

NORTHERN MIDLANDS ANNUAL REPORT 2018/2019



NORTHERN
MIDLANDS
COUNCIL



• Annual Councillor Bus Tour, meeting with the Ross Local District Committee



• The Granary – Richmond Hill, Cressy



• Flood Map at Longford's Victoria Square



• Tooms Lake Road Bridge



• Tour of Tasmania Cycling Tour



• Haywards located at TRANSlink – construction of wind turbine components

Front cover, clockwise:

- New multi-function facility at Campbell Town War Memorial Oval, Northern Midlands rural landscape, New entrance to the upgraded Longford Recreation Ground multi-function facility, Her Excellency the Governor's visit to Adam's Distillery at Perth, New town entrance signage constructed at Conara, Perth Links Road – tree planting corridor

CONTENTS

VISION

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

VALUES

Honesty

Treat all with honesty, respect and trust.

Integrity

Listen, learn and proactively deliver Council's vision.

Innovation

Explore, expand and adapt to achieve a shared vision.

Pride

Serve community with pride and energy.

MISSION

Lead and Progress

Leadership

Serve with honesty, integrity, innovation and pride.
Council is committed to strong advocacy and community collaboration. Living responsibly within our means, through transparent financial planning and governance. Staff culture espouses integrity, honesty and pride.

Progression

Nurture and support economic health and wealth.
Economic health and wealth – grow and prosper.
Our infrastructure growth builds capacity and economic sustainability. We support diverse, innovative, independent business and industry. We thrive with strong collaborative regional partnerships.

People and Place

People

Build a vibrant society that respects the past.
Culture and society – a vibrant future that respects the past.
Diverse towns and villages service a rural-based industry. Connectivity challenges are innovatively managed to unite disparate communities. Equitable delivery of quality assets, programs and services supports sustainability.

Place

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

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.

The municipal area 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 2016 census recorded the population of the Northern Midlands at 12,822. This was 2.51% of the estimated State population that totalled 509,965.

The ABS projected a population of 13,300 in the Northern Midlands region at June 2018.



MESSAGE FROM THE MAYOR

Firstly, I would like to acknowledge our outgoing councillors, Mayor David Downie and Leisa Gordon for their hard work and dedication to the Northern Midlands. Your passion and enthusiasm for the municipal area and the well-being of the community has not gone unnoticed.

2018/2019 has been another exciting and big year for our Northern Midlands community.

During this period, Council undertook two of our biggest projects to date, the Longford Recreation Ground and Campbell Town War Memorial Oval Precinct redevelopment projects. Both of these projects presented their own challenges but, with the tenacity of the workforce and management, and the support of Councillors we worked as a team to achieve outstanding results.

The Longford Recreation Ground Redevelopment was a particularly exciting project, as it is the first major project that our Works Department team has undertaken as sole project managers and workers. Sub-contractors were engaged when required and, where possible, we tried to use Northern Midlands based businesses and sub-contractors exclusively. The redeveloped facility has been actively used since its completion in June 2019 and has received high praise from user groups and community members.

The Campbell Town War Memorial Oval Precinct Redevelopment project included the construction of a new multi-purpose facility, providing connectivity with the swimming pool and newly constructed multi-purpose courts, upgrades to the cenotaph and surrounds, as well as the demolition of the grandstand.

The upgraded facilities at Campbell Town and Longford now feature inclusive changerooms with updated, upgraded amenities together with meeting rooms and function facilities which are available to hire.

Another highlight of my first year as Mayor was the Governor's visit in November 2018. Her Excellency Professor the Honourable Kate Warner AC and Mr Richard Warner spent the day exploring what we have to offer in the Northern Midlands. It was a delight to showcase our beautiful, productive region and the innovation and diversity which is representative of our Northern Midlands community.

It has been an absolute pleasure to support the amazing variety of community events and festivals throughout the past year, and I acknowledge all the local volunteers who give their time to enable these to happen. These events keep our unique towns vibrant and places people want to visit.

I would like to take this opportunity to acknowledge and thank my fellow Councillors, Management and Staff for their commitment and ongoing support throughout the past year to enable and allow the Northern Midlands to further grow and develop.

Council has a number of projects planned and is excited to see the commencement of those that are already funded, whilst continuing to actively lobby for and seek funding for those long-term projects which are not yet funded. I look forward to the realisation of these projects as Council works towards improving its assets to the benefit of our strong, vibrant Northern Midlands community.



Mary Knowles OAM
MAYOR



GENERAL MANAGER'S MESSAGE

The 2018/2019 year has been a memorable year for the Northern Midlands municipal area. Our population and investment continues to grow adding to our prosperity.

As the tier of government closest to our community, Council continues to lay the foundations for prosperity and ensuring that our communities are inviting places to live.

Northern Midlands Council as a local government authority, plays a crucial role in delivering services to our local community and ensuring local priorities are addressed.

We deliver many key services that include:

- Local Roads
- Recycling and Waste Management
- Recreation and Sport
- Planning Functions
- Public Health Inspections
- Community Halls
- Community Services, e.g. child care, immunisations, youth and seniors services
- Community Events
- Economic Development and Tourism
- Conservation and Energy Efficiency Initiatives

The priorities that I mention above, include the delivery of many key infrastructure projects, such as: the new multi-function facilities at Campbell Town War Memorial Oval and Longford Recreation Ground Precinct.

With 2019 being a federal election year, the Northern Midlands Council, prepared its Priority Project 2019 document outlining a number of key priorities. We successfully received commitments from incumbent Senator Steve Martin on behalf of the Coalition amounting to \$7M for the implementation of:

- \$4M for the Longford Urban Design Project
- \$2.6M for a new Perth Early Learning Centre
- \$400,000 for improvements to the Cressy Swimming Pool
- \$50,000 to redevelop the playground at Avoca.

Council officers are currently completing Federal Government applications and collating supporting documentation for this funding.

In 2019/2020 Council will continue to invest in community infrastructure, particularly sporting amenities, with an emphasis on changeroom facilities to improve accessibility for female participants. Projects include the provision of new changerooms for Evandale's Morven Park Recreation Ground and Cressy Recreation Ground, estimated total expenditure of \$1.8M.

During 2019 Council has continued to expand its street planting program, notwithstanding Council undertakings, many in the community believe we are not doing enough in this area. Subsequently, Council is exploring options for tall stand trees for planting, in other words growing advanced trees prior to actual planting time.

