

Northern Midlands Council Annual Report 2016/2017



TABLE OF CONTENTS

VALUES	4
HONESTY	4
INTEGRITY	4
INNOVATION	4
PRIDE	4
<hr/>	
MISSION	4
LEAD AND PROGRESS	4
Leadership	
Progression	
PEOPLE AND PLACE	4
People	
Place	
MUNICIPAL GOALS	4
<hr/>	
THE ANNUAL REPORT	5
PROFILE	5
MESSAGE FROM THE MAYOR	6
GENERAL MANAGER'S MESSAGE	8
OUR COUNCIL, PEOPLE & ORGANISATION	10
COUNCIL FACTS IN BRIEF	10
FACILITIES MAINTAINED	10
OUR STAFF	10
ORGANISATION STRUCTURE	11
<hr/>	
ROLE OF COUNCIL	12
COUNCIL MEETINGS	12

ELECTED MEMBERS OF COUNCIL	14
MAYOR DAVID DOWNIE	14
DEPUTY MAYOR RICHARD GOSS	14
COUNCILLOR DICK ADAMS	14
COUNCILLOR ANDREW CALVERT	15
COUNCILLOR IAN GONINON	15
COUNCILLOR LEISA GORDON	15
COUNCILLOR MARY KNOWLES OAM	15
COUNCILLOR JANET LAMBERT	15
COUNCILLOR MICHAEL POLLEY AM	15
COUNCIL'S EXECUTIVE COMMITTEE	15
<hr/>	
MEMBERS SERVING ON DISTRICT COMMITTEES AT 30 JUNE 2017	16
MAJOR STRATEGIC ISSUES	17
INTRODUCTION	17
ECONOMIC DEVELOPMENT	17
SUSTAINABLE DEVELOPMENT	17
COMMUNITY WELL-BEING	18
WATER QUALITY & SEWER SERVICES	19
MAINTAINING CORE FUNCTIONS OF COUNCIL	19
FUTURE FUNDING	19
<hr/>	
UNDERSTANDING THE FINANCIAL REPORT	20
WHAT ARE THE FINANCIAL STATEMENTS?	20
THE FINANCIAL STATEMENTS	20
The Statement of Comprehensive Income	
Statement of Financial Position	
Statement of Changes in Equity	
Statement of Cash Flows	
Notes to the Accounts	
Certification	
Auditor General's Report	

ANNUAL REVIEW OF COUNCIL PROGRAMS	24
GOVERNANCE	24
Strategic Projects	
Governance	
Community Representation & Relations	
People and Culture / Human Resources	
Economic Development	
CORPORATE SERVICES	32
Strategic Projects	
Financial Resources	
Information Systems	
Community Services	
Social (Human) Services	
COMMUNITY & DEVELOPMENT	39
Strategic Projects	
Recreation	
Tourism Promotion	
Committees of Management & Non-Profit Organisations	
Building Services	
Land Use & Planning	
Health & Environmental Management	
WORKS & INFRASTRUCTURE	47
Strategic Projects	
Roads	
Stormwater	
Bridges	
Waste Management	
Building Services & Property Management	
MAJOR WORKS	53
Road Infrastructure	
Bridges	
Urban Stormwater / Drainage	
Recreation, Building & Community	
REPORTING ON LEGISLATIVE REQUIREMENTS	55
Public Tenders	
Attendance at Council and Committee Meetings by Councillors (Local Government Act)	
Elected Member Allowances and Expenses (Local Government Act)	
Remuneration Statement (Local Government Act)	
Grants & Benefits (Local Government Act)	
Donation of Land (Local Government Act)	
Public Interest Disclosures Statement (Public Interest Disclosures Act 2012)	
Environmental Health Statement (Public Health Act 1997 and the Food Act 2003)	
Right to Information Act	
Code of Conduct Complaints (Local Government Act)	
Customer Requests/Complaints Received (Local Government Act)	

VISION

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

VALUES

HONESTY

Treat all with honesty, respect and trust

INNOVATION

Explore, expand and adapt to achieve a shared vision

INTEGRITY

Listen, learn and proactively deliver Council's vision

PRIDE

Serve community with pride and energy

MISSION

LEAD AND PROGRESS

Leadership

Serve with honesty, integrity, innovation and pride.

Progression

Nurture and support economic health and wealth.

PEOPLE AND PLACE

People

Build a vibrant society that respects the past

Place

Nurture our heritage environment.

MUNICIPAL GOALS

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

THE ANNUAL REPORT

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

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

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

- The context in which Council worked
- An organisational overview
- Council's operations, our achievements
- The key activities and priorities identified in the budget
- A set of audited standard, financial and performance statements.

Each year Council, in consultation with the community, prepares an Annual Budget within the context of the actions identified in the Strategic Plan 2017-2027.

PROFILE

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

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

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

The population of the Northern Midlands was estimated to be 13,043 by the June 2016 ABS figures. This was 2.52% of the estimated State population that totalled 517,588.



MESSAGE FROM THE MAYOR

2016/2017 has been another exciting and productive year for the Northern Midlands. It is pleasing to see ongoing development and expansion in the municipality with the progress of the Midland Highway upgrade, building and development, particularly in the Perth area, and Council's ongoing commitment to upgrade its town centres and facilities. All of these works continue to make the Northern Midlands an enviable place to live and work.

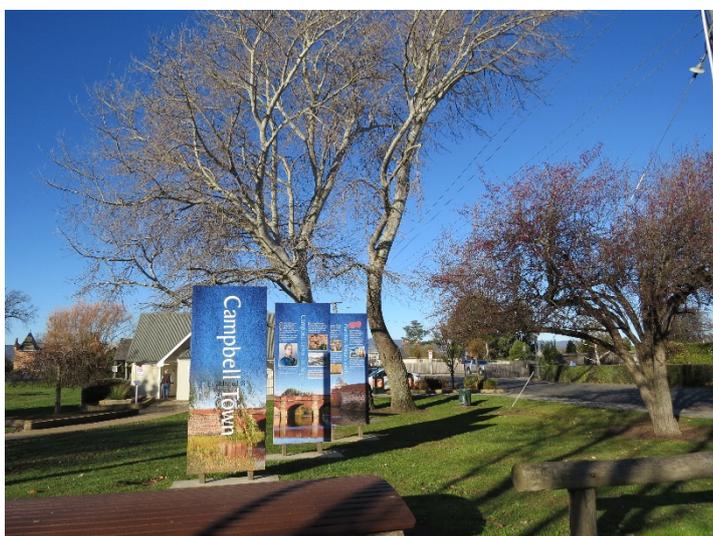
The Perth Town Structure Plan was approved by Council in principle in 2016. Perth has the potential to cater for a large proportion of the expected growth within the Northern Midlands. The primary aim for this project is to establish a preferred pattern for urban consolidation and the future residential growth for Perth, along with a framework for revitalisation of the town centre, acknowledging its historic values and strong relationships with other nearby activity centres. The completion of the plan ties well with the highway upgrades which continue to progress.

Once again we have seen a number of projects completed this year. New entrance statements have been erected in the townships of Cressy and Ross. The unique features provide a point of difference at the entrances to the towns, and have been very well received by the community. Design work for statements at Avoca and Evandale are underway.



Council submitted an application to the State Government to participate in the Accelerated Local Government Capital Works Program, where interest free loans were offered to Councils to progress capital works projects. Council was successful in its application with funding for the following projects being approved:

- | | |
|---|--------------|
| ▪ Campbell Town Multipurpose Complex | \$ 1,000,000 |
| ▪ Cressy Recreation Ground Clubrooms | \$ 220,000 |
| ▪ Longford Recreation Ground redevelopment | \$ 1,100,000 |
| ▪ Ground lighting | \$ 1,000,000 |
| ▪ Ross Square Master Plan | \$ 300,000 |
| ▪ Office Car Park & Disabled Access | \$ 200,000 |
| ▪ Additional footpaths | \$ 250,000 |
| ▪ Northern Midlands Community Health Centre | \$ 1,000,000 |
| ▪ Campbell Town CBD Streetscape Development | \$ 1,000,000 |



Council was also successful in obtaining funding from the Federal Government during the 2016 election campaign to contribute \$750,000 toward the redevelopment of the Campbell Town War Memorial Oval clubrooms, in addition to the \$1 million allocated from Accelerated Local Government Capital Works Program. The design of the new facility is complete, and tenders are to be called for construction to occur in 2018. This is a wonderful opportunity for Campbell Town to be promoted as a regional destination for statewide sporting events.

Public toilet improvements were high on Council's

agenda this year, with works having commenced on the replacement of the Ross Public Toilet, which is scheduled to be complete well before Christmas. The State Government has committed \$80,000 toward the expansion of the Campbell Town Public Toilet facility in Valentine Park. We are pleased to be able to upgrade this extremely popular facility, doubling the size of the most used amenities in the municipality. We look forward to seeing those works commence in the new financial year.

Once again, Council was fortunate to received funding through the Federal Government Bridge Renewal Program which saw the replacement of the Lake River Bridge on Macquarie Road. This now leaves the Woolmers Bridge on Woolmers Lane as the last major wooden bridge to be replaced in the municipality. Council has submitted a funding application to the Federal Government Bridge Renewal Program for the Woolmers Bridge replacement. If successful in obtaining the funding, the new two-lane bridge will be a vast improvement, and will result in the current 12 tonne load limit being lifted.



Continuing to impact Council is the issue of the unpaid Launceston Airport rate equivalent payments. This year Council has avidly sought meetings with relevant Federal politicians to prompt a solution to this dispute, as was promised by both major parties during the federal election campaign last year. Mediation is scheduled to occur to attempt to resolve the dispute.

The State Government this year announced its proposed takeover of TasWater. The Northern Midlands Council, in conjunction with other councils in the state and the Local Government Association of Tasmania have lobbied strongly to prevent this takeover.

The Northern Midlands Council's equity in TasWater is worth \$39 million to the community of the Northern Midlands. These assets should not be taken from our community without due compensation.

The effect of TasWater's proposed takeover on the local community will instantly reduce Council's capacity to progress works; services; facilities; and projects, which contribute significantly to ensuring the Northern Midlands is an enviable place to live, work and play. The continual development of our townships and villages is paramount to the sustainability of our communities and future generations.

We were thrilled with the announcement that Longford will host the prestigious Emirates Melbourne Cup in September, as part of its annual tour of Australia and New Zealand. The iconic 18-carat gold cup visit will include:

- Community fun day;
- Fundraising cocktail party; and
- Involvement with local schools and care facilities.

The visit provides a wonderful opportunity to celebrate Longford's rich horse racing history and local connections to the 'race that stops a nation™'.

We have once again seen a huge range of events visit our municipality in 2016/2017, including garden shows, motor sport, cycling, art exhibitions and music. We are truly lucky to attract such events to our area, and value the opportunity to showcase the wonderful community in which we live.

In closing, I wish to acknowledge and thank my fellow Councillors, Management and Staff for their ongoing support and effort throughout the year. I look forward to seeing what the 2017/2018 year brings.


David Downie
MAYOR

GENERAL MANAGER'S MESSAGE

It has been a busy time for Council in the past year, with the finalisation of the Northern Midlands Strategic Plan 2017-2027 along with the completion of a number of master plans; along with the associated success of the application for funding for interest free loans from the State Government under the auspices of the Accelerated Local Government Capital Works Program.

The Northern Midlands Strategic Plan 2017-2027 will guide Council decisions for the next ten years, the document is brief and concise. Prior to the next Council election, Council will develop a four-yearly plan to deliver goals from the guiding Strategic Plan.

The Municipal Goals from the Strategic Plan include:

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

The year saw the delivery of a works program with a budgeted expenditure of \$8.7 million, completing 84% of our capital works compared to our adopted budget. Capital works included:

- Provision of street furniture and playground equipment across the municipality, including the Victoria Square (Village Green) Destination Play Space in Longford
- Urban Stormwater and Drainage, including Perth's Sheepwash Creek Water Sensitive Urban Design and TRANSlink
- Reconstruction, resealing and resheeting of roads, footpath, kerb & gutter and verge construction
- Construction of Lake River Bridge, Cressy
- Upgrade and maintenance of public buildings, including Council Chambers, Council Depots and Halls
- Upgrade and maintenance of Recreation Grounds and Sports Centre
- Boat Ramp improvements
- Improvements to Avoca Waste Transfer Station
- Purchase of property at Ross
- Purchase and replacement of fleet, including utilities, backhoe and tractor
- Purchase and installation of CCTV equipment
- Installation of Evandale main street lamp posts
- Entrance statements, landscaping and streetscape beautification

The engagement of staff in the Building and Maintenance area in early 2017 has allowed the team to focus on a number of new projects and existing maintenance matters. These include: entrance statements to towns, property maintenance on Council owned buildings, office renovations, construction of amenities, maintenance of the three pools, to name just a few. At officer level we now have the capability to have input into planning, design and implementation of projects, as well as the capacity to project manage larger projects.

The skills of the Building and Maintenance employees will allow the capacity to project manage and provide the hands on skills to deliver building projects to the benefit of the community.

The completion of master plans for a number of identified Strategic Infrastructure Projects during 2016-2017 will finally see the preparation of the Economic Development Master Plan.

This document will detail the various projects and, over an agreed delivery period, the projects will be scheduled for commencement. The projects are numerous and will require significant funding which will not be within Council capacity.

Council will fund projects on a priority basis and progress some more quickly if external funding streams are realised.

The Perth Link Road Project will see the Midland Highway divert heavy traffic away from the central business district of Perth. The Link Road, Stage 2 will begin to impact on Perth in approximately 2020. It is imperative that the recently completed Perth Structure Plan is implemented to ensure the town can grow.

Projects will include pathways, parks, bikeways, road and stormwater infrastructure, inclusive of Water Sensitive Urban Design projects associated with Sheepwash Creek, expanded and improved cohesion of the streetscape in the central business district.

During 2016/2017 Council supported the establishment of the Northern Tasmania Development Corporation Ltd (NTDC), funded by Break O'Day, Flinders, George Town, City of Launceston, Meander Valley, West Tamar and the Northern Midlands councils.

NTDC will provide pro-active regional leadership, that is engaged 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 primary objectives of the NTDC are to:

- (a) provide pro-active, engaged and strategic regional economic leadership;
- (b) consolidate an agreed vision for the development, sustainability and prosperity of the geographic region that the organisation's members encompass;
- (c) and implement a strategic economic action plan based on the Northern Regional Futures Plan framework or similar; and.
- (d) to provide effective representation and advocacy to State and Federal Government and other stakeholders.

As an incumbent member of the Northern Tasmania Development Association Inc, Council has been involved in all considerations about the incorporation of that entity into the NTDC, pursuant to the Local Government Act. It is considered by Council that Council, the Municipality and ratepayers generally, will benefit from the incorporation of NTDC. The organisation will effect direct and material economic, employment, and investment outcomes, and contribute indirectly to social and community benefits as a consequence of NTDC achieving the objectives that it will be set up to achieve.

I would like to thank the Mayor and Councillors for their support to pursue a number of strategic planning initiatives that will see Council well placed into the future and their support for all staff.

Further I would also like to acknowledge the drive and dedication of the Managers and all employees that get the work done on a day to day basis. Thank you.

Council staff and I look forward to continuing to support the Mayor and Councillors, ensuring that the Northern Midlands Council remains a high performing and sustainable Council, which is an enviable place to live, work and play.


Des Jennings
GENERAL MANAGER



Left to Right: Maree Bricknell (Corporate Services Manager), Amanda Bond (Community & Development Manager), Des Jennings (General Manager), Leigh McCullagh (Works Manager)

OUR COUNCIL, PEOPLE & ORGANISATION

COUNCIL FACTS IN BRIEF

- Approximately 60% of the population resides in 5% of the area, that is, generally in the North which includes Longford, Perth and Evandale.
- Council is responsible for maintenance of 960kms roads and 10,558m² bridge deck area; more than any other council in the state.
- Council's annual turnover (all functions) in 2016/2017 was \$19.2 million (2015/2016 \$15.0 million).
- In 2016/2017, 51% of the total recurrent revenue of the municipality came from rates; 30% 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

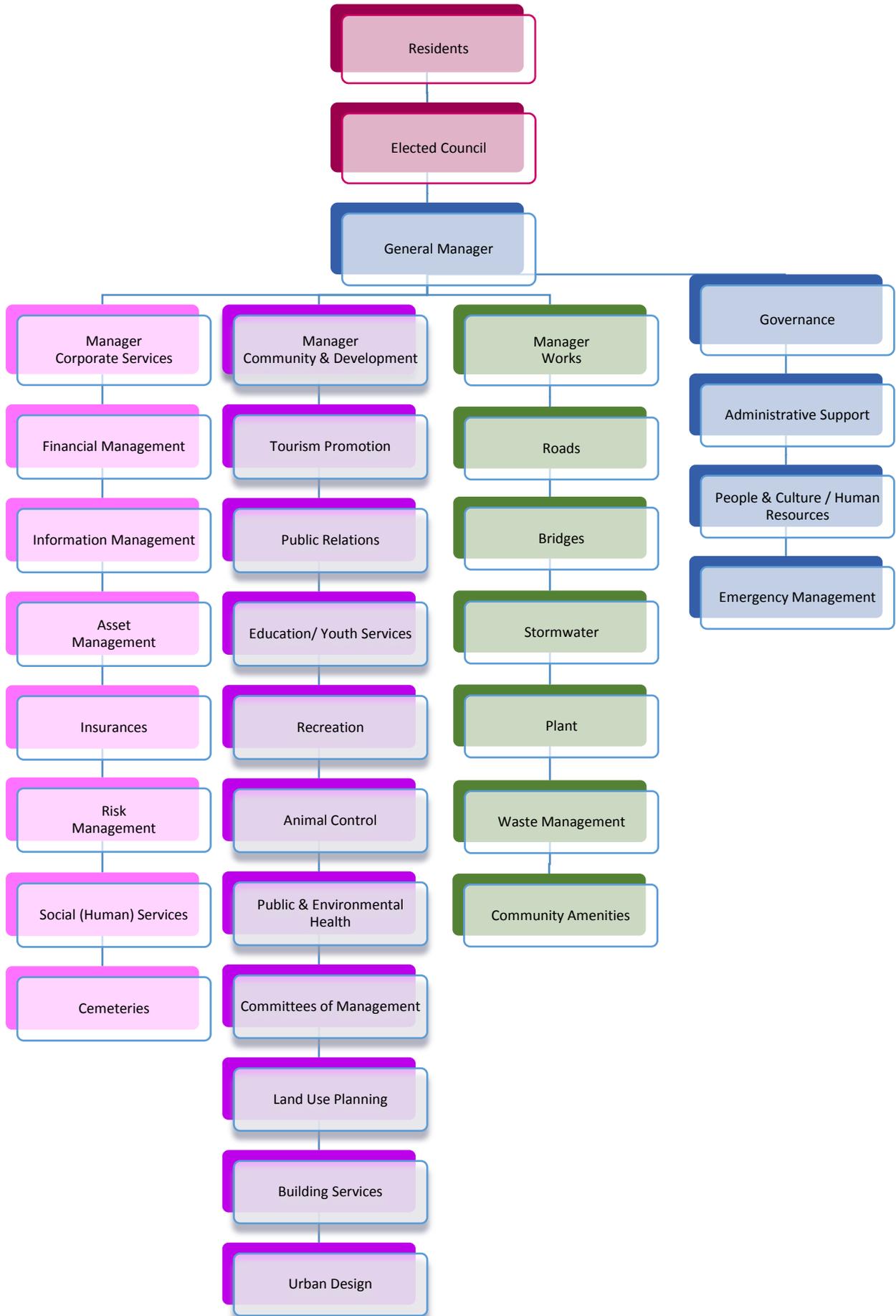
- 573kms of sealed roads
- 125 concrete structures (9,786m²)
- 387kms of unsealed roads
- 15 timber deck bridges (772m²)
- 8 ovals for sporting activities
- 24 community halls/centres
- 2 caravan parks
- 3 swimming pools
- 7 waste transfer stations

Council controls property, plant and infrastructure assets amounting to \$245.1 million; including \$39.3 million of land and buildings, \$156.7 million of roads and bridges and \$29.1 million of stormwater.

