,020	15,061
Net Financial Assets (Liabilities)	0% to (50)%	49%	61%	40%	55%

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

(b) Asset Management Indicators

i) Asset Consumption Ratio

An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

		2016	2015	2014	2013
		\$,000's	\$,000's	\$,000's	\$,000's
■ <u>Buildings</u>					
Depreciated replacement cost		23,474	25,467	25,661	26,952
Divided by current replacement cost		47,071	39,148	39,084	40,552
Asset consumption ratio %	60%	50%	65%	66%	66%
■ <u>Road Infrastructure</u>					
Depreciated replacement cost		156,443	154,988	141,634	137,669
Divided by current replacement cost		232,469	229,897	202,350	196,364
Asset consumption ratio %	60%	67%	67%	70%	70%
■ <u>Stormwater & Drainage</u>					
Depreciated replacement cost		25,344	25,593	24,343	22,652
Divided by current replacement cost		34,204	34,045	32,216	29,713
Asset consumption ratio %	60%	74%	75%	76%	76%

Commentary - These ratios show the depreciated replacement cost of classes of depreciable assets relative to their "as new" (replacement) value. They therefore show the average proportion of new condition left in the assets. Councils ratios for Roads and Bridge Infrastructure and Stormwater and Drainage have consistently over the four-year period been above the established benchmark of 60% indicating, an appropriate level of investment in renewal of these asset classes. The Buildings ratio has fallen from an average of 66% in the preceding three years to 50% in 2016. This has occurred as a result of both the componentisation of buildings into 6 parts with the allocation of varying lives to these component parts and the revaluation of the building asset in the 2016 year. As a result of the outcomes of this process Council will reconsider its level of ongoing investment in renewal of its Building assets.

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	2016 \$,000's	2015 \$,000's	2014 \$,000's	2013 \$,000's
Road & Bridge Infrastructure					
Projected capital funding outlays**		23,161	27,930	32,124	55,981
Divided by projected capital expenditure funding***		24,305	23,051	29,737	58,289
Asset renewal funding ratio%	90-100%	95%	121%	108%	96%
Stormwater & Drainage					
Projected capital funding outlays**		2,094	2,357	2,625	561
Divided by projected capital expenditure funding***		4,800	2,226	2,544	596
Asset renewal funding ratio%	90-100%	44%	106%	103%	94%

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

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

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

In previous years the asset classes reported have exceeded the benchmark with Roads and Bridges Infrastructure also exceeding the benchmark in 2016. Stormwater did not meet the benchmark in 2016 as the Asset Management Plan for this class adopted by Council 18/04/2016 includes additional expenditure not yet updated to the long-term financial plan. Council anticipates adopting an updated long-term financial plan in the current financial year, which includes this additional expenditure, making it likely that the benchmark will be achieved.

iii) Asset Sustainability Ratio

	Bench Mark	2016 \$,000's	2015 \$,000's	2014 \$,000's	2013 \$,000's
Capital Expenditure on replacement/ renewal of existing assets		6,625	3,077	4,524	4,668
Divided by annual depreciation expense		5,336	5,112	4,639	4,456
Asset sustainability ratio%	100%	124%	59%	98%	105%

Commentary - This ratio compares the rate of spending on existing infrastructure, property, plant and equipment through renewing, restoring and replacing existing assets against depreciation. Councils average ratio of 97% over the past four years is just below the benchmark of 100%. This is a long term indicator as depreciation costs tend to be relatively stable over a period of time, whereas capital renewal can tend to be much more variable.

	Capital Renewal Expenditure \$'000	Capital New/ Upgrade Expenditure \$'000	Total Capital Expenditure \$'000
Land	-	231	231
Buildings	156	210	366
Furniture, Fittings, Office Equipment & Computers	102	95	197
Fleet	913	44	957
Plant	44	35	79
Road Infrastructure	2,410	827	3,237
Bridges	2,838	806	3,644
Stormwater & Drainage	162	91	253
	6,625	2,339	8,964

28. 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.

(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 2016.

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 2016:	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
▪ Land	15	-	10,348,217	-	10,348,217
▪ Land under roads	15	-	14,432,690	-	14,432,690
▪ Buildings	15	-	-	47,070,609	47,070,609
▪ Roads Infrastructure	15	-	-	205,082,114	205,082,114
▪ Bridges	15	-	-	27,386,672	27,386,672
▪ Stormwater & Drainage	15	-	-	34,204,442	34,204,442
		-	24,780,907	313,743,837	338,524,744

As at 30 June 2015:	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
▪ Land	15	-	10,020,340	-	10,020,340
▪ Land under roads	15	-	1,772,111	-	1,772,111
▪ Buildings	15	-	-	39,147,779	39,147,779
▪ Roads Infrastructure	15	-	-	204,273,284	204,273,284
▪ Bridges	15	-	-	25,623,263	25,623,263
▪ Stormwater & Drainage	15	-	-	34,045,073	34,045,073
		-	11,792,451	303,089,399	314,881,850

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 during the year.

(b) Highest and Best Use

AASB 13 requires the fair value of non-financial assets to be calculated based on their "highest and best use", all assets valued at fair value in this note are being used for their highest and best use.

(c) Valuation Techniques and Significant Inputs Used to Derive Fair Values

i) Land

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

As there has been no movement in the Valuer Generals adjustment factors for properties in the Northern Midlands Municipality since the 2013 valuation, no indexation has been applied by Council Officers to its Land asset.

ii) Land Under Roads

In previous periods Council had only recognised land under roads acquired since 1 July 2008, In the current year Council elected to recognise all land under roads. This valuation of Land under roads was determined by Councils Officers through the application a land under roads rate for each category of land (Residential, Commercial, Industrial, Community, Primary Production and Other), determined by W.P. Coverdale the Valuer-General as at 1 July 2014, for the Northern Midlands Municipality. The Valuer-General derived the rates by dividing land values by land area by property class category in each municipality. A

30% discount was applied to average values in each category (residential, commercial, industrial, community and other) to equate to unimproved values. No discount was applied to the primary production property class category.

iii) Buildings

The fair value of buildings was determined by Mr Murray A Bugg, Dip Val. AAPL, Independent Certified Valuer as at 1 July 2015. Council officers componentised the fair value of buildings into 6 components, being structure, roof cladding, external fabric, internal fit-out, services and site services, with each of these components being assigned unique lives.

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

Where Council buildings are of a specialist nature (e.g. 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.

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

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

- *Roads Infrastructure*

A full Valuation of Roads and Streets was undertaken by Moloney Asset Management Systems as at 1 July 2014. Council Officers would usually apply a Road & Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2015, however as there was no movement in this index in the period to 1 July 2015, no indexation adjustment has been applied in the current year.

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 this valuation process each segment of road was individually assessed.

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

- *Bridges*

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

Each bridge was assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Council Officers would usually apply a Road & Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2015, however as there was no movement in this index in the period to 1 July 2015, no indexation adjustment has been applied in the current year.

- *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, as there was no movement in this index in the period to 1 July 2015, no indexation adjustment has been applied in the current year.

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 36 (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 12.

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 2016, 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 14th day of *August* 2016.

INDEPENDENT AUDIT REPORT



Independent Auditor's Report

To the Councillors of Northern Midlands Council

Financial Report for the Year Ended 30 June 2016

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 2016 and the statements of comprehensive income, statement of changes in equity and statement of 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 2016 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.

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 responsibility does not extend to the budget figures included in the statement of comprehensive income and the asset renewal funding ratio disclosed in note 27 to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

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
7 September 2016

...1 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

...2 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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