The planting of trees in the median strip of Smith Street, Longford is providing significant environmental, and aesthetic improvements, as well as serving as a traffic calming measure, improving safety.

Over the past years Council has been laying the foundation for becoming an Employer of Choice. During 2018/2019, Council submitted their first ever application for the Employer of Choice Award. The program is widely regarded as recognising Tasmania's best practitioners in creating a work culture that attracts, retains and grows the best people, by actively promoting and catering for a positive work life balance. On 28 June 2019, Northern Midlands Council was inducted into the Employer of Choice Honour Roll, and awarded the Employer of Choice award - an achievement we are all very pleased with and proud of.

The 2018 Council elections saw the retirement of David Downie from the roles of Councillor and Mayor,

after holding the position of Councillor, Deputy Mayor and Mayor over a combined period of 25 years with the Northern Midlands Council, as well as serving on the Campbell Town Council prior to the 1993 formation of the Northern Midlands Council. Leisa Gordon left Council after her 4-year term and I thank them both for their dedication and unwavering support for the community and the Council.

Seven Councillors returned following the October 2018 local government elections; we also welcomed back Matthew Brooks who served previously from 2005 to 2014; and Jan Davis who was elected for the first time.

Our Councillors hold a diverse range of views which is of benefit to the community.

Councillors and staff also congratulate Cr Mary Knowles OAM our recently elected Mayor; Mary's immediate commitment and passion for the role is evident, taking up local and regional issues with enthusiasm.



Des Jennings
GENERAL MANAGER



• Council's Management Team



• Cressy Swimming Pool – Annual Bus Tour



• AFL Tasmania, Campbell Town War Memorial Oval funding partners (Mayor David Downie meeting with Trisha Squires, CEO AFL Tasmania)



• Longford Recreation Ground upgraded entrance to amenities



• Senator Steve Martin and Mayor Knowles – National's in Government, announcement of the \$7M funding commitment



• Annual Bus Tour – meeting with the Longford Local District Committee

MAJOR EVENT

Tour of the Northern Midlands municipal area by Her Excellency Professor the Honourable Kate Warner, AC, Governor of Tasmania, and Mr Warner.



On 12 November 2018, Her Excellency Professor the Honourable Kate Warner, AC, Governor of Tasmania, and Mr Warner visited the Northern Midlands Council. The tour was hosted by Council's Mayor, Mary Knowles OAM and General Manager, Des Jennings.

The tour encompassed visits to Northern Midlands landmarks and facilities, where the Governor and her entourage were met by the locals.

Places and people visited, included: the Longford Medical Centre, an Eskleigh Group Home, Longford Recreation Ground, Longford Victoria Square (Village Green), Cressy District High School, Burlington Berries, the practically complete Woolmers Bridge, Gourmet Sauce Company, Adam's Distillery at Perth, Campbell Town's Valentine Park, John Glover's Cottage and the gardens at Strathmore.

Her Excellency the Governor spent time with participants at the Volunteer Expo at the Longford Sports Centre; Capstone College students, representatives and residents of Poatina at Longford's Village Green; Cressy High School Deputy Principal and students.

The day was capped off with a Civic Reception held in honour of Her Excellency's visit to the Northern Midlands which was attended by many local identities and representatives of the community. The reception was held at Campbell Town's Gallery 81 and was preceded by the swearing in of the newly elected Northern Midlands councillors.

Council thanks all those that made this day possible.



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 10,998m² bridge deck area; more than any other council in the state.
- Council's annual turnover (all functions) in 2018/2019 was \$19 million (2017/2018 \$17.8 million).
- In 2018/2019, 57% of the total recurrent revenue of the municipality came from rates; 20% from Government Grants, the remainder from user fees and other sundry revenue.
- Many of the features that make the Northern Midlands unique also present some challenges for Council and residents, such as
 - *the size of the Council area: although large, is an area with overall low population density, generating its financial resources from a comparatively small number of ratepayers;*
 - *the various constituent communities: these have different levels of involvement in local government activities and services, and vary widely in their priorities and objectives.*

Facilities maintained

- 573kms of sealed roads
- 387kms of unsealed roads
- 150 concrete bridge structures (10,351m²)
- 13 timber deck bridges (647m²)
- 8 ovals for sporting activities
- 24 community halls/centres
- 2 caravan parks
- 3 swimming pools
- 7 waste transfer stations