OUR STAFF

Status	2016/2017		2015/2016	
	No. of Employees	FTE	No. of Employees	FTE
Permanent	61	56	70	63
Casual	16	4	12	2
Total	77	60	82	65

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 2016/2017:

Monday	18 July 2016	Monday	23 January 2017
Monday	15 August 2016	Monday	20 February 2017
Monday	19 September 2016	Monday	20 March 2017
Monday	17 October 2016	Monday	10 April 2017
Monday	21 November 2016	Monday	15 May 2017
Monday	12 December 2016	Monday	26 June 2017

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

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

Ordinary Council meetings are open to the general public and commence at 5pm, Council adjourns for a 45 minute break at 6pm and recommences the second session of the meeting with Public Question Time at 6.45pm. At this time members of the public are given the opportunity to ask questions 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 immediately prior to the Council meeting and the other two weeks before. At this time Councillors and Officers meet to discuss forthcoming reports, key strategies and hear presentations from industry stakeholders.

COUNCILLOR ATTENDANCE		TOTAL REIMBURSEMENTS		NUMBER OF ITEMS CONSIDERED BY COUNCIL	
2016/2017	90.5%	2016/2017	\$199,408	2016/2017	405
2015/2016	89.7%	2015/2016	\$192,688	2015/2016	390
2014/2015	89.8%	2014/2015	\$192,373	2014/2015	356

COUNCILLOR ALLOWANCES & REIMBURSEMENTS

	Mayor David Downie	Deputy Mayor Richard Goss	Cr Dick Adams	Cr Andrew Calvert	Cr Ian Goninon	Cr Leisa Gordon	Cr Mary Knowles	Cr Janet Lambert	Cr Michael Polley
2016/2017	\$57,090	\$30,093	\$14,425	\$14,376	\$16,066	\$14,788	\$19,446	\$14,583	\$18,541
2015/2016	\$56,706	\$27,149	\$14,054	\$14,049	\$14,054	\$15,069	\$20,371	\$15,204	\$16,032

COUNCILLOR ATTENDANCE

Date	Meeting	Mayor David Downie	Deputy Mayor Richard Goss	Cr Dick Adams	Cr Andrew Calvert	Cr Ian Goninon	Cr Leisa Gordon	Cr Mary Knowles	Cr Janet Lambert	Cr Michael Polley
18/07/2016	Ordinary	x	✓	✓	x	✓	x	✓	✓	✓
15/08/2016	Ordinary	✓	x	✓	x	✓	✓	✓	✓	✓
19/09/2016	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	x
17/10/2016	Ordinary	✓	✓	x	✓	✓	✓	✓	✓	✓
21/11/2016	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
12/12/2016	Annual General	✓	✓	✓	✓	✓	✓	✓	✓	✓
12/12/2016	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
23/01/2017	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
20/02/2017	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
20/03/2017	Ordinary	✓	✓	✓	✓	✓	✓	x	✓	✓
10/04/2017	Ordinary	✓	✓	✓	✓	✓	x	✓	✓	✓
26/04/2017	Special	✓	✓	✓	✓	✓	✓	x	✓	✓
15/05/2017	Ordinary	✓	✓	✓	✓	x	✓	✓	✓	✓
26/06/2017	Ordinary	✓	✓	x	✓	✓	✓	✓	✓	✓

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

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

MAYOR DAVID DOWNIE

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

DEPUTY MAYOR RICHARD GOSS

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

COUNCILLOR DICK ADAMS

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

COUNCILLOR ANDREW CALVERT

I am a family man and live at Longford. I was elected 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 since 2008. I 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 OAM

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 over 25 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 over 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 AM

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

COUNCIL'S EXECUTIVE COMMITTEE

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

MEMBERS SERVING ON DISTRICT COMMITTEES AT 30 JUNE 2017

Avoca, Royal George & Rossarden Local District Committee

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

Campbell Town District Forum

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

Cressy Local District Committee

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

Evandale Local District Committee

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

Longford Local District Committee

Chairperson	Mr L Grant (Mr M Salhani to May 2017)	Councillor:	Cr D Adams
Members	Ms D Alty	Mrs T Goldsworthy	Mrs L McKenzie
	Mr J Cauchi	Ms S Imlach	Mr N Tubb

Perth Local District Committee

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

Ross Local District Committee

Chairperson	Mrs C Robinson	Councillors:	Cr A Calvert	
Members	Mrs J Bennett	Mr A Cameron	Mr K Draper	Mr T Thorogood
	Mrs D Cadogan-Cowper	Mrs H Davis	Mr T Johnson	Mr A Thorpe

MAJOR STRATEGIC ISSUES

INTRODUCTION

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

ECONOMIC DEVELOPMENT

Key economic development initiatives in 2016/2017 included:

- Collaborating with stakeholders to progress the Launceston Gateway Precinct Master Plan;
- Matching the 2016 Bridges Renewal Program funding to enable the replacement of the single-lane timber Lake River bridge on Macquarie Road, Cressy, with a two-lane concrete bridge;
- Lodging an application for 2017 Bridge Renewal Program matching funding to replace the ageing single-lane timber Woolmers bridge with a two-lane concrete bridge;
- Progressed the development of the Longford Urban Design Strategy, Perth Town Structure Plan, Perth Community Centre Development Plan and Campbell Town Urban Design and Traffic Management Strategy.
- Promotion of the TRANSlink commercial, industrial and logistics precinct adjacent to Launceston Airport, including pursuing funding opportunities for the precinct's stormwater renewal program;
- Completed the Ross Village Green Master Plan and secured a loan through the Northern Economic Stimulus Package to commence implementation of the master plan;
- Secured National Landcare Program funds for implementation of the Perth Sheepwash Creek Open Space Plan;
- Collaborating with Heritage Highway Tourism Region Association and Tourism Northern Tasmania to progress the development of the 2017-2019 Heritage Highway Destination Action Plan that will enhance the competitiveness of the Heritage Highway Region as a 'must see' visitor destination;
- Collaborating with Regional Development Australia (Tas), Northern Tasmania Development Corporation and other northern councils towards the development of the Northern Region Futures Plan;
- Council's Economic Development Committee progressed the development of Council's economic development strategy, including commencing the development of a TRANSlink Product Profile as an underpinning document for the strategy;
- Partnered with Parks and Wildlife Service and other key stakeholders to identify opportunities to implement the recommendations of the Ben Lomond National Park-driven economic growth in Northern Tasmania study;
- Collaborated with the Beacon Foundation and the local District High Schools to implement the Northern Midlands Business Partnership Group program that assists local high school students to improve their employability skills, explore career opportunities and undertake authentic work experience.

SUSTAINABLE DEVELOPMENT

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

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

COMMUNITY WELL-BEING

Significant community development achievements across 2016/2017 included:

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

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.

Council is committed to promoting the health and well-being of Northern Midlands residents and visitors to the region through the development and enhancement of recreational and sporting facilities. Significant achievements in 2016/2017 included:

- Securing Australian Government funding through the Community Development Grants Program towards the replacement of the ageing clubrooms and grandstand at the Campbell Town War Memorial Oval with a contemporary multi-function centre that meets AFL Regional Standards;
- Progressed master plans for the Ross and Cressy swimming pools;
- Completed the Perth Recreation Ground Master Plan;
- Completed the Longford Recreation Ground Master Plan and secured a



**There's NO excuse
for domestic violence.**

**Don't sweep it
under the carpet!**

 **In support of
White Ribbon**

loan through the Northern Economic Stimulus Package to complete Stage One of the master plan: the redevelopment of the clubrooms/function centre and upgrading of the changerooms;

- Commenced development of the Cressy Recreation Ground and Morven Park Master Plans;
- Secured loans through the Northern Economic Stimulus Package for:
 - ◆ oval lighting upgrades at Perth, Campbell Town, Longford, Morven Park and Cressy Recreation Grounds, and the Longford Velodrome;
 - ◆ implementation of the Longford Community Sports Centre Master Plan;
- Reviewed the 2015 master plan for Evandale's Honeysuckle Banks and accepted in principle the revised master plan for the reserve;
- Committed to implementing Stage Two of the Longford Village Green Play Space and Playground Redevelopment (installation of the electronic Swirl play unit, a carousel and double tower climbing unit) and investigating funding options for Stage Three of the redevelopment (installation of a Liberty Swing);
- Plans and the business case prepared for the Longford Village Green upgrade, including a new BBQ shelter and picnic furniture.

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 Conara and Epping Forest;
- To consider options for sewage disposal at Avoca;
- Not to increase fees in excess of consumer price index;

Council continues to lobby the State Government for the retention of TasWater ownership by Local Government.

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 2016/2017 which provide a framework for Council to create, renew and maintain major infrastructure in a sustainable manner.

During 2016/2017 Council spent \$3.3 million towards upgrading the road network and \$2.8 million towards maintaining the road asset base. An amount of \$1.7 million was spent on replacement of one (1) large bridge, and \$208,082 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 and continues to lobby for the continuation of the Roads to Recovery Program after 2019, 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.

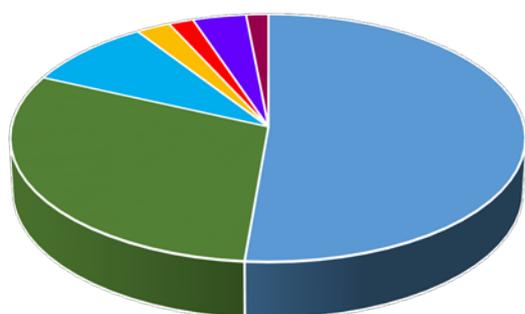
WHAT ARE THE FINANCIAL STATEMENTS?

The four major disclosures, which are

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

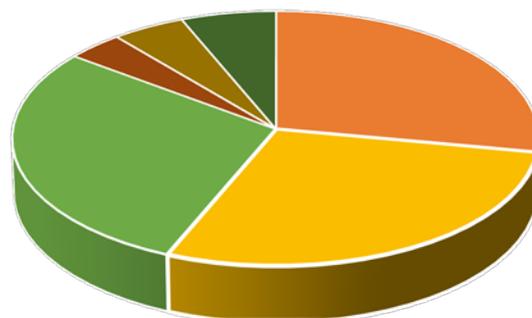
are collectively known as the “Financial Statements”, these documents provide an overview of the transactions that occurred during the year and a summary of the financial status of Council at the end of the year.

Where the dollars come from, Operating Income
\$19,240,270



- 51%-Rate Revenue
- 30%-Grants
- 10%-User Charges
- 2%-Interest
- 2%-Reimbursements
- 4%-Investment revenue from Water Corporation
- 2%-Other

Where the dollars go, Operating Expenditure
\$18,567,791



- 28%-Employee Benefits
- 28%-Materials & Services
- 29%-Depreciation and Amortisation
- 4%-Government Levies & Charges
- 5%-Net loss/(gain) on disposal of property, Infrastructure, Plant and equipment
- 6%-Other

THE FINANCIAL STATEMENTS

The Statement of Comprehensive Income

The Statement of Comprehensive Income provides information relating to:

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

during the financial year.

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

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

The depreciation expense is the equivalent portion of the asset that has been used during the financial year. The inclusion of depreciation on these assets in the operating expenses ensures that Council matches the cost of the asset to the period

in which it is used rather than just the period in which it was constructed or purchased.

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

Statement of Financial Position

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

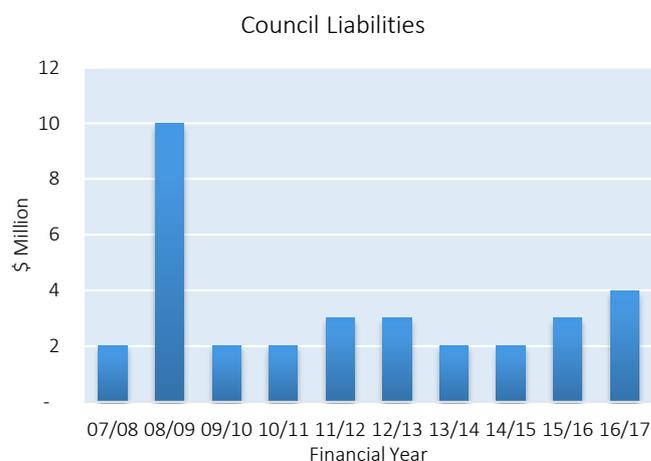
- what Council owns – its assets; and
- what Council owes – its liabilities.

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

Current & Non-Current Assets

Current & Non-Current Assets include:

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



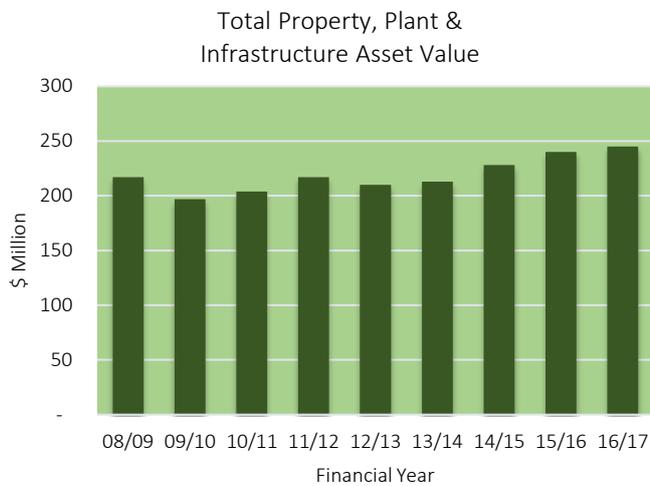
Current & Non-Current Liabilities

Current & Non-Current Liabilities include:

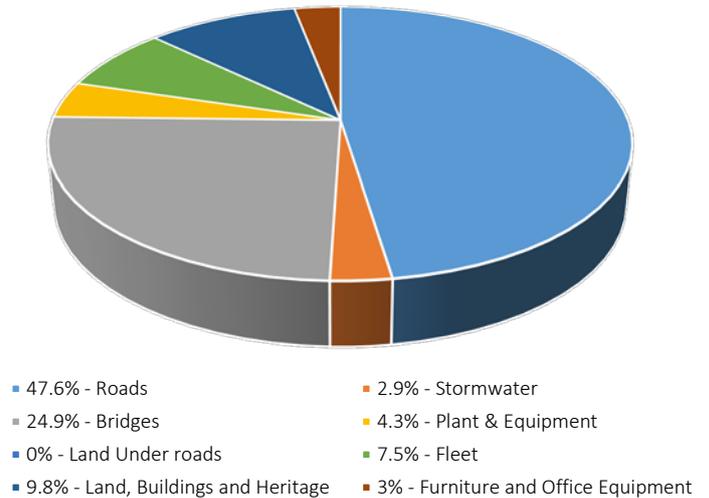
- Trade and other Payables – people and businesses to whom Council owes money.
- Trust Funds and Deposits – money held by Council on behalf of third parties.
- Provisions (Employee Benefits) – the accrued value of Long Service Leave and Annual Leave payable to employees of Council.
- Interest Bearing 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.



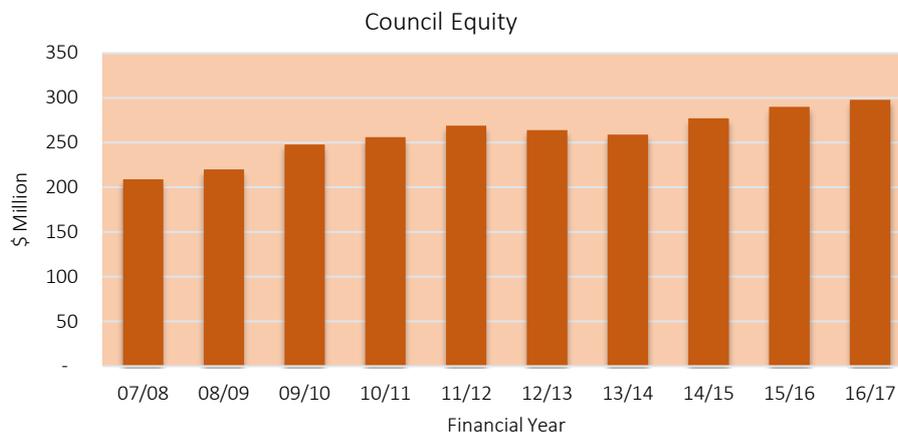
2016/2017 Assets Purchased/Constructed/Received \$7,102,175



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.



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.

Strategic Projects

Progress Report:

	Not Started (obstacles)	On Hold			On Track	Completed	
	Underway	2017 -2020	2020 -2027	Ongoing	Status		Comments
Local Government Reform	✓	Review	Review	✓			Resource Sharing Study launch to be held 4 August 2017.
Elected Members Development and Annual Plans		✓	Review	✓			Policy and Annual Plan.
People and Culture Plan	✓	✓	Update	✓			Framework utilised for recruitment is best practice. Employment relations are professional, fair and consistent, when performance management discussions need to take place. Policy and Procedure development, review and implementation continuing. NMC indoor staff non-compulsory uniform, with logo in effect from 1 Nov 2017. Currently developing a formalised Induction Program for all new employees and volunteers commencing. Staff progressing through IT and business courses, specific to roles, as per the Skills Funding Approval.
Best Business Practice, Governance and Compliance	✓	Update	Update	✓			Legislative Audit, Delegations Review and Policy Manual update ongoing.
Media and Marketing		Update	Update	✓			Communications officer engaged. Communications Strategy and Framework to be developed. Expanding Council's communications through social media and other publications.

Governance

Objective:

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

Performance:

12 Ordinary Meetings and 1 Special Meeting were held during 2016/2017. 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 12 December 2016.

Councillors had a Bus Tour of the municipal area, meeting community groups and assessing budget priorities on 26 April 2017.

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:

- Australia Day Award and Volunteer Recognition Policy
- Councillors Allowances, Travelling and Other Expenses Policy
- Fire Abatement policy
- Fireworks Policy
- Landscaping Requirement for Development Proposal Policy
- Non – Confirming Signs Policy
- Overhanging Trees Policy
- Privacy policy
- Private Works and Driveway Entrances
- Risk Management Policy
- Solar Panels Policy
- Wind Turbines Policy
- Work Health and Safety Policy
- Youth Policy

Councillors attended the following conferences and seminars during the year:

- 20-22 July 2016 – Deputy Mayor Goss and Cr Adams – Local Government of Tasmania AGM and annual conference held in Hobart
- 9-11 November 2016 – Councillor Adams – National Local Roads & Transport Congress
- 10-11 November 2016 – Councillor Gordon – 16th International Cities Town Centres Conference
- 25-26 February 2017 – Councillors Gordon, Knowles and Polley – Local Government of Tasmania Elected Members Professional Development
- 3-5 May 2017 – Mayor Downie – AMAC Conference
- 30 May 2017 – Councillor Lambert – Local Government of Tasmania Preventative Health Forum
- 18-21 June 2017 – Mayor Downie – 2017 National General Assembly of Local Government in Canberra.

Community Representation & Relations

Objective:

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

Performance:

Council lobbied Government

- to enforce the provisions of the lease agreement between Australia Pacific Airports Corporation (APAC) and the Commonwealth Government to ensure the payment of Launceston Airport's ex-gratia rates payments to Council
- to support the Tasmanian Freight Equalisation Scheme
- to support a tyre recycling solution for Tasmania
- for support/funding for:
 - ◆ Perth Structure Plan
 - ◆ Campbell Town Main Street Urban Design & Traffic Management Strategy
 - ◆ TRANSlink Precinct Renewal Program, including Stormwater, Rail Spur, Gas Reticulation & Evandale Road Upgrade
 - ◆ Longford Urban Design Strategy
 - ◆ Longford Recreation Ground 2030 Master Plan
 - ◆ Wilmores Lane Rail Level Crossing
 - ◆ Perth Recreation Ground Master Plan 2030
 - ◆ Perth Community Centre
 - ◆ Honeysuckle Banks Master Plan – Evandale
 - ◆ Ben Lomond Ski Field Investment Project
 - ◆ Nile Road Upgrade Project
 - ◆ Cressy Swimming Pool Master Plan Project
 - ◆ Campbell Town Cenotaph Upgrade *(image below)*
 - ◆ Tennis Courts – Campbell Town War Memorial Oval
 - ◆ Ross Swimming Pool Master Plan Project



Council's Australia Day event was held at the Perth Recreation Ground on 26 January 2017. Council changed the format of the event this year, holding a late afternoon ceremony, followed by children's entertainment, food vans and concluding with an outdoor cinema. The event was once again well attended, particularly for the formal part of the day which included a Citizenship Ceremony, address by Australia Day Ambassador, Dr Christina Henri and presentation of Council's Australia Day Awards and Volunteer recognition awards.