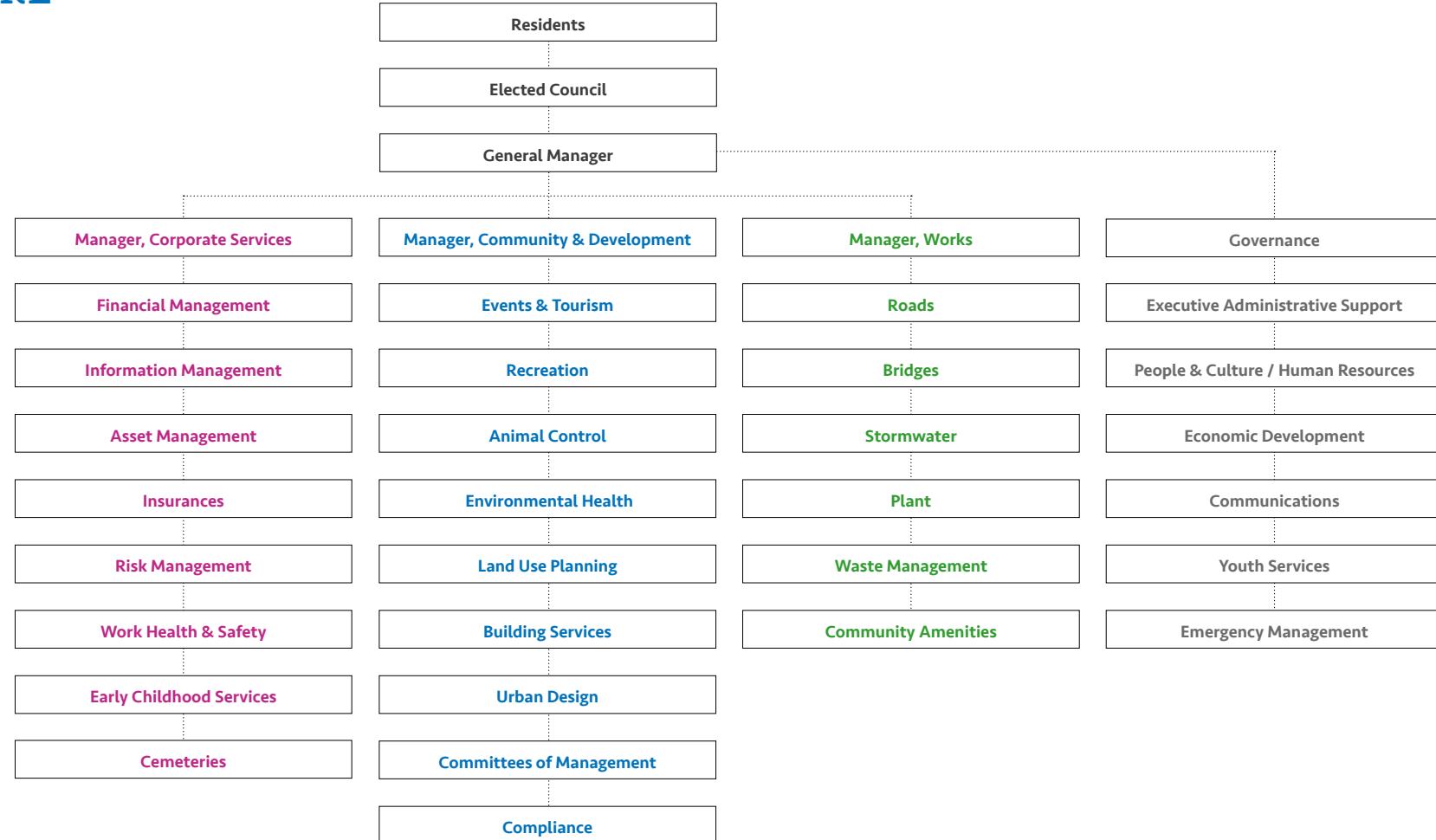
Council controls property, plant and infrastructure assets amounting to \$263 million; including \$54.8 million of land (including land under roads) and buildings, \$165 million of roads and bridges and \$31.4 million of stormwater.

Our staff

STATUS	2017/2018		2018/2019	
	NO. OF EMPLOYEES	FTE	NO. OF EMPLOYEES	FTE
Permanent	63	57	68	62
Casual	15	3	17	4
Total	78	60	85	66



ORGANISATIONAL STRUCTURE





ROLE OF COUNCIL

COUNCIL MEETINGS

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

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

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

The Northern Midlands Council held Ordinary Council meetings monthly on a Monday in accordance with the following schedule for 2018/2019:

- Monday 16 July 2018
- Monday 20 August 2018
- Monday 17 September 2018
- Monday 15 October 2018
- Monday 19 November 2018
- Monday 10 December 2018
- Monday 21 January 2019
- Monday 18 February 2019
- Monday 18 March 2019
- Monday 15 April 2019
- Monday 20 May 2019
- Monday 24 June 2019

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

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

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

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

Local Government elections were held in October 2018. The certificate of election, provided by the Tasmanian Electoral Commission advising of the nine elected councillors was tabled at the 19 November 2018 Council meeting.

Council's Annual General Meeting was held on 10 December 2018 and a Special Council Meeting was held on 21 December 2018.

Councillor attendance

2018/2019	90.5%
2017/2018	90.6%
2016/2017	90.5%

Total reimbursements

2018/2019	\$206,109
2017/2018	\$200,100
2016/2017	\$199,408

Number of items considered by council

2018/2019	406
2017/2018	369
2016/2017	405

Councillor allowances and reimbursements

	2017/2018	2018/2019
Mayor Mary Knowles	\$19,057	\$48,401
Mayor David Downie	\$58,600	\$20,614
Deputy Mayor Richard Goss	\$30,948	\$30,017
Cr Dick Adams	\$14,683	\$15,549
Cr Matthew Brooks	-	\$10,695
Cr Andrew Calvert	\$14,683	\$15,619
Cr Jan Davis	-	\$10,091
Cr Ian Goninon	\$15,541	\$15,919
Cr Leisa Gordon	\$16,375	\$7,069
Cr Janet Lambert	\$14,838	\$15,811
Cr Michael Polley	\$15,374	\$15,478

Councillor attendance

Year	2018								2019					
	16/07	20/08	17/09	15/10	19/11	10/12*	10/12	21/12	21/01	18/02	18/03	15/04	20/05	24/06
Mayor David Downie	✓	✓	✓	✓										
Mayor Mary Knowles	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Deputy Mayor Richard Goss	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Dick Adams	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Cr Matthew Brooks					✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Cr Andrew Calvert	✓	✗	✗	✓	✓	✓	✓	✗	✓	✓	✗	✓	✓	✓
Cr Jan Davis				✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓
Cr Ian Goninon	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓
Cr Leisa Gordon	✓	✓	✓	✓										
Cr Janet Lambert	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Michael Polley	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

*Annual General Meeting

ELECTED MEMBERS OF COUNCIL

Nine (9) Councillors were elected by the community under a single electoral district. The Mayor and Deputy Mayor were elected by public polls, with the next election to be held in October 2022.

Mayor Mary Knowles OAM

I live at Gipps Creek with my husband on a deer and fine wool farm. For the past 10 years on Council I have worked tirelessly to enable community projects to happen. I represent the 29 councils on the Family Violence Consultative Group, on community boards promoting tourism and economic development with a common-sense approach to getting things done while using rates wisely. I will continue to promote the Northern Midlands as a place for families and progressive development supporting farmers, industry, small business, tourism, youth and infrastructure to keep our towns vibrant and viable.

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 OAM

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 Matthew Brooks

Having first been elected to Council in 2005, I served to 2014. After taking a break, I sought re-election in 2018.

I have loved living in Longford for the last 49 years and am passionate about the entire municipality. I am a “roll up your sleeves” councillor and you are most likely to see me cooking a community barbecue or helping out local groups around the area.

Actions speak louder than words, and I’m known for publicly speaking out on local issues that affect local people. Red tape and bureaucracy are my pet hate and it’s a constant thorn in the side of local government I believe. I support common sense and work hard throughout this municipality. Whilst taking my morning walks around Longford, I talk to the locals about local issues that really matter to them. I am very easy to contact and will respond quickly to emails, facebook and phone messages and calls.