We celebrated two new citizens in our municipality and the following awards were presented by Council:

- Northern Midlands Council Citizen of the Year 2017 – Amy Reiner
Amy is a business leader within the community initiating a work readiness program through Brown's Supa IGA with local high schools, and actively supports mature aged and disability job seekers to undertake work placement. Amy sits on the board of Permaculture Tasmania, Brown's IGA has been recognised as one of Australia's most environmentally sustainable supermarkets. Amy's work also extends to advocating for improved mental health care, suicide prevention and the Waste Not program.
- Northern Midlands Council Young Citizen of the Year 2017 – Tamara Baker
Tamara is the secretary for the Campbell Town ANZAC group. For the past three years, Tamara has organised services for the ANZAC Day and Remembrance Day. Tamara, with her family, also helps organise the dawn service breakfast, which caters to approximately 200 people. Tamara is an outstanding young person in our community. Tamara attended Campbell Town District High School and is currently studying Bachelor of Education.
- Northern Midlands Council Community Event of the Year 2017 – 2016 ANZAC Service, Evandale
The Evandale History Society organises the ANZAC Day services every year. The 2016 ANZAC Day Service was an exceptional year as the Governor of Tasmania Her Excellency Professor the Honourable Kate Warner AM, veterans, army and RAAF cadets, school groups, local football and cricket clubs, fire brigades and community groups plus media and news crews. Approximately 600 people attended the dawn service and 1500 attended the morning service. The event is organised by volunteers and has grown substantially over the last 10 years.
- Volunteers:

 - ◆ Lyn Clark
Lyn has been volunteering for 15 years at the Campbell Town District High School and Online Access Centre.
 - ◆ Pauline Blyth
Pauline has volunteered at Campbell Town Online centre for 13 years.
 - ◆ Maurice Seadon
Maurice mows and maintains the Cressy and Longford recreations grounds and the Cressy swimming pool.
 - ◆ The late Robin Archer
Robin was an active volunteer in the northern midlands, past president of the Longford Show, committee member of the Tasmanian Turf club and New Year Day Race Committee for Longford.

- ◆ The following people were recognised for maintaining the cemeteries across Ross for many years, freely supplying equipment, fuel and labour:
Owen Kay, Don Harding, Ken Harding, Allan Cameron, Des Jackson, Rodney Jackson, Donald Watson, Lloyd Watson, Rick Hebbard and Dennis Role.
- ◆ Leonie Prevost
Leonie has been an active Justice of the Peace for 14 years and freely provides this essential service to the community of the northern midlands.
- ◆ Barry Murfett
Up until December, Barry was the driver & committee member of Longford Care-a-Car for 22 years. Is an active member of the Northern Midlands Sub-Branch National Serviceman's Associations for 13 years, Barry regularly donates his time towards fundraising and BBQ's at the RSL Club. Barry is a Life Member of the Longford Football Club.

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;
- Council website; and
- via Facebook – media releases.

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

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

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:

People and Culture generates professionalism: Staff are engaged, committed, stable and innovative; Employment relations are fair and consistent; The People and Culture framework is best practice; Organisational and personal development is valued; Strive for nomination as an Employer of Choice.

Performance:

Continued to add to the Human Resources Policy Manual and developed the following subject matter policies and procedures:

- Employee Assistance Policy;
- Employee Entertainment and Hospitality Expenditure Policy;
- Motor Vehicle Policy;
- Recognition of Service Policy;
- Smoke Free Workplace Policy;
- Training and Development Policy
- Working in Remote and Isolated Areas Policy and Procedure.

Updated the Workplace Behaviour policy suite.

An Employee Handbook was developed and implemented earlier this year, which will be provided to all new employees of Council. The handbook contains information relating to the Northern Midlands Council as an organisation and as an employer, as well as provides information pertaining to work practices, organisational policies and procedures and terms and conditions of employment. It is a complete reference for new and existing employees and they can utilise this as a source of information, as and when they may have questions about their employment with us.

Council successfully negotiated a new Enterprise Agreement with employees and union representatives, which will be in operation from 2016 to 2019.

In accordance with Council's commitment to continuous improvement, a review was conducted of the Planning and Development department in the third quarter of 2016. The intention of the review was to create cost savings, identify better efficiencies and result in greater productivity. Since then, an organisational restructure has resulted in the Planning and Development and the Regulatory and Community Services departments, becoming one and newly titled Community and Development department.

Council was successful in securing a Skills Funding Grant during the financial year, which amounted to \$18,000 worth of training. This enabled 30 plus employees to attend some much-needed IT skills training in the Microsoft Office Suite (Word, Excel, Outlook, Publisher) and business courses in (Conflict Resolution, Time Management and Effective Supervision Skills). The end result of this training will produce greater efficiencies, job satisfaction, morale and employee motivation and be a win-win for employees and Council alike.

Council's Works employees undertook various training during the reporting period, which enabled them to maintain the licences they require for their roles. Council would also like to mention and congratulate Erin Boer for completing her university degree – Bachelor in Urban and Regional Planning. Erin has been studying part-time whilst working full-time, so this is a fantastic achievement for Erin.



The following employees were awarded service milestones during the 2016-2017 period: Selwyn Rogers – 30 years (who has since retired); Paul Godier, Terrence Eaton, Natalie Horne and Michael Stebbings – all with 10 years of service each.



As at the 30 June 2017, Council had 61 personnel employed on full-time or part-time basis and 16 casual employees. The turnover rate for the reporting period was 20%, which is quite high for the number of employees that Council employees. However, the department review, organisational restructure and general staff turnover (retirement, resignations and terminations) all contributed to this figure.

Specific Data	2016/2017	2015/2016	2014/2015	2013/2014
Payroll costs	\$ 4,731,130	\$ 4,403,551	\$ 4,034,844	\$ 3,963,897
Superannuation contributions	\$ 503,056	\$ 498,701	\$ 461,742	\$ 439,582
Workers Compensation Insurance/Expenses	\$ 153,557	\$ 169,619	\$ 130,847	\$ 110,602
Annual & Long Service Leave Provisions	\$ 996,576	\$ 1,172,384	\$ 1,187,640	\$ 1,284.423
% of Payroll Capitalised	6.6%	8.1%	8.1%	5.0%
Permanent Staff (at year end)	56 EFT	63 EFT	55 EFT	54 EFT
Casual (at year end)	4 EFT	2 EFT	4 EFT	3 EFT
Sick Leave Taken/Permanent Employees (paid days)	5.5	4.8	8.3	6.0

Economic Development

Objective:

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

Performance:

Secured Bridges Renewal Program funding to enable replacement of the aged one-lane, timber Lake River bridge on Macquarie Road, Delmont with a two-lane, concrete bridge, and made application to the next funding round for a matching grant to replace the aged timber bridge on Woolmers Lane.

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

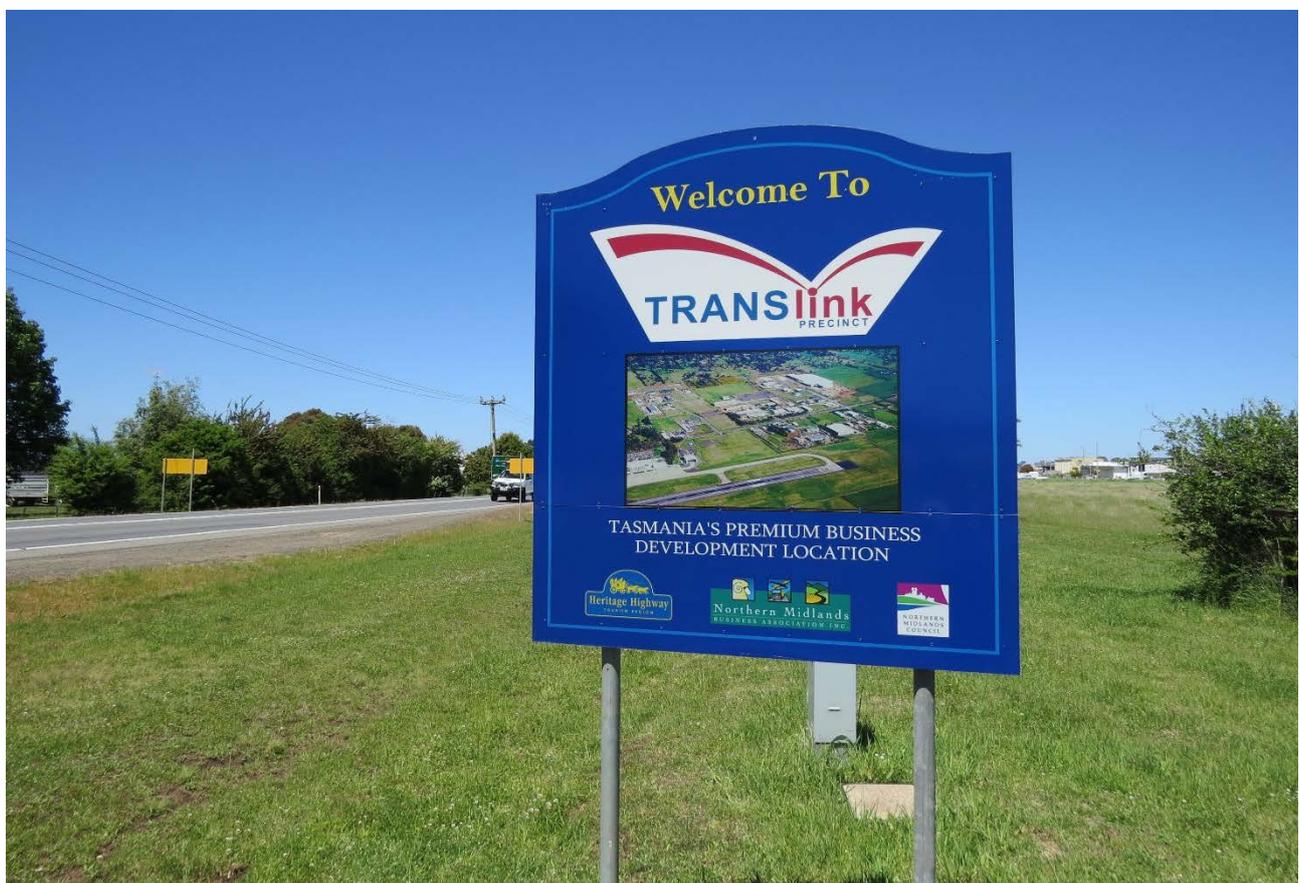
Collaborated with the Heritage Highway Tourism Region Association Inc, Tourism Northern Tasmania and Destination Southern Tasmania to progress development of the 2017-2019 Heritage Highway Destination Action Plan that will enhance the competitiveness of the Heritage Highway Region as a visitor destination.

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

Collaborated with the Northern Midlands Business Association towards the development of a Truck Wash Facility at Powranna.

Replaced Town Entrance Signage at Ross and Cressy and commenced design of Entrance Signage for Avoca.

Council's Economic Development Committee progressed the development of the economic development strategy, including commencing the development of a TRANSlink Product Profile as an underpinning document for the strategy.

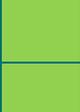
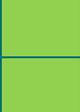
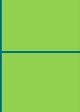


CORPORATE SERVICES

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

Strategic Projects

Progress Report:

	 Not Started (obstacles)	 On Hold	 On Track	 Completed		
	Underway	2017 - 2020	2020 - 2027	Ongoing	Status	Comments
Asset Management Plan Annual Review	✓	✓	Review	2017 - 2027		Building Asset Management Plan updated for building componentisation, adopted by Council at May 2017 meeting.
Annual Budget and Quarterly Review	✓	✓	Review	2017 - 2027		Draft Long Term Financial Plan updated for Accelerated Stimulus loan funding, and mid-year budget review adopted by Council at May 2017 meeting.
Information Technology Upgrade Program	✓	✓	Review	2017 - 2027		Website redevelopment at final design stage, server upgrades scheduled late 2017.
Emergency Management	✓	✓	Review	2017 - 2027		Updated Emergency Recovery Plan and adopted May 2017 by Council. Emergency desktop exercise scheduled late 2017.
Workplace Health and Safety Action Plan Annual Review	✓	✓	Review	2017 - 2027		Revised WHS action annual plan under development.
Customer Service Standards	✓	Review	Review	Review		LGAT state-wide community satisfaction survey scheduled December 2017. Scheduled attendance at the National Local Government Customer Service Network Conference in October 2017.

Financial Resources

Objective:

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

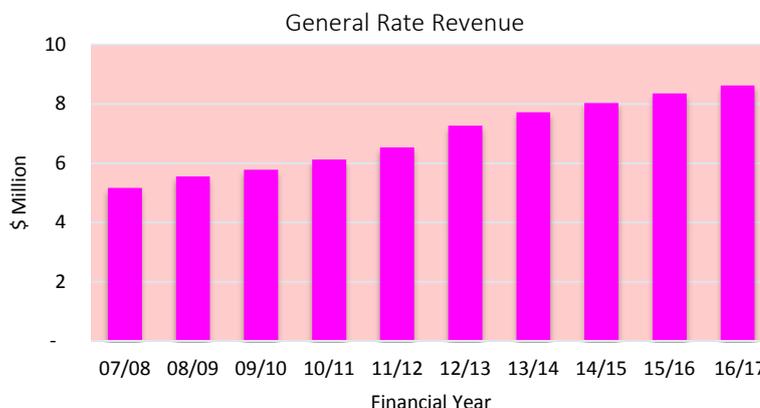
Performance:

Adopted a 2016/2017 Annual Plan and Budget on the 27 June 2016.

The Financial Statement for the year ended 30 June 2017 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:

- Accounting Policy
- Business Credit Card Policy
- Investment of Council Funds Policy
- Related Party Disclosure Policy



Council's recurrent revenue during 2016/2017 was \$19.2 million, capital income \$2.4 million resulting in total income of \$21.7 million. Operating expenditure was \$18.6 million, which resulted in a surplus of \$3.1 million.

The surplus would have been close to the 2016/2017 budgeted surplus of \$4.4 million, with the exception of the additional expenditure incurred for the 2016 floods and the additional loss on replacement of assets amounting to \$1.0 million.

Rate Revenue continued to be raised via a differential rating system in 2016/2017 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 2.4% resulting in total rate revenue amounting to \$9.8 million or 51% of operating revenue and was generally within budget expectations. Rate receivables at 30 June 2017 represent 17.6% (June 2016 14.3%) of rate revenue (or 2.45% with the debt impairment adjustment). The increase mainly due to one large rate debtor.

Commonwealth Financial Assistance Grant Revenue decreased by \$118,000 in 2016/2017 to \$3.347 million (adjusted for advance payments). Grant revenue last year includes advance Financial Assistance payments of \$1.72 million.

In addition, Council received \$1,626,647 special grant funding for projects including:

▪ Roads to Recovery	\$ 1,466,555
▪ Lake River Bridge Replacement	\$ 719,500
▪ Natural Disaster Relief	\$ 421,392
▪ Rural & Remote Child Care	\$ 187,382
▪ Valentine Park Toilet Extension	\$ 80,000
▪ Heavy Vehicle Motor Tax	\$ 74,197
▪ Perth Childcare & Kids Club	\$ 62,226
▪ Flood Plain Mapping	\$ 32,841
▪ Vulnerable Road Users – Drummond Street footpath	\$ 24,300
▪ Solar Panel Installation for Recreation Grounds	\$ 19,080
▪ Longford Entrance Signs	\$ 10,809
▪ Australia Day celebrations	\$ 5,273
▪ NDRG Back Creek Levee Study	\$ 5,000
▪ Ross Cannon Refurbishment	\$ 2,727
▪ Centenary Anzac Program – Lewis McGee	\$ 1,000

Non-monetary contribution revenue amounted to \$144,231 well below the amount budgeted to receive in 2016/2017 due to the handover of less 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 2016/2017.

Operating Expenditure for the year was \$1.8 million higher than budgeted mainly due to materials and services being \$740,604 greater than budget after flooding; and net loss on disposal of assets mostly due to lower provision for the disposal of road infrastructure.

Depreciation actual cost increased from the previous year by \$42,530 to \$5.37, due to revaluation/ indexation of assets.

Council recorded a net increase in asset revaluation of non-current assets of \$4.3 million on Property and Infrastructure.

Council's total equity in 2016/2017 increased by \$7.7 to \$297.6 million.

Council recorded non-current infrastructure assets with a written down value of \$245,142 million (or Gross Value of \$361.4 million) as at 30 June 2017. (Note 14 in the financial statement provides a breakdown of asset values recognised).

Payments for purchase/construction of fixed assets totaled \$8.96 million, representing 31% of total annual cashflow during 2016/2017.

Derived proceeds of \$250,319 from sale of fleet/plant items during 2016/2017.

Cash and investments totaling \$12.6 million were on hand at the end of the reporting period, which is an increase of \$2.0 million on last year's balance of \$10.6 million. Cash and investments on hand represent money quarantined for the following areas:

▪ Infrastructure Reserve	\$ 3.614m
▪ Grants Paid in Advance	\$ 1.831m
▪ Money held in Trust	\$ 0.310m
▪ Employee Entitlements	\$ 0.997m
▪ Special Committees	\$ 0.229m
▪ General Funds	\$ 5.624m

Trade and Other Receivables increased by \$487,689 as at 30 June 2017 mainly due to government reimbursements not yet received.

Work in progress amounts to \$0.852 million as at 30 June 2017 including \$0.133 million works associated with bridge replacements, \$0.270 million stormwater improvements, \$0.337 million major building/ recreation improvements.

During 2016/2017 council borrowed \$1.9 million under the State Government Accelerated Capital Works Program (interest free for a 5-year period).

The Tasmanian State Audit Office was appointed auditor for financial period ending 30 June 2017 at a cost of \$22,050 (2015/2016 \$24,110).

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 2016/2017 underlying result is a \$0.679 million deficit or negative 4% underlying surplus ratio (see note 27), the small deficit is due mainly to one off operating items, or loss on disposal of assets renewed prior to end of life.

Information Systems

Objective:

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

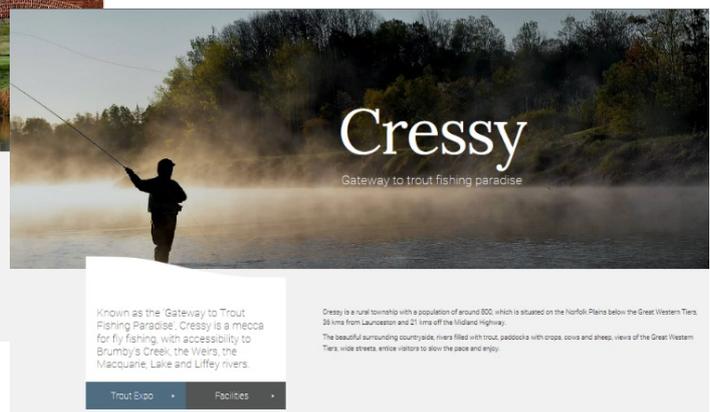
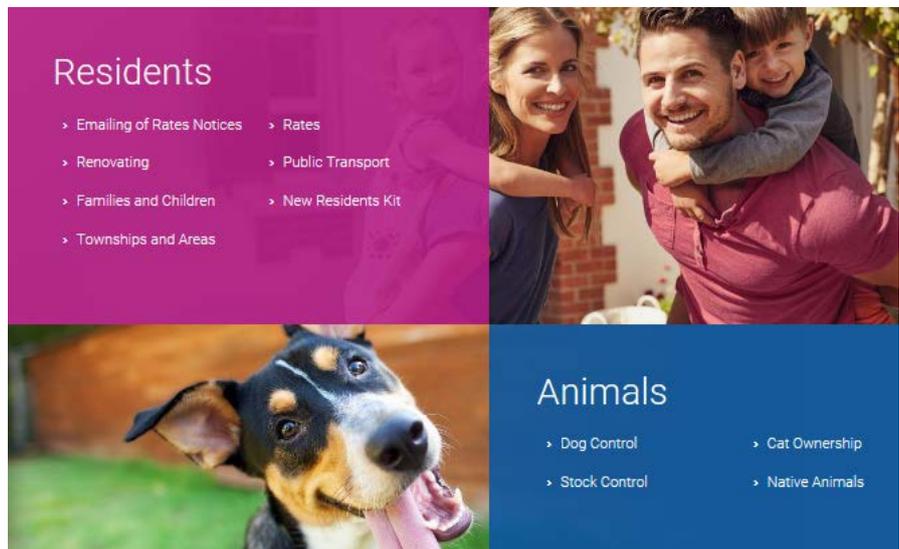
Performance:

Active member of the Tasmanian Technology One (ECM Records Management) User Group. Presented at the ECM Annual Conference in Melbourne – 25 May 2017.