Councillor Andrew Calvert

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

Councillor Jan Davis

I’m a relatively new Tasmanian, having moved here in 2010. After growing up in Sydney, I moved around quite a bit – I’ve now lived in five states and overseas. I reckon I’ve saved the best until last. I fell in love with the Northern Midlands – its rural character, unique villages, community spirit and sense of optimism – the moment I arrived here. It’s why I choose to live in Perth – and I won’t be moving again.

After starting my working career as a teacher, I moved into the agriculture sector and became an industry lobbyist. I am a passionate advocate for the people I work with and, soon after moving here, I was named as Tasmania’s top political lobbyist and one of the most influential people in the state. My work as an agribusiness consultant keeps me busy. I also sit on a number of boards, including Fermentation Tasmania Ltd, the Royal Flying Doctor Service (Tasmania) Ltd, Australian Shellfish Industries Pty Ltd, and Landcare Australia Limited.

I spend my spare time in my beautiful garden by the South Esk River, with my two West Highland Terriers and a pile of good books.

Councillor Ian Gonon

I am a proud and passionate Tasmanian who lives in Devon Hills on a hobby farm with my wife Cheree.

I own and manage a variety of successful local businesses and I'm also an active member of the community, sitting on various boards and committees within the Northern Midlands area and Tasmania.

As a councillor I am committed to supporting and representing my local community to ensure it is a place that we, and those after us, can enjoy. I keenly foster local business growth as chairman of the Northern Midlands Business Association and strive to see the continued development of our community's heritage.

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

Councillor Janet Lambert

Elected to council in October 2011. For over 26 years, my family and I have been proud to call the Northern Midlands home. I am passionate about continuing the work I have started in the local government sector, not only being a strong voice for regional and rural communities but also a person of action, ensuring positive change happens and communities thrive.

This is a wonderful place to live— and I want to do all I can to secure our community's long-term future.

Through my community activities and role within the council, I hope to leave a lasting legacy for the future, ensuring our region is strong and sustainable. I consider myself very approachable, honest and transparent; applying a common sense point of view towards all issues put forward. It is important to me that I demonstrate these values at all times to the communities I am privileged to represent.

Councillor Michael Polley AM

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

COUNCIL'S EXECUTIVE COMMITTEE

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



• Left to right: Cr Ian Gonon, Deputy Mayor Richard Goss, Cr Janet Lambert, Cr Matthew Brooks, Mayor Mary Knowles OAM, Cr Andrew Calvert, Cr Michael Polley AM, Cr Dick Adams OAM, Cr Jan Davis

MEMBERS SERVING ON DISTRICT COMMITTEES

AT 30 JUNE 2019

Membership of Committees spans a 2-year period, with membership terminating at 30 June 2020.

Avoca, Royal George & Rossarden

Local District Committee

Chairperson:	Mrs S Freeman
Members:	Ms J Allen Mrs H Reynolds Mrs S Squires Ms C Clarke Mr M McGree
Councillor:	Mayor M Knowles

Campbell Town District Forum

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

Cressy Local District Committee

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

Evandale Local District Committee

Chairperson:	Mr J Lewis
Members:	Mr S Baldock Mrs C Brown Mrs A Harvey Mrs H Houghton Mr B Lawson Mr J Remess Mrs S Kensitt
Councillors:	Cr J Lambert Cr J Davis

Longford Local District Committee

Chairperson:	Mr N Tubb
Members:	Ms D Alty Ms J Clarke Mrs T Goldsworthy Mr D Pettyfor Mr L Langan Mr G Catchlove-Owen Mrs I Apostol
Councillor:	Cr D Adams Cr M Brooks

Perth Local District Committee

Chairperson:	Mr T Purse
Members:	Mr P Dell Mr G Eberhardt Mr D Smith Mr J Stagg Ms S White Mr P Groves Mrs L Wilton Ms S Field Ms L Pyecroft
Councillor:	Cr J Lambert Cr J Davis

Ross Local District Committee

Chairperson:	Mr A Thorpe
Members:	Mrs J Bennett Mrs C Robinson Mr H Johnson Mr A Cameron Mrs H Davis Mr M Rodrigues Mr T Johnson Mr R Hebbard Ms C Hurren
Councillor:	Cr A Calvert



MAJOR STRATEGIC ISSUES

INTRODUCTION

Council worked on a number of key issues which were identified in the Strategic Plan 2017-2027; Council has undertaken projects to address these issues as identified in the Annual Plan for 2018/2019.

ECONOMIC DEVELOPMENT

The economic prosperity of our region is important to the Northern Midlands Council to ensure our communities improve their quality of life.

Our communities have distinctive local conditions that affect their development and influence Council's decisions. Council endeavours to provide the best environment possible to improve the economic capacity of the diverse communities within our municipal area; and, to this end, continues to lobby and work with the state and federal tiers of government, business and community sector partners to create an environment conducive to economic growth, job creation and the overall betterment of all communities within the Northern Midlands.

A number of factors which influence economic development are outside of the control of Council; however, through long-term planning, strategies and the nurturing of partnerships Council does its utmost to ensure it is well-placed to sustain the diverse economy and facilitate future development within our region.

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, such as, Perth's Sheepwash Creek Water Sensitive Urban Design project and West Perth Urban Drainage improvements.

COMMUNITY WELL-BEING

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

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

Council continues to lobby TasWater, as the responsible entity:

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

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



• Playground, Seccombe Street, Perth

MAINTAINING CORE FUNCTIONS OF COUNCIL

One of the Council's core responsibilities is the on-going management of its total asset base. While Council has acknowledged its expanding role in community development, it must balance this with adequate maintenance and renewal of its assets. Council maintained its Long Term Financial Plan and Asset Management Plans during 2018/2019 which provide a framework for Council to create, renew and maintain major infrastructure in a sustainable manner.

During 2018/2019 Council spent \$1.9 million (2017/18 \$2.4m) towards upgrading and renewal of Council's road network and \$1.9 million (2017/18 \$2.0m) towards maintaining the road asset base. In addition, an amount of \$3.71 million (2017/18 \$0.43m) was spent on the replacement of six (6) bridges, and \$783,519 (2017/18 \$77,725) on additional stormwater assets recognised. Building assets recognised totalled \$0.61 million (2017/18 \$0.9m).