Reviewed the Information and Communication Technology Resources and Electronic Communications Acceptable Use Policy.

Improvements to Information Technology systems as follows:

- New office photocopier, with hybrid finisher \$5,358;
- Provision of community CCTV, \$21,812;
- Upgraded 15 staff desktop/ laptop computers, \$16,323;
- Upgraded server connectivity; \$2,943;
- Upgraded printers, several mobile phones and sundry electronic items, \$4,423;
- Audio equipment upgrades at Longford Town Hall, \$1,606;
- 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.
- Provision of public WiFi to attract visitors to stay longer in all northern Midlands townships.
- Continued development of a new Council website (expected launch early 2018) and facebook presence for the community.



Community Services

Objective:

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

Performance:

Managed the Northern Midlands Council Further Education Bursary Program.

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

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.

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



Council allocated Special Project grants totalling \$24,633 to sporting and community groups as follows:

▪ Longford Football Club pitch cover and scorers area	\$ 6,541
▪ Morven Park cricket net refurbishment	\$ 3,500
▪ Longford Cricket Club pitch wicket and training nets	\$ 3,500
▪ Devon Hills Resident Association security cameras and lights	\$ 3,186
▪ Anglican Parish Avoca bench seats (church grounds)	\$ 1,500
▪ Lake Leake Community Social Club (Couglans Cottage)	\$ 1,500
▪ Anglican Parish Campbell Town Sunday school repairs	\$ 1,000
▪ Uniting Church Evandale disabled access	\$ 1,000
▪ Northern Hunt Club hunt jumps for Campbell Town Show	\$ 1,000
▪ Longford Tennis Club clubhouse renovations	\$ 1,000
▪ Fusion Australia glass studio	\$ 906

In 2016/2017 Council provided donations totalling \$22,110 under Section 77 of the Local Government Act to:

▪ Assistance to Campbell Town SES – Council wages and plant	\$ 274
▪ George Town RSL Sub Branch Inc - wreath - Vietnam Veterans Day	\$ 55
▪ Contractor Long Service Gift Voucher	\$ 100
▪ Helping Hand Association (<i>photo above</i>)	\$ 1,000
▪ Flowers – Former Councillor, the Late Marie Barnes	\$ 50
▪ Campbell Town District High School - Chaplaincy	\$ 1,500
▪ Campbell Town District High School - Inspiring Positive Futures Program	\$ 8,000
▪ Campbell Town District High School - School Achievement Awards	\$ 90
▪ Perth Primary School - School Achievement Awards	\$ 30

▪ Evandale Primary School - School Achievement Awards	\$	30
▪ Longford Primary School - School Achievement Awards	\$	27
▪ Cressy District High School - School Achievement Awards	\$	90
▪ Avoca Primary School - School Achievement Awards	\$	30
▪ Perth Fire Brigade	\$	50
▪ Longford Fire Brigade	\$	100
▪ Longford Cricket Club - Longford -v- Cressy Cup 2016	\$	120
▪ Cressy District High School - Inspiring Positive Futures Program	\$	8,000
▪ Longford Care-a-car	\$	1,000
▪ Cancer Council - Tour De Cure 2017	\$	50
▪ Farewell Gift - Michael Salhani, Chair of Committees	\$	32
▪ Christ Church Longford - Planning / Building Application fees - removal of trees	\$	340
▪ Avoca Tourist Centre - Planning Application fees - public wifi	\$	340
▪ Evandale Community Centre Management Committee - Planning Application fees - solar panels	\$	340
▪ Longford Mens Shed - Planning Application fees - carpark	\$	463

In 2016/2017 Sporting & Academic Achievement Donations totalling \$11,020 were provided to:

▪ Alex Davis - Bursary Program 2017	\$	500
▪ Jake Brown - Bursary Program 2017	\$	500
▪ Saige Venn-Evans - Bursary Program 2017	\$	500
▪ Lachlan Nation - Bursary Program 2017	\$	500
▪ Holy Pears - Bursary Program 2017	\$	500
▪ Alexander King-Grey - Bursary Program 2017	\$	500
▪ Brittney Johnson - Bursary Program 2017	\$	500
▪ Harrison Johnston - Bursary Program 2017	\$	500
▪ Alan McDonald - Bursary Program 2017	\$	500
▪ Tanesha Latta - Bursary Program 2017	\$	500
▪ Kurtis Franklin - Bursary Program 2017	\$	500
▪ Tobias Verhaegh - Bursary Program 2017	\$	500
▪ Daniel McCullagh - Bursary Program 2017	\$	500
▪ Kimberly Heaps - Bursary Program 2017	\$	500
▪ Abigail Maynard - Bursary Program 2017	\$	500
▪ Sophie Longstaff - Bursary Program 2017	\$	500
▪ Thomas Langridge - Bursary Program 2017	\$	500
▪ Tiffany Whitney - Bursary Program 2017	\$	500
▪ Brodie Parker - Bursary Program 2017	\$	500
▪ J Corban-Banks - Bursary Program 2017	\$	500
▪ Mrs Julie Zaporozec - Australian Indoor Bias Bowls Competition	\$	60
▪ Mr Simon Zaporozec - Australian Indoor Bias Bowls Competition	\$	60
▪ Mr Kara Zaporozec - Australian Indoor Bias Bowls Competition	\$	60
▪ Mrs Helen Farrow - Australian Indoor Bias Bowls Competition	\$	60
▪ Miss Remi Smith - U14 Tasmanian Girls Basketball Team	\$	60
▪ Mr Harry Heathcote - Metal Minds Robotics Team - Tech Challenge at Macquarie University	\$	60
▪ Mr Jonathan Heathcote - Metal Minds Robotics Team - Tech Challenge at Macquarie University	\$	60
▪ Mr Alex Mountney - Metal Minds Robotics Team - Tech Challenge at Macq Uni	\$	60
▪ Mr Mitchell Shadbolt - 2017 AEBF Junior Nationals in Darwin	\$	60
▪ Miss Kysha Hill - U18 Australian All School Athletics Championships	\$	60
▪ Miss Sophie Parkin - National Cricket Carnival	\$	60
▪ Mr Isaac Chugg - Aust National U15 AFL Championships in Darwin	\$	60
▪ Mr Colby McKercher - Aust National U15 AFL Championships in Darwin	\$	60
▪ Mr Thomas Dwyer - Aust National U15 AFL Championships in Darwin	\$	60
▪ Miss Makala Bingley - U16 State Womens Basketball Team	\$	60
▪ Miss Holly Koster - Science & Engineering Challenge	\$	60
▪ Miss Gabrielle Hamill - Science & Engineering Challenge	\$	60

Social (Human) Services

Objective:

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

Performance:

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

Participated in the quarterly Northern Midlands Health Service Providers forums.

Supported program for local youth including:

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

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

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

Updated Council's Disability Action Plan.

Participated in hosting 6 2nd year medical students who completed practical placement in the Northern Midlands.



COMMUNITY & DEVELOPMENT

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

Strategic Projects

Progress Report:

	Not Started (obstacles)	On Hold	On Track	Completed		
	Underway	2017 - 2020	2020 - 2027	Ongoing	Status	Comments
Land Use and Development Strategy		✓	Review	2017 - 2018		Consultants progressing.
Tasmanian Planning Scheme Integration	✓	✓	Review	2017 - 2020		Review by State Government's Planning Policy Unit of the Regional Land Use Strategy to ensure alignment with State Planning Provisions.
<i>Strategic Projects Team</i>						
Economic Development Master Plan - Prepare, Prioritise, Implement	✓	✓	Review	✓		In progress.
<i>Strategic Infrastructure Projects</i>						
Launceston Gateway Precinct Master Planning	✓			2017 - 2020		Listed as a component of the Municipal Wide Land Use Strategy
Northern Midlands Rural Processing Centre	✓	✓	✓	2017 - 2020		Combined with Launceston Gateway Precinct component of the Municipal Wide Land Use Strategy.
Perth Town Structure Plan	✓			2017 - 2018		Council has endorsed the plan and draft amendments to planning scheme to be prepared.
Perth Community & Recreation Centre & Primary School Integrated Master Plan	✓			2017 - 2018		Awaiting report for presentation to Council.
Sense of Place Planning - all villages and towns	✓	✓	✓	✓		Master planning for townships underway.
Longford CBD Urban Design Strategy	✓	✓				To be completed late 2017.
Longford Place Activation Plan	✓	✓				Complete.
Campbell Town CBD Urban Design and Traffic Management Strategy	✓	✓	✓	✓		Released for public consultation.
Ross Town Centre Park Development Master Plan	✓			2017 - 2020		Design finalised, development application stage
Ross Swimming Pool Master Plan	✓			2017 - 2020		Structural review received. To be progressed.
Cressy Recreation Ground Master Plan		✓		2017 - 2020		Complete, to be progressed.
Cressy Swimming Pool Master Plan		✓		2017 - 2020		Complete, to be progressed.
Evandale Morven Park Master Plan		✓		2017 - 2020		Initial consultation complete, priorities identified, awaiting concept.

	Underway	2017 - 2020	2020 - 2027	Ongoing	Status	Comments
Feasibility Study: Investment in Ben Lomond Ski Field Northern Tasmania	✓	✓		✓		Study being driven by external stakeholders, Council support provided when requested.
<i>Economic Development</i>						
Economic Development Master Plan Strategy Delivery		✓	✓	✓		To be implemented once developed
Economic Development (incl. Tourism) Strategy Delivery		✓	✓	✓		To be implemented once developed
Tourism Strategy Implementation		✓	✓	✓		To be implemented once developed
<i>Community Development</i>						
Youth and Ageing Strategy		✓	Review	✓		Not yet commenced.
Discrimination Strategy		✓	Review	✓		Not yet commenced.
Family Violence Strategy		✓	Review	✓		Strategy not yet commenced. Council launched End Men's Violence Against Women campaign
Supporting Health and Education Programs	✓	✓	Review	✓		Participating in the Northern Health Providers Networks meetings. Assistance with stall at Longford Show promoting services available to residents of the Northern Midlands. Review in progress of implementation of Further Education Bursary program.
Supporting Employment Programs	✓	✓	Review	✓		Participation in the Northern Midlands Business Partnership Group meeting coordinated by Beacon Foundation. Participate in LGAT special interest groups on a quarterly basis. Support Work for the Dole program. Participate in work experience and University placements.
Supporting Sport and Recreation Programs	✓	✓	Review	✓		Participation in quarterly northern Sport & Recreation meetings. Planning and implementation of upgrade to Council owned sporting facilities underway. Support provided to participants in sporting activities on a state and national level.
Social Recovery Plan	✓			✓		Review complete
Disability Action Plan	✓			✓		Review complete
Cohesive Communities and Communities at Risk		✓	Review	✓		Not yet commenced.
<i>Regulatory</i>						
Legislative Audit	✓			✓		Ongoing project
Delegations Reviews	✓			✓		Ongoing project
Council Policy Manual Review	✓			✓		Ongoing, reminders issued as policies fall due for review.

Recreation

Objective:

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

Performance:

Managed the master planning process for the following sporting facilities:

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

Submitted an application to the Breath of Fresh Air Innovative Tasmania Awards for the Interactive Playground on the Longford Village Green, and were selected as a finalist (*photo*).



Presented at the Parks & Leisure Victoria and Tasmanian conference in Ballarat, Victoria on a number of

Council projects including the Interactive Playground at the Longford Village Green, Campbell Town War Memorial Oval redevelopment, Longford Velodrome and Northern Midlands Health & Fitness Centre.

Funding applications submitted for the following sport and recreation projects: Campbell Town War Memorial Oval upgrade, Ross Village Green development and Longford Village Green playground and BBQ shelter upgrade, were unsuccessful.

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



Tourism Promotion

Objective:

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

Performance:

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

Contributed to Greater Esk Tourism's Destination Action Plan.

Attended Tasmanian Tourism Conference.

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

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

Events in the Northern Midlands:

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

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

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

Supported and promoted Special Events within the area and provided \$61,735 grants to:

▪ ANZAC Day	\$18,646	▪ Longford Show	\$834
▪ Australia Day & Volunteer Recognition Celebrations	\$9,015	▪ Norfolk Plains Jazz Festival	\$214
▪ Camp Quality – Rock & Rod Fundraiser	\$106	▪ PE Green Memorial Cycling Road Race	\$350
▪ Campbell Town ANZAC Group Remembrance Day and ANZAC Day	\$500	▪ Remembrance Day	\$182
▪ CMCA Solos Network Rally 2017	\$993	▪ Rhythm X Supercross	\$10,074
▪ Evandale History Society Blessing of the Bonnets	\$1,206	▪ Ross Rodeo	\$450
▪ Evandale Village Fair	\$1,230	▪ RSL Longford National Servicemen's Reunion	\$164
▪ Festival of Small Halls	\$3,890	▪ Tas Trout Fishing Expo (Cressy)	\$1,500
▪ Fusion Australia Day Family Festival	\$500	▪ Tour of Tasmania	\$2,500
▪ John Glover Society Arts Festival	\$1,818	▪ Woolmers Festival of Roses	\$807
▪		▪ Woolmers Concert under the Stars	\$2,180
▪ Longford Cup	\$1,000	▪ YMCA Skate Park League and Development Program	\$1,818
▪ Longford Kermesse Cycling Races	\$1,000	▪ Other Events	\$758

Committees of Management & Non-Profit Organisations

Objective:

To support Council Committees of Management and Community Organisations.

Performance:

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

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

Special Committees represent \$206,218 (including Council maintenance grants) operating income and \$235,432 operating expenditure in Council's financial statement. Special Committees capitalised assets of \$45,562 in 2016/2017 and ended the year with \$228,837 net assets.

Special committees of Council managed the following facilities during 2016/2017:

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



Building Services

Objective:

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

Performance:

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

Issued 216 building approvals totalling \$32.2 million.

Issued 1,140 Property Certificates (Sec 132 & 337), compared to 1,022 last year.

Specific Data	2016/2017	2015/2016	2014/2015	2013/2014
Applications approved	216	211	226	262
Dwellings	63	57	82	69
Additions to dwelling & out-buildings	42	38	103	114
Industrial/Commercial	23	26	14	24
Value	\$32.2m	\$31.5m	\$26.8m	\$26.13m
Average Processing Time (Days)				
▪ Building Permit	14	6	7	5
▪ Certificate of Likely Compliance	3	5	10	8
▪ Plumbing Permit	9	6	6	12
No of Inspections	284	764	818	815
Septic Tank & AWTs Applications	9	19	11	9
Licensed places of assembly (<i>legislation changes effected 2014/15</i>)	9	6	19	55



Land Use & Planning

Objective:

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

Performance:

Approved 229 applications including:

- Midland Highway Safety Upgrade, Epping Forest to Powranna
- Upgrade to Valentine Park Amenities
- Replacement roof for Avoca Museum
- The Destination Playground Stage 2, Longford Village Green
- Community building infrastructure such as a bus shelter, BBQ shelter, overnight camping areas, cenotaph lighting and Ross entrance signs
- A sawmill expansion at Perth
- Rhythm X Action Dirt Bike Racing Facility at Symmons Plain
- Aggregate pre-coating plant at Raeburn Road Quarry
- Significant facility upgrades at the Queens Arms Hotel
- A telecommunication facility at Rossarden
- Alterations, additions and change of use for Vaucluse to visitor accommodation and function centre
- Water Sensitive Urban Designs for Youl Road (both at Edward Street and Cromwell Street)
- Signage Board for Local Businesses, Commonwealth Lane Campbell Town
- The reopening of the Kalangadoo Store

Approved 131 new lots, 34 new dwellings, 16 new units, 76 new sheds

Received 8 notices of appeal from RMPAT

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

Sheepwash Creek WSUD
Edward Street Wetland



Green and Gold frog [*Litoria raniformis*]

What is an Urban Wetland?
An urban wetland is an important part of Water Sensitive Urban Design (WSUD). A wetland is a purpose built stormwater system that filters water through physical and biological processes by removing pollutants before they enter major river systems.

Edward Street Urban Wetland
This site is the first of a chain of future WSUD projects along Sheepwash Creek. This urban wetland consists of a low flow diversion swale, a sediment basin and a deep water wetland.

The role of purpose built wetlands and the surrounding planting is to provide a natural landscape setting for passive recreation as well as providing habitat for native fauna such as birds, frogs, lizards, aquatic insects and fish.

Future WSUD projects will create a more natural setting for Sheepwash Creek and provide greater environmental benefits for Perth and its waterways.

The Wetland
A typical wetland has both a shallow section and a deep water section. Stormwater flows from the sediment basin into the densely planted shallow area. These plants remove fine particles and dissolved pollutants from the water before it enters the deep water section. This area also provides nesting and foraging opportunities for aquatic birds.

The deep water area provides water storage and habitats for aquatic insects and fish, creating a small ecosystem within an urban environment.

The Sediment Basin
A sediment basin captures large particles and debris before it enters the wetlands. The basin has a concrete base so that machinery can easily remove the built up sediment and debris without damaging the soil.

The Diversion Swale
During rainy periods, stormwater will be diverted into the sediment basin and wetland by a concrete wall. This wall is set at a height that will allow major flooding to flow over the wall and continue along the natural creek line.



Tasmanian Darter [*Austrodeschna tasmanica*]

 This Water Sensitive Urban Design (WSUD) project is an initiative of the Northern Midlands Council to provide recreational open space for the community and filtration of urban stormwater.

Funding has been made available through the Australian Government's National Landcare Programme investment in the Tamar River Recovery Plan.

 LAUNCESTON FLOOD AUTHORITY

 City of LAUNCESTON

 Australian Government

 National Landcare Programme

 NSW GOVERNMENT

Health & Environmental Management

Objective:

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

Performance:

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

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

Matters addressed include:

- Odour and dust from the keeping of animals;
- Several complaints relating to unsightly properties;
- Food safety related complaints;
- Dust and noise from heavy vehicle movements;
- Local industry odour emissions;
- Sewerage connection and odour;
- Occupation of building not suitable for occupancy;
- Various asbestos related complaints;
- Local industry production increases of significant dimensions; (berry farming, fish farm, motorsport developments; mineral extraction; and industrial waste storage and processing);
- State of hygiene of a public toilet; and,
- Air quality (smoke) incidents including burning plastic.