FUTURE FUNDING

Council continues to object to the problem of continued reallocation of responsibilities to Local Government from the State and Federal Governments 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 on an ongoing basis, 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 Black Spot Roads Program, Regional Development Funding rounds, Tasmanian Community Fund grants, Building Better Regions Fund and Sport & Recreation Grants Program; and
- 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.



• Irrigation schemes throughout the Midlands continue to grow productivity



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	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Local Government Reform	✓	Review	Review	✓	ON TRACK	Minister Gutwein delivered study. NOA Group engaged as Project Managers for Shared Services Implementation Project. NOA held workshops on 5 priority Council functions: IT, Regulatory Services (Planning/Building Compliance), Payroll/Rates, Risk Management/WH&S. Shared contract for Legal Services achieved. Joint IT platform currently being investigated.
Elected Members Development and Annual Plans		✓	Review	✓	NOT STARTED (OBSTACLES)	Policy and Annual Plan to be prepared.
People and Culture Plan	✓	✓	Update	✓	ON TRACK	Framework utilised for recruitment is best practice. Employer of Choice – achieved. Corporate Services Department review. Enterprise Agreement negotiated.
Best Business Practice, Governance and Compliance	✓	Update	Update	✓	ON TRACK	Legislative Audit, Delegations Review and Policy Manual update ongoing.
Media and Marketing	✓	Update	Update	✓	ON TRACK	Communications Strategy and Framework developed. Expanding Council's communications through social media and other publications.

GOVERNANCE

Objective:

Provision of quality governance and effective leadership to support and enrich community life.

Performance:

- Our decision making processes will be fair and accountable and will always take account of the economic, environmental and social sustainability of any proposed action.
- Council is committed to provide innovative, efficient, equitable and quality service for all the community and respect for each and every customer.
- Staff will deal with customers in an open, honest and courteous manner and respect their privacy at all times.
- Council's administrative headquarters is based at 13 Smith Street, Longford and a range of services are also provided by Service Tasmania at the Town Hall, Campbell Town.
- Council reviews and implements organisational values in its day to day operations.

- Nine Councillors represent the Northern Midlands municipal area.
- Council generally meets on the third Monday of each month with public agendas available prior to each meeting.
- 12 Ordinary Meetings were held during 2018/2019. 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 10 December 2018 and a Special Meeting on 21 December 2018
- The certificate of election, provided by the Tasmanian Electoral Commission was tabled at the 19 November 2018 Council meeting.
- Councillors had a Bus Tour of the municipal area, meeting community groups and assessing budget priorities on 27 March 2019.
- 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.



• Governance Team

Performance (continued):

Council:

- updated its Delegations Register
- reviewed the following policies
 - Code of Conduct for Elected Members on 18 February 2019
 - Council's CCTV Program & Code of Practice on 20 August 2018
 - Management of Donated Goods After a Disaster on 20 August 2018
 - Meeting Procedures on 20 August 2018
 - Use of Northern Midlands Council Logo on 20 August 2018.
- Adopted:
 - the Elected Members Professional Development Policy on 21 January 2019
 - the Welcome to Country & Acknowledgement of Country Policy on 18 February 2019.

Councillors attended the following conferences and seminars during the year:

- 25-27 July 2018: Crs David Downie, Michael Polley, Leisa Gordon and Dick Adams
 - Local Government Association of Tasmania AGM, general meeting and annual conference held in Hobart
- 17 November 2018: Cr Jan Davis
 - Local Government Association of Tasmania Workshop for New Councillors
- 16 December 2018: Cr Mary Knowles
 - Local Government Association of Tasmania Mayor's Professional Development
- 16 February 2019: Crs Mary Knowles, Ian Goninon & Jan Davis
 - Local Government Association of Tasmania Planning Authority Training
- 23-24 March 2019: Cr Mary Knowles
 - Elected Members Professional Development
- 5 April 2019: Cr Mary Knowles
 - Women & Leadership Australia - Women in Leadership Forum
- 1-3 May 2019: Cr Michael Polley
 - AMAC AGM & Annual Conference
- 30 May 2019: Cr Mary Knowles
 - Local Government Association of Tasmania Mayor's Professional Development
- 16-19 June 2019: Crs Mary Knowles & Michael Polley
 - 2019 National General Assembly of Local Government in Canberra.

Council allocated Special Project grants totalling \$64,842 to sporting and community groups as follows:

- Evandale Catholic Cemetery – Memorial Peace Garden \$13,499
- Morven Park, Evandale – exercise equipment \$8,415
- Perth Football Club – toilet flooring & plumbing \$5,196
- Cressy Town Hall – heat pumps \$5,000
- Evandale Football Club – electronic score board \$5,000
- Morven Park – shade gazebo \$5,000
- Longford Golf Club – carpark sealing \$5,000
- SES Campbell Town – shed extension..... \$4,545
- Foresters Hall Development..... \$2,835
- Mens Shed Campbell Town – AED purchase \$2,109
- Evandale Tourism Centre – floor polisher.....\$1,591
- Northern Midlands Parish, Campbell Town – cemetery extension..... \$1,500
- Midland Pony Club – arena & fence improvements..... \$1,500
- Campbell Town Bowls Club – shade area\$1,364
- Evandale Garden Group – school garden..... \$882
- Devon Hills Residents Association – security cameras & lights.....\$552
- Fusion Australia – data projector..... \$454
- Devon Hills – noticeboard replacement\$400

In 2018/2019 Council provided donations totalling \$19,372 under Section 77 of the Local Government Act to:

- Campbell Town District High School
 - Inspiring Positive Futures Program \$8,000
- Cressy District High School
 - Inspiring Positive Futures Program \$8,000
- Campbell Town District High School
 - Chaplaincy..... \$1,500
- Assistance to Campbell Town SES
 - Council wages & plant.....\$839
- Longford Christ Church – clock maintenance.....\$314
- Campbell Town District High School
 - School Achievement Awards \$103
- Cressy District High School
 - School Achievement Awards \$103
- Perth Fire Brigade.....\$100
- Longford Fire Brigade\$100
- Ross Sports Club – defibrillator.....\$100
- Flowers & gifts.....\$69
- Perth Primary School
 - School Achievement Awards \$36
- Evandale Primary School
 - School Achievement Awards \$36
- Longford Primary School
 - School Achievement Awards \$36
- Avoca Primary School
 - School Achievement Awards \$36



• Evandale Catholic Cemetery – Memorial Peace Garden



• Morven Park lights



• Morven Park electronic scoreboard

PEOPLE AND CULTURE: HUMAN RESOURCES

Objective:

People and Culture generates professionalism: staff are engaged, committed, stable and innovative; employment relations are fair and consistent; the People and Culture framework is best practice; organisational and personal development is valued.

Performance:

Council:

- aims to provide a safe, healthy and supportive environment where employees are valued, respected and are able to realise their full potential.
- is committed to the professional development of staff members through programs that focus on specific training and general development to assist with achieving excellent service delivery and has

made a commitment to provide continued staff training at a minimum provision of 4% of wages.

- continues to encourage staff participation in workplace reform by holding regular staff and department meetings as well as supporting a Consultative Committee.

In accordance with the Northern Midlands Council Strategic Plan, one objective was to strive for a nomination as an Employer of Choice; we accomplished this and more. We not only lodged our first submission for this Award, but were named a finalist, and then inducted into the Employer of Choice Honour Roll in June 2019. This was a huge achievement for Council and all staff.

In the first quarter of 2019, Council began negotiations on their 2019-2022 Enterprise Agreement with bargaining representatives and union officials. The Northern Midlands Council Enterprise Agreement 2019-2022 has been lodged and approved by the Fair Work Commission.

Council is committed to continuous improvement, and an element of this is to regularly review the operations within our departments. During 2018-2019, Council conducted a review of the Corporate Services department which focussed on the customer service provided, resourcing within the department and review of efficiencies, practices and processes.

Council participated in the Australasian Management Challenge in 2019. Participants were Natalie Horne (Admin & Records Management – Corporate Services) and Trent Atkinson (Project Manager – Community and Development) whom, together with our neighbouring councils of Meander Valley and West Tamar formed a composite team. The challenge is a simulation-based team building, learning and networking program, using real local government themes – the types of issues that a senior management team would most likely face in a Council. This opportunity provided an excellent professional development experience.

Employee learning and development is highly valued by Council and we strive to promote personal and professional development opportunities for all our staff. Many staff attended training courses, seminars and workshops throughout the year, which were of benefit to the individuals and Council, ultimately resulting in increased job satisfaction, motivation and efficiencies in processes, which means greater productivity and higher quality of work output.

The following employees are to be congratulated on their ten-year service milestones with Council during the reporting period: Anthony French, Karen Muir and Matthew Smith from our Works Department; Erin Boer from Community and Development and Jane Boyer and Melanie Fleming from Corporate Services Department.

As at the 30 June 2019, Northern Midlands Council had 68 personnel employed on full-time or part-time basis and 17 casual employees. The turnover rate for the reporting period was 8.5% (2017/2018 6.5%), which is considered a healthy turnover rate.

SPECIFIC DATA	2018/2019	2017/2018	2016/2017	2015/2016
Payroll costs	\$4,391,564	\$4,185,872	\$4,731,130	\$4,403,551
Superannuation Contributions	\$505,662	\$485,008	\$503,056	\$498,701
Workers Compensation Insurance/Expenses	\$116,975	\$133,954	\$153,557	\$169,619
Annual, Long Service, Sick Leave & Provisions	\$762,139	\$904,958	\$993,212	\$1,172,384
% of Payroll Capitalised	10.5%	9.9%	6.6%	8.1%
Permanent Staff (at year end)	62 EFT	57 EFT	56 EFT	63 EFT
Casual Staff (at year end)	4 EFT	3 EFT	4 EFT	2 EFT
Sick Leave Taken (Permanent Employees – paid days)	4.8%	6.6	5.5	4.8



EMERGENCY MANAGEMENT

Objective:

The framework that provides for planned and coordinated measures that reduce vulnerabilities and enhance capacities to withstand emergencies, as well as cope with and recover from their impacts.

Performance:

Council has continued involvement in emergency management planning.

The Emergency Unit at Campbell Town has 12 members and its role is to provide roadside rescue assistance and other needs as per the *Emergency Services Act 1976*.

Council funds the purchase and maintenance of road accident rescue related equipment and services.

Fire hazards are identified within the municipal area and abatement notices are issued.

The General Manager is appointed as the Municipal SES co-ordinator, with Corporate Services Manager appointed as Deputy Municipal SES co-ordinator and the Risk Management Officer as assistant SES co-ordinator.

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

In January 2019, in collaboration with Fusion Australia, Council set up and ran an emergency evacuation centre at Poatina to support evacuees of the Central Highlands fires.

COMMUNICATION

Objective:

Encouragement of community confidence through communication, consultation and participation with equitable, transparent, accessible and consistent governance by genuine engagement with the community.

Performance:

Council supports the need for coherent regional leadership, planning and economic policy frameworks to promote the regional potential.

Council actively participated in the Northern Councils Shared Services Implementation Project and TasWater stakeholder meetings and the Selection Committee until November 2018.

Is an active member of the Local Government Association of Tasmania (LGAT) and Northern Tasmania Development Corporation (NTDC); and supports the Regional Tourism Organisation for Northern Tasmania and Integrated Transport Plan.

Council investigates options for private and public resource sharing prior to implementing new programs. Resource Sharing is pursued with other Councils where appropriate.

Council has a vital and demanding role to play in working with the people of Northern Midlands to shape a common future, it provides public consultation on major plans and programs where practical.

Council continues with master planning and design in conjunction with community consultation and participation on several major projects throughout the municipal area.

A 20-minute public question and statements time is provided at all Council Meetings to encourage public awareness of activities.

Council continually lobbies/ liaises with Ministers of Governments on issues of importance to the community. Council encourages and supports active local committees.

Council aims to provide an environment that is safe and provides the opportunity for residents to pursue a quality lifestyle. It encourages a spirit of pride and appreciation of the community and its assets.

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

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

- One page in fortnightly publication of the Northern Midlands Courier Newspaper;
- Council's website;
- via Facebook; and
- media releases.