The Community Health Report addressed objectives within the areas of:

- Prevention and control of notifiable diseases;
- General infectious disease control;
- The school immunisation program was contracted to the City of Launceston Council and delivered in accordance with the National Health and Medical Research Council recommended schedule for the first half of the financial year. In January 2017 the school immunisation program was contracted to the Northern Midlands Medical Centre;
- 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 and 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 including food business registration, food business inspections and audits.
- Cemeteries – Private burials are assessed as required under the *Public Health Act 1993*.
- Assessment and monitoring of on-site wastewater management (septic tank systems)

Specific Achievements / Issues within the Community Health Report	2016/2017	2015/2016	2014/2015
▪ Notifiable diseases investigated	4	5	2
▪ School immunisations administered	101	N/a	299
▪ Recreation water monitoring			91%
◆ River water compliance	94.2%	93%	
◆ Pool water compliance	100%	98%	
▪ Environmental nuisance complaints	45	48	53
▪ Registered food premises	122	161	128
▪ Food premises inspected	142	154	118
▪ Registered temporary food premises	46	86	56
▪ Public environmental incidents	0	0	0
Animal Control			
▪ Dog Registration	3,641	3,773	3,801
▪ Kennel Licences	72	70	70
▪ No. of Impounded Animals	74	78	88

WORKS & INFRASTRUCTURE

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

Strategic Projects

Progress Report:

		On Hold					
		2017	2020	Ongoing	Status	Comments	
	Underway	-	-				
		2020	2027				
TRANSlink Precinct Renewal - Stormwater	✓	✓		2017 - 2020	On Track	Process of land acquisition underway. Seeking grant assistance to fund planned works. Included in NMC Priority Projects 2017.	
Campbell Town War Memorial Oval	✓			2017 - 2020	Not Started (obstacles)	Tenders currently being sought. Expected to commence early 2018.	
Longford NM Sport and Fitness Centre		✓	✓	2017 - 2020	On Track	Draft design plans awaiting approval. Stimulus funding obtained to commence works early 2018.	
Evandale Honeysuckle Banks				2017 - 2020	On Track	Masterplan complete. Only minor works to be undertaken. Included in NMC Priority Projects 2017.	
Nile Road Upgrade		✓	✓		On Track	Included in NMC Priority Projects 2017.	
Stormwater Management Plans	✓	✓	Review	2017 - 2027	On Track	Data collection survey complete and model build for all Towns. Reporting in progress with in next 12 months.	
Waste Management 2017 - 2020		✓	Review	2017 - 2027	On Track	Member of the Northern Waste Management Committee. WTS disposal and supervision contracts tendered for long term provision of services.	
NRM Program Collaboration	✓	✓	Review	✓	On Track		
Longford Recreation Ground Master Plan	✓	✓			On Track	Masterplan completed. Stimulus funding obtained to commence some works during 2018. Included in NMC Priority Projects 2017 document.	
Sheepwash Creek	✓	✓			On Track	Works progressing.	

Roads

Objective:

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

Performance:

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

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

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

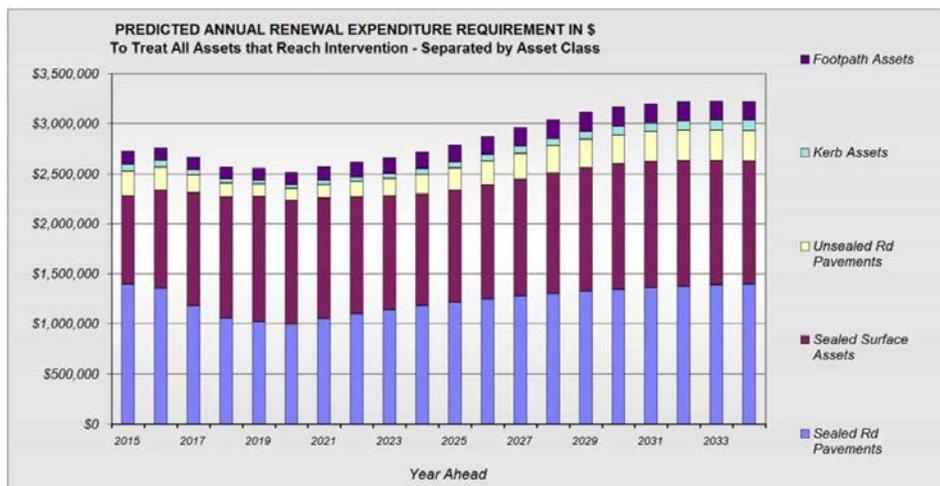


Fig 1.1 Predicted Renewal Demand to treat all assets that reach the Intervention level in future years

Following annual cost indexation, additions and disposals, and depreciation the breakdown of road infrastructure value as at 30 June 2017 is as follows:

- Replacement cost \$ 205,506,142
- Accumulated Depreciation \$ 69,514,459
- Net amount at Fair Value \$ 135,991,683

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

Council's Road Asset Renewal funding ratio is 124% which indicates that it has capacity to fund asset replacement requirements and is well above the State target ratio of 90-100%.

Road Reconstruction

Reconstructed 5,802m² of urban, and 37,661m² rural sealed pavements at a total cost of \$1.210 million.

Resheeted gravel roads at a total cost of \$441,572.

Reseals

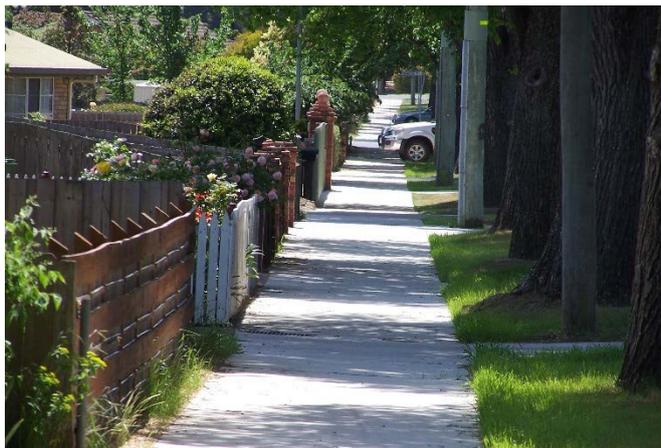
Sealed 44,899m² new or reconstructed pavements; and resealed 175,457m² of the total sealed road network at a cost of \$955,786.

Footpaths

Constructed/reconstructed footpaths at a cost of \$411,171:

- 3,436m² concrete
- 100m² gravel

Including sections of Bridge, Glenelg, Leake and Queen streets in Campbell Town; Main Street, Cressy; Logan Road, Evandale; Smith, Malcombe and William streets in Longford; and Drummond and George streets in Perth.



Other Road Infrastructure

Projects funded by Roads to Recovery during 2016/2017 were:

- Reconstruction of sections of rural roads including Powranna Road \$319,592; Nile Road \$343,484; and Woolmers Lane \$485,808;
- Reconstruction of urban streets including Bridge, Leake and Torlesse streets at Campbell Town \$310,544 (*photo below*).
- Sealed a gravel section of Seccombe Street, Perth \$74,316; and Mount Pleasant road \$19,685

Replacement of Lake River Bridge no. 7350, \$1.769 million.

Constructed 922m kerb and channel at a cost of \$78,847.

Purchased road plant/ vehicles at a net cost of \$535,866 including a New Holland backhoe, new CASE tractor and new HINO tipper.

Erection of two new heritage style lamp posts at Evandale \$23,579.

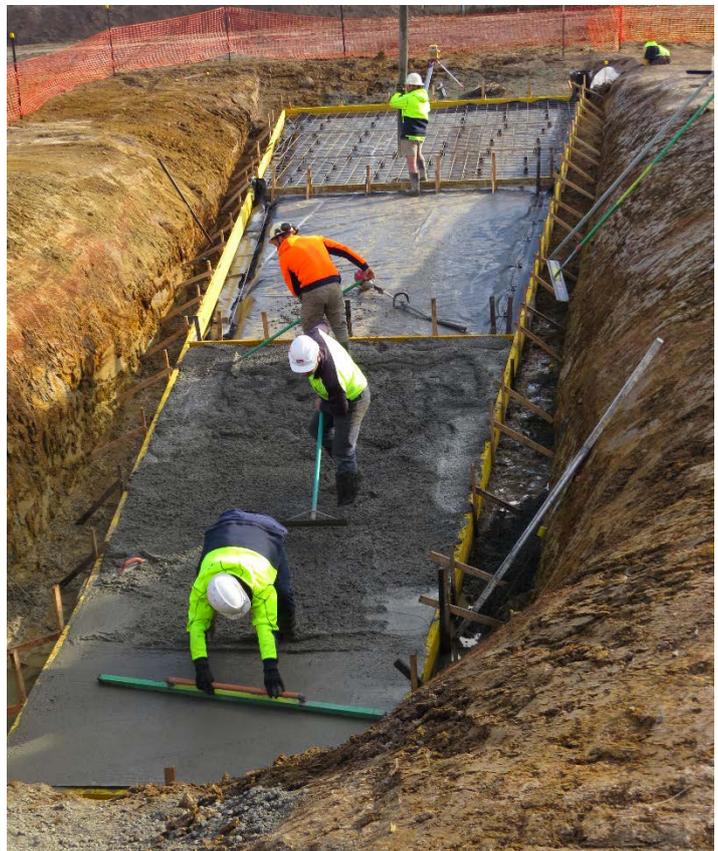


Stormwater

Installed various stormwater pipes and associated manholes and gully pits at a cost of \$131,937.

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

Member of the Northern Stormwater Program, TEER Committee, \$10,000.



Bridges

Objective:

To manage bridges to ensure safety and maximum life span.

Performance:

Replaced 578m² of timber bridge deck area with a concrete structure and associated guard rail, Lake River Bridge (Macquarie Road, Cressy) at a total cost of \$1.769 million.



Waste Management

Objective:

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

Performance:

Participated in the Northern Tasmanian Development Regional Waste Management Committee, and adopted the Waste Management Budget for 2016/2017.

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.

Constructed a bin platform at the Avoca Waste Transfer Station, \$30,356.

Building Services & Property Management

Objective:

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

Performance:

Renovated/upgraded office archive area for office space, \$58,031.

Replaced office heat pumps, \$27,623.

Upgraded office furniture, \$57,773.

Provision of public seating at Ross, Evandale and Longford cemeteries, \$13,820.

Built a bus shelter at 44 Wellington Street, Longford, \$12,384.

Built a reserve shelter at William Street Reserve, Perth, \$11,552; and a barbecue shelter at Seccombe Street reserve, Perth \$11,295.

Replaced 3 gas hot water systems at the Longford Caravan Park, \$17,788.

Replaced boundary/security fence between Longford Caravan Park and Carins Park, \$43,915.

Installed hat pump at Perth Community Centre meeting room, \$2,706.

Replaced Town Entrance Signage at Ross, \$47,773; and Cressy, \$21,806.

Provision of Longford Attraction sign on highway entrance, \$12,951.

Purchased land at Gatty Street, Western Junction for development of a stormwater detention basin.

Constructed a playground shelter at Lewis Street, Longford, \$7,121; and Seccombe Street, Perth, \$9,304.



MAJOR WORKS

Road Infrastructure

Action Plan Checklist - Legend

● Achieved

● Ongoing / In Progress

● Carried forward

	Action
<i>Campbell Town</i>	
Queen Street – footpath reconstruction	●
Glenelg Street – footpath reconstruction	●
Bridge Street – footpath reconstruction	●
Macquarie Road – road reconstruction	●
Macquarie Road – road reconstruction	●
Bridge Street – road reconstruction	●
Torlessee Street – road reconstruction	●
Leake Street – road reconstruction	●
Leake Street – road reconstruction	●
<i>Cressy</i>	
Main Street – footpath reconstruction	●
Main Street – footpath reconstruction	●
Main Street – footpath reconstruction	●
<i>Evandale</i>	
Logan Road – footpath reconstruction	●

	Action
Nile Road – road reconstruction	●
Nile Road – road reconstruction	●
<i>Longford</i>	
Wellington Street – footpath reconstruction	●
Smith Street – footpath reconstruction	●
Malcombe Street – footpath reconstruction	●
Goderich Street – footpath reconstruction	●
Woolmers Lane – road reconstruction	●
Woolmers Lane – road reconstruction	●
<i>Perth</i>	
George Street – footpath reconstruction	●
Seccombe Street West – road reconstruction	●
Seccombe Street East – road reconstruction	●
<i>Ross</i>	
High Street & Esplanade – road reconstruction	●
Between Boulevards and Bridge – road reconstruction	●



Bridges

	Bridge	Action
Royal George Road – Lewis Hill Creek (Concrete Abutments)	2380	●
McShanes Road – Hop Pole Creek (Timber to Concrete Abutments)	3725	●
Macquarie Road – Lake River (Timber to Concrete Abutments)	7350	●
Woolmers Lane - Macquarie River (Timber to Concrete Abutments)	1130	●
Boat Ramp Jetty – South Esk River		●

Urban Stormwater / Drainage

	Action
TRANSlink area	●
Stormwater Management Plans	●

Recreation, Building & Community

	Action
Improvements at Depots	●
Office Premises – Alterations	●
Office Premises – Roof Replacement	●
Entrances – Statements/Beautification	●
<i>Avoca</i>	
Public Buildings Program – Doors, Fascias, Painting	●
<i>Bishopsbourne</i>	
Community Centre – Replace Laser Lite	●
<i>Campbell Town</i>	
Hall – Improvements	●
Pool – Improvements, incl Disabled Access,	●
Pool – Changerooms & Kiosk	●
Units – Renovation/Upgrade	●
Guide Hall - Improvements	●
Log Shelter – Replace Shingles	●
Library – Improvements	●
Recreation Ground – Score Box Stairs Replacement	●
Recreation Ground – Complex	●
<i>Cressy</i>	
Recreation Ground – Dump point & main extension	●
Recreation Ground – Improvements to Clubrooms & Amenities	●
Hall – Fascia & Gutter	●
Childcare – Repairs/Replacement/Improvements to Ceiling, Floors, Fence & Stormwater	●
Trout Park – Shelter/Protection of History Board	●
Cressy Pool – Improvement/Repair of Pool Cover Rollers & Tripping areas	●
<i>Epping Forest</i>	
Hall – Improvements	●
<i>Evandale</i>	
Falls Park – Entrance & Gates	●
Recreation Ground – Top Dressing Ground	●
Recreation Ground – Dump Point Landscaping	●
Russell Street – Heritage lighting	●
Hall – Improvements	●
Units – Renovation/Upgrade	●

	Action
Community Centre – Flag Pole	●
Honeysuckle Banks – BBQ Shelter Improvements	●
<i>Lake Leake</i>	
House & Amenities – Improvements	●
<i>Longford</i>	
Public Open Space – Stokes Park Redevelopment	●
Recreation Ground - Improvements	●
Sports Centre – Landscaping	●
Union Street – Dog Exercise Area	●
Victoria Square – Christmas Tree Lighting	●
Victoria Square – Cenotaph Lighting	●
CBD Strategy – Parklets & Fairy Lights (Stage 1)	●
Cemetery – Irrigation, Seats & Road Improvements	●
Town Hall – Painting & Improvements	●
Town Hall – Acoustics Improvements	●
Memorial Hall – Floor Improvements & Sound Proofing	●
Sports Centre – LED Lighting and Plaster Repairs	●
Recreation Ground – Improvements, including replacement of stairs, painting & gutters	●
Library – Maintenance, including replacement of doors	●
<i>Perth</i>	
Memorial Gardens – Gun Restoration	●
Train Park – Paint Train	●
Childcare – Install Air Conditioners	●
Community Centre – Electrical Repairs & LED Lighting	●
<i>Ross</i>	
New Village Green	●
Public Toilets – Replacement	●
Town Hall – Acoustics Improvements	●
Town Hall – Replacement of Entrance Door	●
Cannon – Restoration	●
Caravan Park– Improvements to Units & Amenities	●
<i>Rossarden</i>	
Public Toilets – Improvements	●



REPORTING ON LEGISLATIVE REQUIREMENTS

Public Tenders

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

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 (incl. 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
Design & Project Management Campbell Town War Memorial Oval Redevelopment	1 Jan 2017 to 31 Dec 2018		\$157,000	Philp Lighton Architects Pty Ltd	65 Tamar Street, Launceston 7250	300/16	16/08
Purchase of New Holland B110B Backhoe			\$153,935	DLM Machinery	17/19-21 Killafaddy Road, St Leonards 7250	103/17	17/03
Purchase Hino 500 Medium Tipper Truck			\$145,837	FRM	PO Box 212, Kings Meadows 7249	104/17	17/05
Design & Construct Bridge No. 1300 Rossarden Road			\$507,716	BridgePro Engineering Pty Ltd	PO Box 3253, Ulverstone 7315	131/17	17/06
Design & Construct Bridge No. 3725 McShanes Road			\$incl. in above	BridgePro Engineering Pty Ltd	PO Box 3253, Ulverstone 7315	131/17	17/07
Purchase Hino 500 GH1828 Medium Tipper Truck			\$289,655	FRM	PO Box 212, Kings Meadows 7249	169/17	17/10
& Flocon Attachment			incl. in above	Hino Flocon	29-31 Apollo Drive, Hallam Vic 3803	169/17	17/10

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.
<i>Biennial Contracts for Information Only</i>							
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)
<i>Non Application of Public Tender Policy:</i>							
No item during 2016/17							

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 2016/2017 Council provided allowances and reimbursements of all reasonable expenses to the Mayor, Deputy Mayor and Councillors. The total amount of these payments was \$199,408 (compared to \$192,688 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. Reported in Financial Statements, see note 24(iii).

Grants & Benefits (Local Government Act)

During 2016/2017 Council donations under section 77 as listed on page 36 and 37, and rate remissions under its Rate Remission Policy totalling \$47,598 (2015/2016 \$47,074); plus \$Nil (2015/2016 \$90,778) under Policy – Rate Incentive for New Development.

Donation of Land (Local Government Act)

During 2016/2017 Council made no donations of land under section 177.

Public Interest Disclosures Statement (Public Interest Disclosures Act 2012)

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

During the 2016-2017 financial year, the following disclosures were made to the Northern Midlands Council with regard to the *Public Interest Disclosures Act 2012*.

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

During the 2016-2017 financial year the Ombudsman recommended Council review its procedures, in accordance with the model procedures provided by the Ombudsman which was commenced prior to the conclusion of the financial year.

Environmental Health Statement (Public Health Act 1997 and the Food Act 2003)

Council is committed to protect and promote the health and wellbeing of its communities and spent \$85,765 on health projects in 2016/2017 (2015/2016 \$106,200). Please refer to page 46 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 five applications under the Right to Information for the period 1 July 2016 to 30 June 2017. 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.

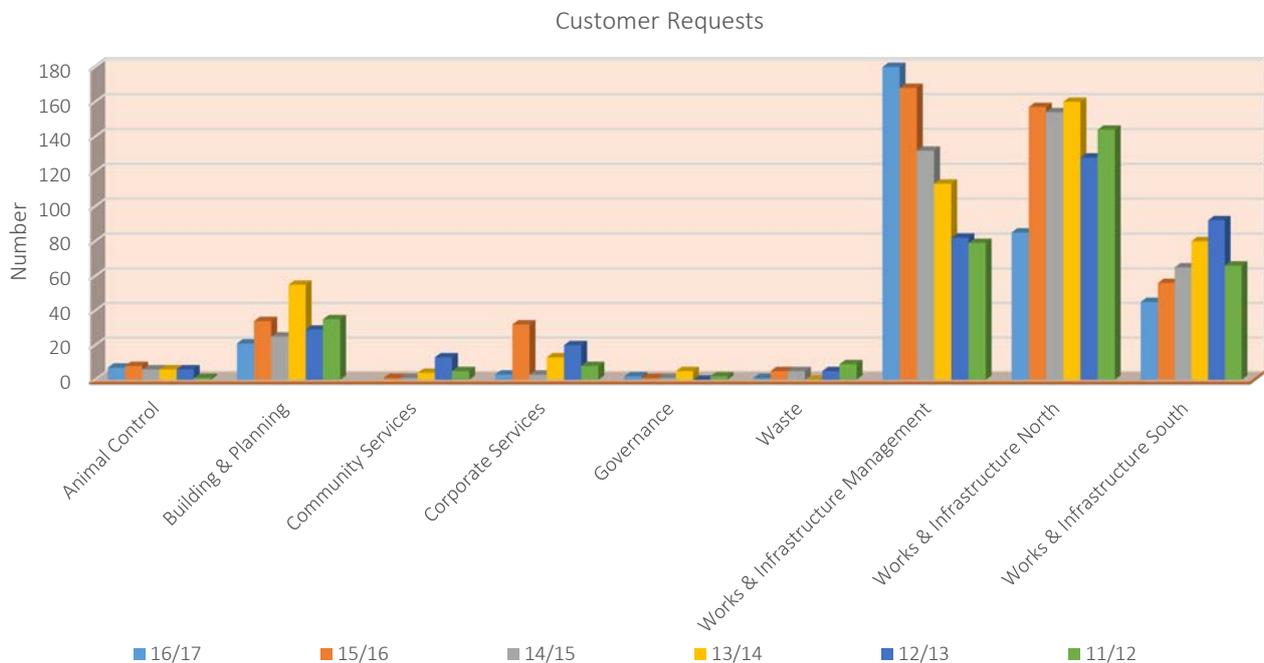
Code of Conduct Complaints (Local Government Act)

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 2016/2017 (Nil 2015/2016).