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 and/or funding for:
 - Avoca: Children's Playground
 - Ben Lomond: Ski Field Investment Project
 - Campbell Town:
 - » Main Street Urban Design & Traffic Management Strategy
 - » Campbell Town War Memorial Oval Precinct Master Plan Project
 - Cenotaph Interpretation Projects: at Avoca, Campbell Town, Cressy, Evandale, Longford, Perth & Ross
 - Cressy:
 - » Swimming Pool Master Plan Project
 - » Cressy Recreation Ground Master Plan Project
 - Evandale:
 - » Morven Park Recreation Ground Master Plan
 - » Honeysuckle Banks Master Plan
 - » Sealing of Nile Road

- Launceston Airport & TRANSlink: Precinct Renewal Program, including Intermodal Facility (incl. Rail Spur), Gas Reticulation and Stormwater

- Longford:

- » Longford Urban Design Strategy
- » Longford Recreation Ground 2030 Master Plan
- » Northern Midlands Health, Fitness and Sports Centre

- Perth:

- » Perth Structure Plan
- » Sheepwash Creek WSUD Open Corridor Master Plan
- » Perth Early Learning Centre & Community Centre
- » Perth Recreation Ground Master Plan
- » South Esk River Reserve Concept Plan development

- Ross:

- » Village Green Master Plan
- » Swimming Pool Master Plan

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
- Longford Township CBD Urban Design Strategy
- Perth Structure Plan
- Cressy Recreation Ground Master Plan
- Morven Park Master Plan
- Longford Northern Midlands Sport and Fitness Centre
- Sheepwash Creek Water Sensitive Urban Design.

Council's Annual Awards and Australia Day event

Council's 2019 event took place in Evandale on Saturday 26th January in conjunction with the Rotary Club of Evandale and was well attended. The formal proceedings included an address by Australia Day Ambassador Wes Sulzberger (cyclist), and the presentation of Council's Australia Day and Volunteer recognition awards.

The following awards were presented:

- Citizen of the Year: Linus Grant – for his involvement with the Longford community
- Young Citizen of the Year: Thomas Dwyer – for his achievements in sport and study
- Community Event of the Year: Rossarden & Friends Kids Christmas Party – continuously well supported event that provides community spirit to the kids of the Rossarden and Avoca area
- A Volunteer Recognition Award was presented to Robert Thomas for his involvement with the Campbell Town SES



• Council's Annual Awards on Australia Day



• Longford Recreation Ground redevelopment – Grants Commission visit

YOUTH SERVICES

Objective:

Network and collaborate with a variety of agencies and organisations to identify, develop, implement and evaluate initiatives that address the numerous issues which impact young people within the municipality.

Performance:

Council:

- Facilitates healthy communities with a strong sense of well-being, a key in Council's Strategic Plan, addressing community safety, access, health and education issues.
- Employs a part time Youth Officer to support, improve access and service responses and programs for youth.
- Collaborates with Launceston PCYC to provide youth activity programs at Perth, Evandale and Longford.
- Collaborates with YMCA Launceston to provide youth activity programs to schools in the Northern Midlands.

- Manages the Northern Midlands Further Education Bursary Program.
- Supports the Chaplaincy program and the Beacon Inspiring Futures program at Campbell Town and Cressy District High Schools.
- Networks with agencies including Headspace, Youth Health North, Beacon, City Mission, Bravehearts and Catholiccare, to enhance their capacity to provide services and programs to Northern Midlands youth.
- Represents Northern Midlands youth on advocacy groups such as Northern Youth Consultative Committee and Northern Midlands Interagency Group.

In 2018-2019, the following youth-based projects were implemented in the Northern Midlands:

- Skate Park League Competition held at Longford.
- Inspiring Futures program at Campbell Town and Cressy District High Schools.
- Youth Mental Health Expo held at Cressy District High School.
- Junior Action Group Water Fountain at Morven Park fundraiser at Evandale Primary School.
- Free2B girls group in Longford.
- Cressy District High School Drop-In-Zone.



• Birthday Cake Fun at Free2B Girls Group



• Painting at Free2B Girls Group

ECONOMIC DEVELOPMENT

Objective:

To encourage sustainable economic development for the Northern Midlands Region in conjunction with the relevant stakeholders.

Performance:

Key economic development initiatives in 2018/2019, including:

- Collaborated with Northern Tasmania Development, Regional Development Australia and other Northern Councils on:
 - the development of the draft Northern Tasmania Regional Economic Development Plan which sets out a vision for the northern region, identifies where future economic growth and employment is likely to come from, and ensures the Launceston City Deal is of benefit to the surrounding region;
 - the development of the Northern Tasmania Population Strategy that focuses on attracting working age population to the region by promoting the region's lifestyle, liveability and diverse employment opportunities.

- Council is a member and shareholder of Northern Tasmanian Development Corporation Ltd (NTDC) with a primary objective to provide pro-active, engaged and strategic regional economic leadership. Council ratepayers benefit from the investment via direct and material economic, employment and investment outcomes, and contribute indirectly to social and community benefits as a consequence of NTDC achieving the objectives that it is set up to achieve. Council's annual fees for 2018/2019 were \$48,913 (2017/2018 \$55,267).

- Consulted extensively with local businesses and community members, NMBA and other key stakeholders to develop the draft Council Economic Development Framework that dovetails with the draft regional economic development plan.
- In accordance with the Northern Tasmania Population Strategy, strived to improve the liveability of Northern Midlands communities through:
 - Further planning and preliminary implementation of town urban design and structure plans for Campbell Town, Perth and Longford (supported by an Australian Government funding commitment of \$4m towards the revitalisation of the public space, community facilities and streetscape in the heart of the town);
 - Ongoing implementation of the Sheepwash Creek water sensitive urban design Open Space Plan, and planning of the Norfolk Street Open Corridor at Perth;
 - Securing an Australian Government funding commitment of \$2.6m for the development of an expanded Perth Early Learning Centre on a green field site adjacent to Perth Primary School – work to commence 2019/2020;
 - Continuing the implementation of the Ross Village Green Master Plan;
 - Installing a parklet in main street Cressy;
 - Developing a concept plan for the South Esk Parklands at Perth;
 - Collaborating with the State Government's Environmental Protection Agency on campaigns to reduce wood heater pollution in Northern Midlands towns;
 - Working with landowners seeking to develop significant numbers of new subdivisions in Evandale, Perth and Longford;
 - Making a submission to the Australian Government's Select Committee into the Jobs for the Future in Regional Areas.
 - Aligning with the draft regional economic development plan's vision of developing year-round tourist demand with a particular emphasis on extending the regional's tourism season into the traditionally low-yield winter months, Council has continued to advocate for funding to implement

the recommendations of the Ben Lomond Tourism Feasibility Studies. This would enable the park's snow-making and snow-retaining infrastructure to be expanded to ensure a consistent snow season, and infrastructure upgrades to enable the park to be promoted as a family friendly tourism destination all-year round for mountain biking, rock climbing, walking and alpine flora and fauna education and enjoyment.