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

Annual Financial Report

for the year ended 30 June 2017



TABLE OF CONTENTS

STATEMENT OF COMPREHENSIVE INCOME – FOR YEAR ENDED 30 JUNE 2017	3
STATEMENT OF FINANCIAL POSITION – AS AT 30 JUNE 2017	4
STATEMENT OF CHANGES IN EQUITY – FOR THE YEAR ENDED 30 JUNE 2017	5
STATEMENT OF CASH FLOWS – FOR THE YEAR ENDED 30 JUNE 2017	6
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT - FOR THE YEAR ENDED 30 JUNE 2017	7
NOTE 1	7
INTRODUCTION	7
Significant Accounting Policies	7
(A) Basis of Accounting	7
(B) Adoption of New Accounting Standards	8
(C) The Local Government Reporting Entity	8
(D) Revenue Recognition	8
(E) Expense Recognition	8
(F) Recognition & Measurement of Assets	10
(G) Cash & Cash Equivalents	11
(H) Inventories	11
(I) Investment in Water Corporation	12
(J) Trust Funds	12
(K) Employee Benefits	12
(L) Accruals / Prepayments	13
(M) Net Fair Values of Financial Assets & Liabilities	13
(N) Significant Business Activities	13
(O) Leases	13
(P) Taxation	14
(Q) Budget Figures	14
(R) Contingent Assets, Contingent Liabilities & Commitments	14
(S) Rounding	14
(T) Pending Accounting Standards	14
2 FUNCTIONS / ACTIVITIES OF THE COUNCIL	16
(A) Functions / Activities of the Council	16
(B) Component Functions / Activities	17
3 GRANT REVENUE	18
4 INVESTMENT REVENUE FROM WATER CORPORATION	19
5 GAIN / (LOSS) ON SALE AND DISPOSAL OF FIXED ASSETS	19
6 EMPLOYEE BENEFITS	20
7 MATERIALS & SERVICES	21
8 DEPRECIATION & AMORTISATION EXPENSE	21

9	OTHER EXPENSES	22
10	CASH & CASH EQUIVALENTS	22
11	TRADE & OTHER RECEIVABLES	22
12	INVENTORY	23
13	CAPITAL WORK IN PROGRESS	23
14	PROPERTY, PLANT & INFRASTRUCTURE	23
15	INVESTMENT IN WATER CORPORATION	26
16	TRADE & OTHER PAYABLES	27
17	PROVISIONS	27
18	LOAN TO COMMUNITY ORGANISATION	27
19	CAPITAL EXPENDITURE COMMITMENTS	27
	Capital/Contractual Commitments	27
20	CONTINGENT LIABILITIES	27
21	AUDITORS REMUNERATION	28
22	SPECIAL COMMITTEES & RIVERWORKS DISTRICT	28
	(A) Special Committees	28
	(B) Riverworks District	29
23	RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS	29
24	RELATED PARTY TRANSACTIONS	29
	(i) Responsible Persons	29
	(ii) Councillor Remuneration	30
	(iii) Key Management Personnel Remuneration Bands	30
	(iv) Key Management Personnel & Councillors Remuneration	30
	(v) Remuneration Principles	31
	(vi) Transactions with Related Parties	31
	(vii) Loans and guarantees to/from related parties	31
	(viii) Commitments to/from related parties	31
	(ix) Transactions with related parties that have not been disclosed	31
25	SUPERANNUATION	32
26	FINANCIAL INSTRUMENTS	32
	(A) Accounting Policy, Terms and Conditions	32
	(B) Financing Arrangements	33
	(C) Financial Risk Exposure and Mitigation	33
	(D) Impairment Losses	35
	(E) Sensitivity Disclosure Analysis	35
	(F) Categories of Financial Assets & Liabilities	36
	(G) Analysis of Unimpaired Financial Assets	36
	(H) Fair Value Hierarchy	36
27	MANAGEMENT INDICATORS	37
	(A) Financial Management Indicators	37
	(B) Asset Management Indicators	38
28	FAIR VALUE MEASUREMENT	40
	(A) Fair Value Hierarchy	40
	(B) Highest & Best Use	40
	(C) Valuation Techniques & Significant Inputs used to Derive Fair Value	41
	(D) Changes in Recurring Level 3 Fair Value Measurements	42
	(E) Valuation Processes	42
	(F) Assets & Liabilities Not Measured at Fair Value but for which Fair Value is Disclosed	42
<hr/>		
	STATEMENT BY GENERAL MANAGER	43
	INDEPENDENT AUDIT REPORT	44

STATEMENT OF COMPREHENSIVE INCOME – FOR YEAR ENDED 30 JUNE 2017

	Note	2017		2016		2017 Budgeted
		\$	%	\$	%	\$
Income						
Recurrent Income						
Rate Revenue		9,879,353	51.35	9,545,572	63.38	9,872,545
Grants	3	5,862,956	30.47	2,012,626	13.36	5,703,919
User Charges		1,722,281	8.95	1,762,130	11.70	1,506,300
Interest		454,293	2.36	489,365	3.25	405,842
Reimbursements		327,603	1.70	186,634	1.24	81,867
Investment revenue from Water Corporation	4	702,000	3.65	702,000	4.66	702,000
Other		291,784	1.52	363,566	2.41	110,321
		19,240,270		15,061,893		18,382,794
Capital Income						
Capital grants received specifically for new or upgraded assets	3	2,320,490	94.15	3,224,704	19.75	2,291,976
Contribution of non-monetary assets	14	144,231	5.85	439,060	2.69	430,000
Initial Recognition of land under roads	14	-	-	12,660,579	77.56	-
		2,464,721		16,324,343		2,721,976
Total Income		21,704,991		31,386,236		21,104,770
Expenses						
Employee Benefits	6	5,181,387	27.91	4,958,929	28.49	5,176,338
Materials & Services	7	5,270,147	28.38	4,591,806	26.39	4,526,543
Depreciation and Amortisation	8	5,378,037	28.96	5,335,507	30.66	5,327,234
Government Levies & Charges		689,225	3.71	664,971	3.82	662,419
Net loss/(gain) on disposal of property, Infrastructure, Plant and equipment	5	890,066	4.79	790,070	4.54	300,000
Other	9	1,158,929	6.24	1,061,249	6.10	689,411
Total Expenses		18,567,791		17,402,532		16,681,945
Surplus/(Deficit)		3,137,200		13,983,704		4,422,825
Other comprehensive income						
Items that will not be reclassified to surplus or deficit						
Net asset revaluation increment / (decrement)		4,333,497		(1,756,950)		
Items that may be reclassified to surplus or deficit						
Fair value adjustment on available for sale assets - Investment in Water Corporation	15	260,379		673,100		
		4,593,876		(1,083,850)		
Comprehensive Result		7,731,076		12,899,854		

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 2017

	<i>Note</i>	<i>2017</i> \$	<i>2016</i> \$
Assets			
Current assets			
Cash and Cash Equivalents	10	12,605,260	10,602,771
Trade and Other Receivables	11	1,024,000	536,760
Inventory	12	27,866	29,231
Total current assets		13,657,126	11,168,762
Non-current assets			
Capital Work in Progress	13	852,680	1,698,506
Property, Plant & Infrastructure	14	245,142,750	240,225,502
Investment in Water Corporation	15	39,943,079	39,682,700
Loan Receivable	18	1,900,000	-
Total non-current assets		287,838,509	281,606,708
Total Assets		301,495,635	292,775,470
Liabilities			
Current liabilities			
Trade and Other Payables	16	944,785	1,679,888
Provisions	17	919,881	1,051,349
Total current liabilities		1,864,666	2,731,237
Non-current liabilities			
Provisions	17	76,695	121,035
Loan Payable	18	1,900,000	-
Total non-current liabilities		1,976,695	121,035
Total Liabilities		3,841,361	2,852,272
Net Assets		297,654,274	289,923,198
EQUITY			
Accumulated Surplus		157,180,541	154,043,341
Reserves		140,473,733	135,879,857
Total Ratepayer Equity		297,654,274	289,923,198

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

STATEMENT OF CHANGES IN EQUITY – FOR THE YEAR ENDED 30 JUNE 2017

<i>2017</i>	<i>Total</i> \$	<i>Accumulated Surplus</i> \$	<i>Asset Revaluation Reserves</i> \$	<i>Fair Value Reserves</i> \$
Beginning of the Year	289,923,198	154,043,341	139,594,802	(3,714,945)
Comprehensive Result	7,731,076	3,137,200	4,333,497	260,379
Ratepayer Equity at end of the year	297,654,274	157,180,541	143,928,299	(3,454,566)
<i>2016</i>	<i>Total</i> \$	<i>Accumulated Surplus</i> \$	<i>Asset Revaluation Reserves</i> \$	<i>Fair Value Reserves</i> \$
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)

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

STATEMENT OF CASH FLOWS – FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017		2016	
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Outflows					
Employee Costs		(5,354,173)		(4,931,865)	
Materials and Services		(7,118,692)		(5,216,343)	
Levies Paid		(689,225)		(664,971)	
Other		(716,890)		(670,754)	
Inflows					
Receipts from Ratepayers		9,454,269		9,152,591	
Government Grants		5,523,883		2,154,475	
User Charges		1,797,438		1,731,100	
Interest Received		457,066		495,586	
Investment Revenues from Water Corporation		702,000		702,000	
Other		600,109		550,200	
Receipts from Australian Taxation Office		888,012		1,104,352	
Net Cash Provided by Operating Activities	23		5,543,797		4,406,371
CASH FLOWS FROM INVESTING ACTIVITIES					
Outflows					
Payment for property, plant and equipment		(6,112,117)		(8,964,781)	
Loans to community organisations	18	(1,900,000)			
Inflows					
Capital Grants		2,320,490		3,224,704	
Proceeds from sale of fixed assets		250,319		302,911	
Net Cash Provided By (Used in) Investing Activities			(5,441,308)		(5,437,166)
CASH FLOWS FROM FINANCING ACTIVITIES					
Outflows					
Repayment of Borrowings		-		-	
Inflows					
Proceeds from interest bearing loans and borrowings	18	1,900,000		-	
Net Cash Provided By (Used in) Financing Activities			1,900,000		-
Net Increase (Decrease) in Cash and Cash Equivalents for the period			2,002,489		(1,030,795)
Cash and Cash Equivalents at the commencement of the period			10,602,771		11,633,566
Net Cash and Cash Equivalents at the end of the Reporting Period	10		12,605,260		10,602,771

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 2017

NOTE 1

INTRODUCTION

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

These financial statements are a general purpose financial report that consists of the Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the Local Government Act 1993 (LGA1993) (as amended).

Significant Accounting Policies

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

(A) Basis of Accounting

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

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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

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

Fair Value of Property Plant & Infrastructure

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and infrastructure including useful lives and depreciation rates. These assumptions are discussed in notes 1(f) and note 28.

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.

Employee entitlements

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

Investment in Water Corporation

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

(B) Adoption of New Accounting Standards

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

Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. The standard further extends that required under the LGA 1993. This information is presented in Note 24.

(C) The Local Government Reporting Entity

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

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

(D) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

(i) Rates, grants and contributions

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

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

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

Donations and other contributions that are not subject to accompanying conditions that they be expended in a particular manner or for a particular purpose are recognised as revenue in the reporting period when Council obtains control over the assets comprising the contributions and donations.

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

(ii) User charges

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

(iii) Sale of property, plant and infrastructure

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

(iv) Interest and rents

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

(v) Dividends

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

(E) Expense Recognition

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

(i) Employee benefits

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

(ii) Depreciation of Property, Plant and Infrastructure

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

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

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

Land is not depreciated.

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

Major depreciation period used are listed below and are consistent with the prior period.

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

(iii) Repairs and maintenance

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

(F) Recognition & 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 value less than this threshold are charged to the Statement of Comprehensive Income in the year of purchase (Other than where they form part of a group of similar items which are material in total).

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

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

(iii) Valuation of Non-Current Assets

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

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

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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

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

(iv) Impairment of Assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

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

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

(v) Maintenance vs Capitalisation

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

(G) Cash & 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 2017, Council continued to hold a 2.52% ownership interest in TasWater which is based on schedule 2 of the Corporations Constitution which reflects the Council's voting rights.

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

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

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

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

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

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

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

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

(iii) Retirement benefit obligations

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

Defined benefit plans

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

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-

employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Sick Leave

Council does not recognise a liability for sick leave because such leave is non-vesting and because it is probable that sick leave taken in future reporting periods will be less than entitlements which are expected to accrue in those periods. Employees receive 10 days sick leave per year and the average sick leave taken by each employee for the 2016/17 financial year was 5.5 days (2015/16 4.8 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 2017 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 & 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 2017 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below. (Note: standards are applicable to reporting periods on or after the effective date referred to below).

(i) AASB 9 Financial Instruments and 2017-7 Amendments to Accounting Standards arising from AASB 9 (December 2014) (effective from 1 January 2018).

The main impacts of these standards on Council are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Council's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments.

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 investment in TasWater which is an available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Council is likely to make an irrevocable election for 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.

Another impact of AASB 9 relates to calculating impairment losses for Council's receivables. Assuming no substantial change in the nature of receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, Council will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised and also factor in any future changes or events.

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 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers, and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities.

AASB 2015-8 Amendments to Australian Accounting Standards arising from AASB 15 provides for an effective of application from 1 January 2019.

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations.

AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report include:

- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. At present, such grants are recognised as revenue upfront. When the new standard becomes effective, Council will evaluate all grant agreements in place at that time to determine whether revenue from those grants could be deferred under the new requirements.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- Rates received in advance, which are currently required to be recognised as revenue when received will be deferred under the new requirements until the commencement of the rating period to which they relate.
- Volunteer services and transactions where the consideration is significantly less than the fair value of that asset acquired, or no consideration is provided (for example below market leases) will be required to be recognised when certain recognition criteria are met. Council has not yet fully determined the impact of these requirements on its financial statements.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). Council is yet to fully complete its analysis of existing arrangements for sale of its goods and services and the impact on revenue recognition has not yet been fully determined.

(iii) 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 2019.

(iv) AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative:

Amendments to AASB 107 (effective from 1 January 2017)

Amendments to AASB 107 will require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of a reconciliation in the notes to the Statement of Cash Flows.

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

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).

		2017		2016	
		\$	\$	\$	\$
Governance					
Recurrent Income	Grants	213,343		70,021	
	Other	2,210,664		2,167,503	
	Total		2,424,007		2,237,524
Capital Income	Grants	245		-	
	Other	-		-	
	Total		245		-
Total Income			2,424,252		2,237,524
Expenses			1,949,886		2,076,697
Surplus/(Deficit)			474,366		160,827
Assets			95,016,122		92,557,866
Regulatory & Community Services					
Recurrent Income	Grants	97,725		295,137	
	Other	667,127		1,017,388	
	Total		764,852		1,312,525
Capital Income	Grants	-		2,461	
	Other	-		-	
	Total		-		2,461
Total Income			764,852		1,314,986
Expenses			906,434		1,204,603
Surplus/(Deficit)			(141,582)		110,383
Assets			756,225		479,750
Development Services					
Recurrent Income	Grants	142,557		51,030	
	Other	1,271,394		1,769,899	
	Total		1,413,951		1,820,929
Capital Income	Grants	-		-	
	Other	-		-	
	Total		-		-
Total Income			1,413,951		1,820,929
Expenses			1,335,936		1,548,855
Surplus/(Deficit)			78,015		272,074
Assets			268,867		346,071

		2017		2016	
		\$	\$	\$	\$
Works & Infrastructure					
Recurrent Income	Grants	5,409,331		1,596,438	
	Other	9,296,215		8,094,477	
	Total		14,705,546		9,690,915
Capital Income	Grants	2,320,244		3,222,243	
	Other	76,146		13,099,639	
	Total		2,396,390		16,321,882
	<i>Total Income</i>		17,101,936		26,012,797
Expenses			14,375,535		12,572,377
	<i>Surplus/(Deficit)</i>		2,726,401		13,440,420
	<i>Assets</i>		205,454,421		199,391,783
TOTAL					
Recurrent Income	Grants	5,862,956		2,012,626	
	Other	13,445,400		13,049,267	
	Total		19,308,356		15,061,893
Capital Income	Grants	2,320,489		3,224,704	
	Other	76,146		13,099,639	
	Total		2,396,635		16,324,343
	<i>Total Income</i>		21,704,991		31,386,236
Expenses			18,567,791		17,402,532
	<i>Surplus/(Deficit)</i>		3,137,200		13,983,704
	<i>Assets</i>		301,495,635		292,775,470

(B) Component Functions / Activities

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

Governance

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

Regulatory & Community Services

The provision of the following services to Council:

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

Development Services

The provision of the following services to Council

- Planning
- Building & Plumbing

Works & Infrastructure

Maintenance and construction of Council's infrastructure and facilities.

3 GRANT REVENUE

Grants were received in respect of the following:

	2017		2016	
	\$	\$	\$	\$
Federally funded capital grants received specifically for new or upgraded assets				
Roads to Recovery		1,466,555		2,136,758
NMC Marquees		-		5,236
Solar Panel Installation - Recreation Grounds		19,080		-
		<u>1,485,635</u>		<u>2,141,994</u>
Federally funded recurrent grants				
Midlands Kids Club		19,390		23,720
Natural Disaster Relief		421,392		-
Perth Child Care - Professional Development		-		4,648
Perth Child Care Service		42,590		42,040
Rural & Remote Child Care		187,382		180,041
Rural and Remote Child Care - BFF Transition Funding		-		5,000
Saluting their Service - Ross Cannon Refurbishment		2,727		-
Commonwealth Government financial assistance grants				
▪ General Purpose	1,731,991		573,362	
▪ Roads	3,339,173	5,071,164	1,098,839	1,672,201
		<u>5,744,645</u>		<u>1,927,650</u>
State funded capital grants received specifically for new or upgraded assets				
Blackspot Funding - Talisker/Main St Perth Intersection		-		57,050
Blackspot Funding - Relbia Road Guard Rail		-		28,140
Blackspot Funding - Fore Street Turning Head		-		38,500
Bridges - Lake River Bridge No 7350 Replacement		719,500		-
Bridges - Westmoor Bridge Replacement		-		921,559
Longford Entrance Sign		10,809		-
Midlands Kids Club Heating/Ventilation Improvements		246		2,461
Vulnerable Road Users - Drummond St Footpath		24,300		-
Vulnerable Road Users - Elizabeth St Perth Footpath		-		35,000
Valentine Park Toilet Block Extension		80,000		-
		<u>834,855</u>		<u>1,082,710</u>
State funded recurrent grants				
Australia Day Celebrations		5,273		1,600
Back Creek Levee Augmentation Feasibility Study (NDRG)		5,000		-
Centenary of ANZAC's Program - Lewis McGee VC		1,000		-
Employee Training		-		14,955
Flood plain Mapping (NDRG)		32,841		-
Heavy Vehicle Motor Tax Grants		74,197		68,421
		<u>118,311</u>		<u>84,976</u>
Total Capital Grants		<u>2,320,490</u>		<u>3,224,704</u>
Total Recurrent Grants		<u>5,862,956</u>		<u>2,012,626</u>
Total Government Grants		<u>8,183,446</u>		<u>5,237,330</u>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2016-17 the Commonwealth made early payment of two quarterly instalments for the following year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2016-17 by \$1,723,490. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in 2016-17 by \$1,723,490.

Government funds received in relation to pensioner rates of \$423,221 (\$408,223 2015/16) 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:

	2017		2016	
	\$	\$	\$	\$
Commonwealth Financial Assistance Grant				
▪ General Purpose	588,490		-	
▪ Roads	1,135,000	1,723,490	-	-
Back Creek Levee Augmentation Feasibility Study (NDRG)		5,000		-
Centenary of ANZAC's Program - Lewis McGee VC		1,000		-
Midlands Kids Club Heating/Ventilation Improvements		-		2,461
Perth Child Care - Professional Development		-		7,685
Saluting their Service - Ross Cannon Refurbishment		2,727		-
Solar Panel Installation - Recreation Grounds		19,080		-
Valentine Park Toilet Block Extension		80,000		-
		<u>1,831,297</u>		<u>10,146</u>

4 INVESTMENT REVENUE FROM WATER CORPORATION

	2017	2016
	\$	\$
Dividend Revenue	455,283	475,779
Tax Equivalents	211,439	169,472
Guarantee Fee	35,278	56,749
Total investment revenue from water corporation	<u>702,000</u>	<u>702,000</u>

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

	2017	2016
	\$	\$
The gain / (loss) on sale and disposal of fixed assets for the period was comprised of:		
Land		
Proceeds from sales	-	60,000
Written down value of assets sold	-	180,000
Gain / (loss) on sale	<u>-</u>	<u>(120,000)</u>
Buildings		
Written down value of assets disposed with no proceeds	33,283	74,246
Gain / (loss) on disposal	<u>(33,283)</u>	<u>(74,246)</u>
Furniture, Fittings, Office Equipment and Computers		
Proceeds from sales	-	-
Written down value of assets disposed with no proceeds	1,556	10,925
Gain / (loss) on disposal	<u>(1,556)</u>	<u>(10,925)</u>
Fleet		
Proceeds from sales	250,319	242,911
Written down value of assets sold	301,336	136,267
Gain / (loss) on sale	<u>(51,017)</u>	<u>106,644</u>
Roads Infrastructure		
Written down value of assets disposed with no proceeds	779,060	600,399
Gain / (loss) on disposal	<u>(779,060)</u>	<u>(600,399)</u>

	2017 \$	2016 \$
Bridges		
Written down value of assets disposed with no proceeds	14,778	80,402
Gain / (loss) on disposal	(14,778)	(80,402)
Stormwater & Drainage		
Written down value of assets disposed with no proceeds	10,372	10,742
<i>Gain / (loss) on disposal</i>	<i>(10,372)</i>	<i>(10,742)</i>
Total		
Proceeds from sales	250,319	302,911
Written down value of assets sold	301,336	316,267
Gain / (loss) on sale of Fixed assets	(51,017)	(13,356)
Written down value of assets disposed with no proceeds	839,049	776,714
Gain / (loss) on sale and disposal of Fixed Assets	(890,066)	(790,070)

6 EMPLOYEE BENEFITS

	2017		2016	
	\$	\$	\$	\$
Wages and Salaries	3,573,537		3,628,829	
Superannuation	503,056		498,701	
Annual/Sick/Long Service/Other Leave	1,157,593		774,722	
Total employee benefits expenses		5,234,186		4,902,252
State Government Payroll Tax	245,449		238,889	
Workers Compensation	153,557		169,619	
Provision for Leave Entitlements	(164,381)		(24,490)	
Other Employee Oncost Expenses	23,872		30,415	
Total other employee related expenses		258,497		414,433
		5,492,683		5,316,685
Less Amounts Capitalised:				
Non-current assets constructed		(311,296)		(357,756)
Total employee benefits and related expenses		5,181,387		4,958,929
		<i>Total</i>		<i>Total</i>
		<i>30/6/17</i>		<i>30/6/16</i>
		<i>Equivalent Full</i>		<i>Equivalent Full</i>
		<i>Time 30/6/17</i>		<i>Time 30/6/16</i>
Number of Employees as at 30 June are:				
Permanent	61	56	70	63
Casual	16	4	12	2
Total	77	60	82	65

7 MATERIALS & SERVICES

	2017		2016	
	\$	\$	\$	\$
Contractor Payments				
▪ Corporate Services & Governance	127,978		70,573	
▪ Community Buildings & Halls	38,122		75,717	
▪ Development Services	52,288		63,941	
▪ Health and Environmental Services	92,064		81,844	
▪ Kerbside Garbage and Recycling	640,797		606,676	
▪ Natural Resource Management	24,329		39,596	
▪ Parks & Reserves	142,063		76,933	
▪ Public Amenities	62,125		61,464	
▪ Roads & Bridges	1,026,336		575,925	
▪ Tourism and Community Development	21,574		21,183	
▪ Urban Stormwater	36,746		27,135	
▪ Waste Transfer Stations	490,813		520,046	
▪ Other Contractor Payments	176,158	2,931,393	179,092	2,400,125
Materials				
▪ Community Buildings & Halls	24,233		22,476	
▪ Corporate Services & Governance	203,311		175,240	
▪ Parks & Reserves	57,240		60,687	
▪ Public Amenities	24,900		24,506	
▪ Roads & Bridges	381,488		337,103	
▪ Urban Stormwater	45,263		16,457	
▪ Other Material Purchases	222,130	958,565	129,961	766,430
Consultants Fees		666,222		722,916
Electricity Costs		323,337		345,285
Insurance		149,030		141,452
Telecommunication Costs		56,139		72,542
Other		185,461		143,056
Total Materials & Services		5,270,147		4,591,806

8 DEPRECIATION & AMORTISATION EXPENSE

	2017	2016
	\$	\$
Depreciation and amortisation expense for the year is as follows:		
▪ Buildings	628,498	606,407
▪ Plant	171,906	165,810
▪ Flood Levee Infrastructure	18,882	18,934
▪ Furniture, Fittings, Office Equipment and Computers	126,686	113,977
▪ Fleet	380,536	361,139
▪ Road Infrastructure	3,296,874	3,284,793
▪ Bridges	373,819	364,922
▪ Stormwater & Drainage	372,146	411,000
▪ Heritage Assets	8,690	8,525
Total	5,378,037	5,335,507

9 OTHER EXPENSES

	2017 \$	2016 \$
Other expenses for the year are as follows:		
▪ Bad & Doubtful Debts	374,336	342,445
▪ Contributions & Donations	239,992	189,191
▪ Councillors' Remuneration	199,408	192,688
▪ Fringe Benefits Tax	27,966	33,675
▪ Rate Remissions & Discounts	48,424	48,050
▪ Special Committee Expenditure	189,870	220,244
▪ Refunds & Reimbursements	18,366	15,786
▪ Work in Progress from prior years not Capitalised	37,774	9,153
▪ Other Expenses	22,793	10,017
	1,158,929	1,061,249

10 CASH & CASH EQUIVALENTS

	2017 \$	2016 \$
Cash on Hand	600	600
Cash at Bank	569,354	501,801
Cash held by Special Committees of Council	228,837	261,738
Money Market Call Accounts	1,225,842	435,688
Short Term Fixed Deposits	10,580,627	9,402,944
Total cash and cash equivalents	12,605,260	10,602,771
Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
▪ Leave provisions (note 17).	996,576	1,172,384
▪ Monies held in Trust (note 16).	309,654	334,837
▪ Special Committee Cash Held.	228,837	261,738
▪ Grants received which have not yet been applied to the purpose for which they were provided (note 3).	1,831,297	10,146
▪ 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.	3,614,409	3,544,033
Restricted Funds	6,980,773	5,323,138
Unrestricted cash and cash equivalents	5,624,487	5,279,633

11 TRADE & OTHER RECEIVABLES

	2017		2016	
	\$	\$	\$	\$
Current				
Trade Debtors - Sundry		728,574		240,885
Rates Outstanding	1,742,445		1,365,785	
Less Provision for Impairment of Debts	(1,500,500)	241,945	(1,126,164)	239,621
Accrued Income		53,481		56,254
		1,024,000		536,760
Non Current				
Loan Receivable		1,900,000		-
Total trade and other receivables		2,924,000		536,760

Rates payments received in advance are treated as rate revenue in the year in which they are received, in 2016/17 this amounted to \$243,519 (2015/16 \$248,380).

Council as at the 30th June 2017 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

	2017 \$	2016 \$
Timber - Held for Distribution at average cost	4,021	4,731
Norfolk Plains History Book - Held for sale at cost.	20,340	20,913
Longford 200 Years Medallions - Held for sale at cost	3,505	3,587
	27,866	29,231

13 CAPITAL WORK IN PROGRESS

	2017 \$	2016 \$
Opening balance	1,698,506	404,777
Additions	616,964	1,510,069
Transfers out	(1,462,790)	(216,340)
Closing balance at cost	852,680	1,698,506

14 PROPERTY, PLANT & INFRASTRUCTURE

	2017		2016	
	\$	\$	\$	\$
Land				
Gross Value				
Opening Balance	10,348,217		10,020,340	
Additions, Purchased	312,761		231,244	
Additions, Donated or Contributed	-		276,633	
Sales	-		(180,000)	
Net Amount at Fair Value		10,660,978		10,348,217
Land Under Roads				
Gross Value				
Opening Balance	14,432,690		1,772,111	
Initial Recognition	-		12,660,579	
Net Amount at Fair Value		14,432,690		14,432,690
Buildings				
Gross Value				
Opening Balance	47,070,609		39,147,779	
Additions - Purchased or Constructed	243,887		297,007	
Additions, Donated or Contributed	66,480		-	
Disposals with no proceeds	(222,203)		(204,976)	
Revaluation Adjustment	1,569,609		7,830,799	
Closing Balance		48,728,382		47,070,609

	2017		2016	
	\$	\$	\$	\$
Accumulated Depreciation				
Opening Balance	23,597,073		13,681,113	
Depreciation Expense	628,498		606,407	
Disposals with no proceeds	(188,918)		(130,730)	
Revaluation Adjustment	790,487		9,440,283	
Closing Balance		24,827,140		23,597,073
Net Amount at Fair Value		23,901,242		23,473,536
Heritage Assets				
Gross Value				
Opening Balance	1,098,288		1,098,288	
Additions - Purchased or Constructed	69,580		-	
Closing Balance		1,167,868		1,098,288
Accumulated Depreciation				
Opening Balance	166,408		157,883	
Depreciation Expense	8,691		8,525	
Closing Balance		175,099		166,408
Net Amount at Cost		992,769		931,880
Flood Levee Infrastructure				
Gross Value				
Opening Balance	5,205,942		5,205,942	
Closing Balance		5,205,942		5,205,942
Accumulated Depreciation				
Opening Balance	153,376		134,442	
Depreciation Expense	18,882		18,934	
Closing Balance		172,258		153,376
Net Amount at Cost		5,033,684		5,052,566
Furniture, Fittings, Office Equipment and Computers				
Gross Value				
Opening Balance	2,214,621		2,105,136	
Additions - Purchased or Constructed	208,799		162,909	
Additions, Donated or Contributed	1,606		-	
Disposals with no proceeds	(15,333)		(53,424)	
Closing Balance		2,409,693		2,214,621
Accumulated Depreciation				
Opening Balance	1,603,286		1,531,809	
Depreciation Expense	126,687		113,977	
Disposals with no proceeds	(13,777)		(42,500)	
Closing Balance		1,716,196		1,603,286
Net Amount at Cost		693,497		611,335
Fleet				
Gross Value				
Opening Balance	4,631,032		4,419,073	
Additions - Purchased or Constructed	535,867		957,401	
Disposals	(575,115)		(745,442)	
Closing Balance		4,591,784		4,631,032
Accumulated Depreciation				
Opening Balance	1,877,602		2,125,637	
Depreciation Expense	380,536		361,139	
Disposals	(273,779)		(609,174)	
Closing Balance		1,984,359		1,877,602
Net Amount at Cost		2,607,425		2,753,430

	2017		2016	
	\$	\$	\$	\$
Plant				
Gross Value				
Opening Balance	2,728,683		2,753,645	
Additions - Purchased or Constructed	302,854		79,448	
Disposals with no proceeds	(3,617)		(104,410)	
Closing Balance		3,027,920		2,728,683
Accumulated Depreciation				
Opening Balance	1,893,805		1,832,404	
Depreciation Expense	171,906		165,810	
Disposals with no proceeds	(3,617)		(104,409)	
Closing Balance		2,062,094		1,893,805
Net Amount at Cost		965,826		834,878
Roads Infrastructure				
Gross Value				
Opening Balance	205,082,114		204,273,284	
Additions - Purchased or Constructed	3,383,002		3,350,386	
Additions, Donated or Contributed	-		87,399	
Disposals with no proceeds	(2,958,974)		(2,628,955)	
Closing Balance		205,506,142		205,082,114
Accumulated Depreciation				
Opening Balance	68,397,500		67,141,263	
Depreciation Expense	3,296,874		3,284,793	
Disposals with no proceeds	(2,179,915)		(2,028,556)	
Closing Balance		69,514,459		68,397,500
Net Amount at Fair Value		135,991,683		136,684,614
Bridges				
Gross Value				
Opening Balance	27,386,672		25,623,263	
Additions - Purchased or Constructed	1,769,257		2,368,140	
Disposals with no proceeds	(586,544)		(584,504)	
Revaluation Adjustment	(382,105)		(20,227)	
Closing Balance		28,187,280		27,386,672
Accumulated Depreciation				
Opening Balance	7,628,089		7,767,269	
Depreciation Expense	373,819		364,922	
Disposals with no proceeds	(571,766)		(504,102)	
Revaluation Adjustment	-		-	
Closing Balance		7,430,142		7,628,089
Net Amount at Fair Value		20,757,138		19,758,583
Stormwater & Drainage				
Gross Value				
Opening Balance	34,204,442		34,045,073	
Additions - Purchased or Constructed	131,937		224,517	
Additions - Donated or Contributed	76,145		75,028	
Disposals with no proceeds	(10,556)		(12,937)	
Revaluation Adjustment	3,120,262		(127,239)	
Closing Balance		37,522,230		34,204,442

	2017		2016	
	\$	\$	\$	\$
Accumulated Depreciation				
Opening Balance	8,860,669		8,451,865	
Depreciation Expense	372,146		411,000	
Disposals with no proceeds	(185)		(2,196)	
Revaluation Adjustment	(816,218)		-	
Closing Balance		8,416,412		8,860,669
Net Amount at Fair Value		29,105,818		25,343,773
Total Property, Plant & Infrastructure				
Gross Value				
Opening Balance	354,403,310		330,463,934	
Additions - Purchased or Constructed	6,957,944		7,671,052	
Additions - Donated or Contributed	144,231		439,060	
Initial Recognitions	-		12,660,579	
Sales	(575,115)		(925,442)	
Disposals with no proceeds	(3,797,227)		(3,589,206)	
Revaluation Adjustment	4,307,766		7,683,333	
Closing Balance		361,440,909		354,403,310
Accumulated Depreciation				
Opening Balance	114,177,808		102,823,685	
Depreciation Expense	5,378,039		5,335,507	
Sales	(273,779)		(609,174)	
Disposals with no proceeds	(2,958,178)		(2,812,493)	
Revaluation Adjustment	(25,731)		9,440,283	
Closing Balance		116,298,159		114,177,808
Net Amount		245,142,750		240,225,502

15 INVESTMENT IN WATER CORPORATION

	2017	2016
	\$	\$
Opening Balance Investment in Water and Sewerage Corporation	39,682,700	39,009,600
Fair Value adjustments on Available-for-Sale Assets	260,379	673,100
Total Investment in Water and Sewerage Corporation	39,943,079	39,682,700

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

At 30 June 2017, Council held a 2.52% ownership interest in TasWater based on the equity proportions per member for voting purposes, as set out in Schedule 2 of TasWater's Constitution.

On 7 March 2017 the State Government announced its intention to take ownership of Tasmanian Water and Sewerage Corporation Pty Ltd from July 2018. The State Government intends to introduce a suite of legislation in the Spring Session of Parliament that will transfer all of Tasmanian Water and Sewerage Corporation Pty Ltd's assets, rights, obligations and liabilities, including employees under their current terms and conditions, to a newly created government business, which will commence operations by 1 July 2018.

As, at the date of these financial statements, there is no indication as to whether the legislation will be passed, no change has been made to the basis on which the investment Tasmanian Water and Sewerage Corporation Pty Ltd has been recognised for the year ended 30 June 2017.

16 TRADE & OTHER PAYABLES

	2017 \$	2016 \$
Current		
Trade creditor	516,989	1,229,931
Accrued wages	118,142	115,120
Money held in trust	309,654	334,837
	944,785	1,679,888

17 PROVISIONS

	2017		2016	
	\$	\$	\$	\$
Current				
Employee Benefits - Annual Leave	382,010		416,405	
Employee Benefits - Long Service Leave	377,320		451,192	
Employee Benefits - Oncosts	160,551		183,752	
		919,881		1,051,349
Non-Current				
Employee Benefits - Long Service Leave	63,097		99,576	
Employee Benefits - Oncosts	13,598		21,459	
		76,695		121,035
Aggregate Employee Benefits		996,576		1,172,384

18 LOAN TO COMMUNITY ORGANISATION

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

19 CAPITAL EXPENDITURE COMMITMENTS

Capital/Contractual Commitments

	2017 \$	2016 \$
Estimated expenditure contracted for at balance date but not yet incurred:		
- payable not later than one year	1,532,180	1,184,773
- payable later than one year but no later than two years	585,082	717,726
- payable later than two years	208,909	825,502
	2,326,171	2,728,001

20 CONTINGENT LIABILITIES

Council has no contingent liabilities.

21 AUDITORS REMUNERATION

	2017 \$	2016 \$
Audit fees to conduct external audit – Tasmanian Audit Office	22,050	24,110

22 SPECIAL COMMITTEES & RIVERWORKS DISTRICT

The Statements include transactions for the following:

(A) Special Committees

<i>Committee</i>	<i>Operating Income \$ 2017</i>	<i>Operating Expenditure \$ 2017</i>	<i>Operating Income \$ 2016</i>	<i>Operating Expenditure \$ 2016</i>
About Campbell Town	6,182	6,144	7,912	8,110
Avoca Community Centre	783	2,483	6,238	2,064
Avoca Museum and Info Centre	8,554	7,685	1,616	5,319
Bishopsbourne Community Centre	29,107	40,711	18,649	16,387
Campbell Town Pool	11,321	15,738	12,615	10,282
Campbell Town Recreation Ground	4,107	5,256	2,929	3,798
Cressy Hall	549	4,781	7,442	1,703
Cressy Pool	22,660	28,328	29,196	25,725
Cressy Recreation Ground	118	2,943	8,186	10,587
Devon Hill Residents	420	598	318	179
Epping Hall	5,675	3,217	3,701	1,405
Evandale Community Centre and War Memorial Hall	31,555	32,050	28,420	31,097
Liffey Hall	2,227	583	8,339	8,852
Longford Recreation Ground	14,138	13,663	9,788	11,372
Morven Park Recreation Ground	11,830	10,225	9,062	10,546
Perth Community Centre	23,937	16,552	22,704	31,261
Perth Recreation Ground	4,422	8,027	9,768	4,800
Ross Community Sports Club	28,633	36,448	43,941	46,774
	206,218	235,432	230,824	230,261

<i>Committee</i>	<i>Amounts Capitalised \$ 2017</i>	<i>Net Assets \$ 2017</i>	<i>Amounts Capitalised \$ 2016</i>	<i>Net Assets \$ 2016</i>
About Campbell Town	-	12,582	-	12,544
Avoca Community Centre	-	12,779	-	14,659
Avoca Museum and Info Centre	5,015	4,403	113	3,701
Bishopsbourne Community Centre	16,300	41,740	1,870	54,347
Campbell Town Pool	3,995	30,881	-	35,501
Campbell Town Recreation Ground	3,557	7,335	1,318	8,815
Cressy Hall	-	7,254	-	11,884
Cressy Pool	800	11,333	-	16,719
Cressy Recreation Ground	-	6,084	4,041	9,183
Devon Hill Residents	-	1,413	-	1,573
Epping Hall	2,099	7,625	-	5,217
Evandale Community Centre and War Memorial Hall	-	5,610	-	5,920
Liffey Hall	-	5,446	-	3,641
Longford Recreation Ground	6,750	5,680	390	6,084
Morven Park Recreation Ground	-	2,961	-	1,473
Perth Community Centre	-	10,923	-	4,273
Perth Recreation Ground	-	2,398	1,206	6,176
Ross Community Sports Club	7,046	52,390	1,080	60,028
	45,562	228,837	10,018	261,738

(B) Riverworks District

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

	<i>2017</i>	<i>2016</i>
	<i>\$</i>	<i>\$</i>
The Lake River Riverworks District		
Opening Cash Balance	3,367	9,032
Plus Income	14,944	-
Less Expenditure	(5,612)	(5,665)
Closing Cash Balance	12,699	3,367

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 23rd of June 2017.

23 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS

	<i>2017</i>	<i>2016</i>
	<i>\$</i>	<i>\$</i>
Surplus	3,137,200	13,983,704
Capital grants received specifically for new or upgraded assets	(2,320,490)	(3,224,704)
Contribution of non-monetary assets	(144,232)	(439,060)
Initial Recognition of land under roads	-	(12,660,579)
Net loss/(gain) on disposal of property, infrastructure, Plant and equipment	890,066	790,070
Depreciation	5,378,037	5,335,507
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Trade and Other Receivables	(487,240)	(130,358)
(Increase)/Decrease in Inventory	1,365	4,060
Increase/(Decrease) in Creditors	(735,101)	762,987
Increase/(Decrease) in Provisions	(175,808)	(15,256)
Net cash provided by operating activities	5,543,797	4,406,371

24 RELATED PARTY TRANSACTIONS

(i) Responsible Persons

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

Councillors:

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

Staff:

General Manager:	Des Jennings
Community & Development Manager	Lorraine Green (to 5/7/16)
Corporate Services Manager	Maree Bricknell
Planning & Development Manager	Duncan Payton (to 19/8/16)
Regulatory & Community Services Manager	Amanda Bond (from 24/10/16)
Works & Infrastructure Manager	Wayne Chellis (to 2/8/16)
Works & Infrastructure Manager	Arend Boog (to 2/12/16)
Works Manager:	Leigh McCullagh (from 3/12/16)

(ii) Councillor Remuneration

	2017	Allowances	Expense	Total Allowances & Expenses
Mayor		50,315	6,775	57,090
Deputy Mayor		28,032	645	28,677
Councillors		100,634	13,008	113,642
		178,981	20,428	199,409

	2016	Allowances	Expense	Total Allowances & Expenses
Mayor		47,439	5,012	52,451
Deputy Mayor		26,333	-	26,333
Councillors		98,894	15,010	113,904
		172,666	20,022	192,688

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

(iii) Key Management Personnel Remuneration Bands

Remuneration Band \$	2017 Number of employees
40,001 to 60,000	1
60,001 to 80,000	2
80,001 to 100,000	1
100,001 to 120,000	1
120,001 to 140,000	1
140,001 to 160,000	1
180,001 to 200,000	-
200,001 to 220,000	-
220,001 to 240,000	1
Total	8

(iv) Key Management Personnel & Councillors Remuneration

	2017 \$
Short term employee benefits	845,996
Post-employment benefits	83,415
Other long-term benefits	(107,422)
Termination benefits	276,926
Total	1,098,915

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

(v) Remuneration Principles

Councillors

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

Senior Executives

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

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

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

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

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

(vi) Transactions with Related Parties

<i>Nature of Transaction</i>	<i>Amount of Transaction during year</i> \$	<i>Terms & Conditions</i>
Supply of Office Equipment, note 1	53,373	30 Day terms on invoice
Supply of Housing, note 2	7,816	14 Day terms on rental invoice
Fees and Charges, note 3	7,927	Council's approved fees

Notes:

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

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

(vii) Loans and guarantees to/from related parties

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

(viii) Commitments to/from related parties

No commitments have been notified to the General Manager.

(ix) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the municipality. Therefore, on a regular basis, ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Payment of rates on a primary residence/farm
- Dog registrations

- Use of Council's recreational facilities

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

25 SUPERANNUATION

Council made 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.

For the year ended 30 June 2017 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. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees. 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 \$2,070 (2015-16, \$13,434), and the amount paid to accumulation schemes was \$500,986 (2015-16, \$485,267).
- During the next reporting period the amount of contributions expected to be paid to defined benefits schemes is \$ Nil, and the amount to be paid to accumulation schemes is \$517,401.
- As at 30 June 2016 the Fund had 151 members and the total employer contributions and member contributions for the year ending 30 June 2016 were \$1,956,576 and \$284,779 respectively.

Council has adopted reduced disclosure in relation to the Fund based on an assessment that the impact of non-disclosure is insignificant to users of the accounts. The assessment was based on the number of Council employees that are members of the Fund (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 and Conditions

<i>Financial Instruments</i>	<i>Note</i>	<i>Accounting Policy</i>	<i>Terms & conditions</i>
Financial Assets			
Cash and Cash equivalents		Cash and cash equivalents are valued at face value. Interest is recognised as it accrues. Investments are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	On call deposits returned a floating interest rate of 0.7 % (0.8 % 2015/16). Funds returned fixed interest rates between 1.70% and 3.05% (2.45% and 3.75% 2015/16).
Rate Debtors	11	Rates are carried at nominal amounts due plus interest and penalty. Rate debtors are charges attached to the property and are recoverable on	Rates are payable by three equal instalments during the year or alternatively by one payment within 30 days of demand, which provides a discount of 1.0% (any such discount allowed

<i>Financial Instruments</i>	<i>Note</i>	<i>Accounting Policy</i>	<i>Terms & conditions</i>
		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.	is shown as an expense of Council in its income statement). Overdue Rates attract a penalty of 5% (5% 2015/16), 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. 2015/16) Furthermore Council instigates collection proceedings in accordance with provisions of the Local Government Act 1993 (as amended), for any amounts which remain unpaid outside of Council's approved payment options.
Trade Debtors	11	Receivables are carried at nominal amounts due less any allowance for impairment. An impairment loss is recognised when collection in full is no longer probable. Ability to collect overdue accounts is assessed on an ongoing basis.	Payment is required within 30 days of issue of the account. Should amounts remain unpaid beyond 30 days Council instigates collection proceedings in accordance with provisions of the Local Government Act 1993 (as amended).
Financial Liabilities			
Trade and Other Payables	16	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date.	General creditors are unsecured, not subject to interest charges and are normally settled within Councils standard ordering terms of 30 day from date of purchase.

(B) Financing Arrangements

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

	<i>2017</i> \$	<i>2016</i> \$
Total Corporate Credit Cards Facility Limit	50,000	50,000
Corporate Credit Card Facility Limit Used at Reporting Date	4,679	4,200
Available at reporting date Corporate Credit Card	45,321	45,800

No other credit standby arrangements and loan facilities are used or available to be used as at 30/6/2017 (30/6/2016).

(C) Financial Risk Exposure and Mitigation

The General Manager has overall responsibility for the establishment and oversight of the council's risk management framework.

Risk management policies are established to identify and analyse risks faced by the Council, to set appropriate risk limits and controls, and to monitor risk and adherence to limits

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

Credit risk

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

To help manage credit risk Council ensures financial institutions maintaining Council cash deposits have sufficient security.

Liquidity Risk

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

Market Risk

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

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

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

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

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

<i>2017</i>	<i>Floating Interest Rate</i>	<i>1 Year or less</i>	<i>1 to 5 Years</i>	<i>Over 5 Years</i>	<i>Non-Interest Bearing</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$
Assets						
Current Assets						
Cash and Cash Equivalents						
▪ Cash	798,793					798,793
▪ Investments	1,225,842	10,580,625				11,806,467
Trade and Other Receivables						
▪ Rates		241,945				241,945
▪ Sundry					728,574	728,574
Revenue Accrual					53,481	53,481
Non Current Assets						
Trade and Other Receivables						
▪ Loans to community organisations					1,900,000	1,900,000
Available for Sale						
▪ Investment in Tas Water					39,943,079	39,943,079
Total Financial Assets	2,024,635	10,822,570	-	-	42,625,134	55,472,339
Liabilities						
Current Liabilities						
Trade and Other Payables						
▪ Sundry Creditors					635,131	635,131
▪ Monies held in Trust					309,654	309,654
Non Current Liabilities						
Interest bearing loans and borrowings			1,900,000			1,900,000
Total Financial Liabilities	-	-	1,900,000	-	944,785	2,844,785
Net Financial Assets/(Liabilities)	2,024,635	10,822,570	(1,900,000)	-	41,680,349	52,627,554

<i>2016</i>	<i>Floating Interest Rate</i>	<i>1 Year or less</i>	<i>1 to 5 Years</i>	<i>Over 5 Years</i>	<i>Non-Interest Bearing</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$
Assets						
Current Assets						
Cash and Cash Equivalents						
▪ Cash	764,139					764,139
▪ Investments	435,688	9,402,944				9,838,632
Trade and Other Receivables						
▪ Rates		239,621				239,621
▪ Sundry					240,885	240,885
Revenue Accrual					56,254	56,254
Non Current Assets						
Trade and Other Receivables						
▪ Loans to community organisations					-	-
Available for Sale						
▪ Investment in Tas Water					39,682,700	39,682,700
Total Financial Assets	1,199,827	9,642,565	-	-	39,979,839	50,822,231
Liabilities						
Current Liabilities						
Trade and Other Payables						
▪ Sundry Creditors					1,345,051	1,345,051
▪ Monies held in Trust					334,837	334,837
Non Current Liabilities						
Interest bearing loans and borrowings			-			-
Total Financial Liabilities	-	-	-	-	1,679,888	1,679,888
Net Financial Assets/(Liabilities)	1,199,827	9,642,565	-	-	38,299,951	49,142,343

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:

	<i>2017</i>	<i>2016</i>
	\$	\$
Balance at 1 July	1,126,164	783,719
Charge for the year	374,336	345,547
Amounts previously charged no longer impaired	-	(3,102)
Balance 30 June	1,500,500	1,126,164

(E) Sensitivity Disclosure Analysis

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

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

		<i>Interest Rate Risk</i>			
		<i>-0.5%</i>		<i>0.5%</i>	
		<i>-50 basis points</i>		<i>50 basis points</i>	
<i>Carrying Amount subject to interest</i>		<i>Profit</i>	<i>Equity</i>	<i>Profit</i>	<i>Equity</i>
<i>\$</i>		<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
2017					
Financial assets					
▪ Cash and cash equivalents	12,605,260	(63,026)	(63,026)	63,026	63,026
▪ Loans and Receivables	2,141,945	(10,710)	(10,710)	10,710	10,710
		(73,736)	(73,736)	73,736	73,736
2016					
Financial assets					
▪ Cash and cash equivalents	10,602,771	(106,028)	(106,028)	106,028	106,028
▪ Loans and Receivables	239,621	(2,396)	(2,396)	2,396	2,396
		(108,424)	(108,424)	108,424	108,424

(F) Categories of Financial Assets & Liabilities

Carrying amounts classified as:

	2017	2016
	\$	\$
Financial assets		
▪ Loan and Receivables	2,924,000	536,760
▪ Cash and cash equivalents	12,605,260	10,602,771
▪ Available for Sale - Investment in TasWater	39,943,079	39,682,700
	55,472,339	50,822,231
Financial liabilities increased at amortised cost		
▪ Payables	944,785	1,679,888
▪ Loans and Borrowings	1,900,000	-
	2,844,785	1,679,888
Net Financial Assets / (Liabilities)	52,627,554	49,142,343

(G) Analysis of Unimpaired Financial Assets

	2017	2016
	\$	\$
Rate Debtors, not past due	-	-
Rate Debtors, less than 30 days past due	977	-
Rate Debtors over 60 days past due	240,968	239,621
Trade Debtors Sundry, not past due	675,313	198,139
Trade Debtors Sundry, less than 30 days past due	5,267	3,858
Trade Debtors Sundry over, 30 days less than 60 Days past due	3,561	2,378
Trade Debtors Sundry over 60 days past due	44,433	36,510
Accrued Income, Current	53,481	56,254
Loan Receivable, not past due	1,900,000	-
	2,924,000	536,760

(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

	2017	Level 1	Level 2	Level 3	Total
Available for sale financial assets		-	-	39,943,079	39,943,079
Financial assets at fair value through the comprehensive income statement		-	-	-	-
Financial assets held for trading		-	-	-	-
Derivative financial assets		-	-	-	-
	2016				
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		-	-	-	-

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

	2017	2016
	\$	\$
Reconciliation of Level 3 Fair Value Movements		
Opening Balance	39,682,700	39,009,600
Gains (losses) recognised in other comprehensive income:		
Change in Fair Value of Investment in Water Corporation	260,379	673,100
Closing Balance	39,943,079	39,682,700

27 MANAGEMENT INDICATORS

(A) Financial Management Indicators

(i) Underlying surplus/deficit

	Bench Mark	2017 \$,000s	2016 \$,000s	2015 \$,000s	2014 \$,000s
Recurrent income*		17,096	16,855	16,341	16,020
less recurrent expenditure		17,775	17,403	16,731	15,949
Underlying surplus/(deficit)	0	(679)	(548)	(390)	71

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

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

(ii) Underlying surplus ratio

	Bench Mark	2017 \$,000s	2016 \$,000s	2015 \$,000s	2014 \$,000s
Underlying surplus or deficit		(679)	(548)	(390)	71
divided by Recurrent income*		17,096	16,855	16,341	16,020
Underlying surplus ratio %	0%	-4%	-3%	-2%	0%

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

(iii) Net financial assets (liabilities)

	Bench Mark	2017 \$,000s	2016 \$,000s	2015 \$,000s	2014 \$,000s
Liquid assets		13,629	11,140	12,040	8,726
less total liabilities		3,841	2,852	2,105	2,277
Net financial assets (liabilities)	0	9,788	8,288	9,935	6,449

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

	<i>Bench Mark</i>	<i>2017 \$,000s</i>	<i>2016 \$,000s</i>	<i>2015 \$,000s</i>	<i>2014 \$,000s</i>
Net financial assets (liabilities)		9,788	8,288	9,935	6,449
divided by Recurrent income*		17,096	16,855	16,341	16,020
Net financial assets (liabilities)	0% to (50)%	57%	49%	61%	40%

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.

	<i>Bench Mark</i>	<i>2017 \$,000s</i>	<i>2016 \$,000s</i>	<i>2015 \$,000s</i>	<i>2014 \$,000s</i>
Buildings					
Depreciated replacement cost		23,901	23,474	25,467	25,661
divided by current replacement cost		48,728	47,071	39,148	39,084
Asset consumption ratio %	60%	49%	50%	65%	66%
Road and Bridge Infrastructure					
Depreciated replacement cost		156,749	156,443	154,988	141,634
divided by current replacement cost		233,693	232,469	229,897	202,350
Asset consumption ratio %	60%	67%	67%	67%	70%
Stormwater & Drainage					
Depreciated replacement cost		29,106	25,344	25,593	24,343
divided by current replacement cost		37,522	34,204	34,045	32,216
Asset consumption ratio %	60%	78%	74%	75%	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 fell from an average of 65% in first two year above to an average of 49% in most recent two years above. This primarily occurred as a result of both the componentisation of buildings into 6 parts with the allocation of varying lives to these component parts and the revaluation of the building asset in the 2016 year. As a result of the outcomes of this process Council will continue to regularly review its level of ongoing investment in renewal of its Building assets, in order to actively work toward achievement of the benchmark.

(ii) Asset renewal funding ratio

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

	<i>Bench Mark</i>	<i>2017 \$,000s</i>	<i>2016 \$,000s</i>	<i>2015 \$,000s</i>	<i>2014 \$,000s</i>
Road and Bridge Infrastructure					
Projected capital funding outlays**		34,735	23,161	27,930	32,124
divided by Projected capital expenditure funding***		23,842	24,305	23,051	29,737
Asset renewal funding ratio %	90-100%	146%	95%	121%	108%

	<i>Bench Mark</i>	<i>2017 \$,000s</i>	<i>2016 \$,000s</i>	<i>2015 \$,000s</i>	<i>2014 \$,000s</i>
Stormwater & Drainage					
Projected capital funding outlays**		600	2,094	2,357	2,625
divided by Projected capital expenditure funding***		390	4,800	2,226	2,544
Asset renewal funding ratio %	90-100%	154%	44%	106%	103%

** 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 Council's long-term financial plan with projected capital expenditure in Council's long-term strategic asset management plans.

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

Stormwater did not meet the benchmark in 2016, as the Asset Management Plan for this class adopted by Council 18/04/2016 includes additional expenditure not yet updated to the long-term financial plan. Council adopted an updated Long-Term Financial Plan in the 2015/16 financial year, which includes this additional expenditure.

(iii) Asset sustainability ratio

	<i>Bench Mark</i>	<i>2017 \$,000s</i>	<i>2016 \$,000s</i>	<i>2015 \$,000s</i>	<i>2014 \$,000s</i>
Capital Expenditure on replacement/renewal of existing assets		4,198	6,625	3,077	4,524
divided by annual depreciation expense		5,378	5,336	5,112	4,639
Asset sustainability ratio %	100%	78%	124%	60%	98%

Commentary - This ratio compares the rate of spending on existing infrastructure, property, plant and equipment through renewing, restoring and replacing existing assets against depreciation. Council's average ratio of 90% over the past four years is slightly below the benchmark of 100%, however this is a long term indicator as depreciation costs tend to be relatively stable over a period of time, whereas capital renewal can tend to be much more variable.

	<i>Capital renewal expenditure \$'000</i>	<i>Capital new/ upgrade expenditure \$'000</i>	<i>Total Capital Expenditure \$'000</i>
Land	52	261	313
Buildings	262	168	430
Heritage Assets	-	70	70
Furniture, Fittings, Office Equipment & Computers	130	106	236
Fleet	532	4	536
Plant	110	256	365
Road Infrastructure	2,728	723	3,450
Bridges	386	158	544
Stormwater & Drainage	-	168	168
Total	4,199	1,914	6,112

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 2017.

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.

<i>Note</i>	<i>Level 1</i> \$	<i>Level 2</i> \$	<i>Level 3</i> \$	<i>Total</i> \$	
As at 30 June 2017					
Recurring fair value measurements					
▪ Land	14	-	10,660,978	-	10,660,978
▪ Land under roads	14	-	14,432,690	-	14,432,690
▪ Buildings	14	-	-	48,728,382	48,728,382
▪ Roads Infrastructure	14	-	-	205,506,142	205,506,142
▪ Bridges	14	-	-	28,187,280	28,187,280
▪ Stormwater & Drainage	14	-	-	37,522,230	37,522,230
		-	25,093,668	319,944,034	345,037,702
As at 30 June 2016					
Recurring fair value measurements					
▪ Land	14	-	10,348,217	-	10,348,217
▪ Land under roads	14	-	14,432,690	-	14,432,690
▪ Buildings	14	-	-	47,070,609	47,070,609
▪ Roads Infrastructure	14	-	-	205,082,114	205,082,114
▪ Bridges	14	-	-	27,386,672	27,386,672
▪ Stormwater & Drainage	14	-	-	34,204,442	34,204,442
		-	24,780,907	313,743,837	338,524,744

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 & 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 & Significant Inputs used to Derive Fair Value

(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

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

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

(iii) Buildings

The fair value of buildings was determined by Mr Murray A Bugg, Dip Val. AAPL, Independent Certified Valuer as at 1 July 2015. Council Officers have applied a Non Residential Building index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2016. 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 (CRC). This valuation comprises the asset's gross replacement cost less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

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

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

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

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

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

Roads Infrastructure

A full Valuation of Roads and Streets was undertaken by Moloney Asset Management Systems as at 1 July 2014. Council Officers would usually apply a Road & Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2016, however as there was no significant movement in this index in the period to 1 July 2016, 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 2016, however as there was no significant movement in this index in the period to 1 July 2016, 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 2016. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components. Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

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 14 (Property, plant & infrastructure).

(E) Valuation Processes

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

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

(F) Assets & Liabilities Not Measured at Fair Value but for which Fair Value is Disclosed

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

STATEMENT BY GENERAL MANAGER

I, Des Jennings certify that in my opinion:

The financial report presents fairly the financial position of the Northern Midlands Council as at 30 June 2017, 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 29th day of September 2017

INDEPENDENT AUDIT REPORT



Independent Auditor's Report

To the Councillors of Northern Midlands Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Northern Midlands Council (Council), which comprises the statement of financial position as at 30 June 2017 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

...1 of 3

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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*.

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

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

...2 of 3

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- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ric De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Tasmanian Audit Office

29 September 2017
Hobart

...3 of 3

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