- Council has contributed to economic development in the agricultural and business sectors by:
 - Collaborating with key stakeholders to advocate for the upgrade and expansion of infrastructure in the TRANSLink commercial, industrial and logistics precinct adjacent to Launceston Airport, including the stormwater renewal program, the intermodal facility and gas reticulation;
 - Collaborating with NMBA on the TRANSLink Lead Generation project that aims to encourage networking between the precinct businesses and attract new businesses to the precinct;
 - Collaborating with NMBA to construct a truck wash facility at Powranna in support of bio-security;
 - Completing the replacement of the one-lane, aged wooden bridge on Woolmers Lane with a two-lane, concrete bridge that has eliminated the threat of a 22km journey detour by industry, tourist and local travellers in the event of the old bridge being no longer serviceable.



• Installing a parklet in main street Cressy

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, Environmental Management and Compliance.

Council strives to facilitate healthy communities with a strong sense of wellbeing through the development of community services and activities that meet the needs and aspirations of Northern Midlands residents.

STRATEGIC PROJECTS

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Land Use and Development Strategy		✓	Review	2017-2019	ON TRACK	Land Use and Development Strategy developed.
Tasmanian Planning Scheme Integration	✓	✓	Review	2017-2020	ON TRACK	Draft Local Provisions Schedule developed.

STRATEGIC PROJECTS TEAM

Economic Development Master Plan – Prepare, Prioritise, Implement	✓	✓	Review	✓	ON TRACK	<ol style="list-style-type: none">1. Council and NMBA are collaborating on a small-scale project to identify opportunities to grow the number of businesses in the TRANSlink precinct. Council accepted in principle the TRANSlink Pilot Project: Consultation, Analysis and Recommendations for Growing and Enhancing the TRANSlink Business Precinct in Northern Tasmania Report, August 2018. NMBA contracted April 2019 to implement the TRANSlink Engagement Project.2. Community and business consultation sessions on the draft Economic Development Framework held June 2019.
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STRATEGIC INFRASTRUCTURE PROJECTS

Launceston Gateway Precinct Master Planning	✓		2017-2020	ON TRACK	Listed as a component of the Municipal Land Use & Development Strategy. Options for southern expansion prepared.	
Northern Midlands Rural Processing Centre	✓	✓	✓	2017-2020	ON TRACK	Combined with Launceston Gateway Precinct component of the Municipal Land Use & Development Strategy.

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Perth Town Structure Plan	✓				ON TRACK	Council has endorsed the plan and draft amendments to planning scheme to be prepared.
Perth Community & Recreation Centre & Primary School Integrated Master Plan	✓				ON TRACK	Funding committed from Federal Government toward expansion of Perth Childcare Centre being called.
Sense of Place Planning – all villages and towns	✓	✓	✓	✓	ON TRACK	Master planning for townships underway.
Longford CBD Urban Design Strategy	✓	✓			ON TRACK	Commitment of \$4million from National Party prior to federal election being called.
Longford Place Activation Plan	✓	✓			COMPLETED	Complete.
Campbell Town CBD Urban Design and Traffic Management Strategy	✓	✓	✓	✓	ON TRACK	Awaiting detailed design. Allocation in 2018/2019 budget to commence works. State Liberal election commitment of \$1.9 million for underpass between War Memorial Oval and School/Multipurpose Centre
Ross Town Centre Park Development Master Plan	✓			2017-2020	ON TRACK	Planning approval received. Stormwater and footpath works commenced.
Ross Swimming Pool Master Plan	✓	✓		2017-2020	NOT STARTED (OBSTACLES)	Plan complete. No funding committed for implementation.
Cressy Recreation Ground Master Plan		✓		2017-2020	ON TRACK	Council accepted Cressy Recreation Ground 2030 Master Plan at April 2018 Council meeting. Levelling the Playing Field expression of interest for \$354,076 invited to progress to Stage 2 applications (due 26 July 2019). Final plans being prepared.
Cressy Swimming Pool Master Plan		✓		2017-2020	ON HOLD	State election funding grant of \$100,000 received. \$400,000 commitment from National Party prior to federal election being called.
Evandale Morven Park Master Plan		✓		2017-2020	ON TRACK	Council accepted Morven Recreation Ground 2030 Master Plan at April 2018 Council meeting. State Government levelling the Playing Field grant: \$430,300 secured towards development of inclusive changerooms.
Feasibility Study: Investment in Ben Lomond Ski Field Northern Tasmania	✓	✓		✓	ON TRACK	Study being driven by external stakeholders, Council support provided when requested. Included in NMC Priority Projects 2019 document.
Sheepwash Creek WSUD Open Space Corridor				✓	ON TRACK	July 2018: WSUD space corridor concept plan and concepts – Phillip to Drummond streets – received from consultants. Land acquisition has commenced

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
ECONOMIC DEVELOPMENT						
Tourism Strategy Implementation						
		✓	✓	✓	NOT STARTED (OBSTACLES)	Augmented Reality Project – For the northern part of the Heritage Highway, Ross is the first town to come on board. Work commenced June 2019. Northern Midlands Business and Volunteer Expo – planning underway for March 2020 expo.
COMMUNITY DEVELOPMENT						
Youth and Ageing Strategy		✓	Review	✓	ON TRACK	Youth officer appointed, commenced February 2019. New youth programs and services being pursued.
Discrimination Strategy		✓	Review	✓	NOT STARTED (OBSTACLES)	Officers investigating development of strategy.
Family Violence Strategy		✓	Review	✓	ON TRACK	Council continues to support <i>End Men's Violence Against Women</i> campaign. Officers investigating development of strategy
Supporting Health and Education Programs	✓	✓	Review	✓	ON TRACK	Participating in the Northern Health Providers Networks meetings. Further Education Bursary Program continuing.
Supporting Employment Programs	✓	✓	Review	✓	ON TRACK	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	✓	ON TRACK	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.

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Social Recovery Plan	✓			✓	COMPLETED	Review complete
Disability Action Plan	✓			✓	COMPLETED	Review complete
Cohesive Communities and Communities at Risk		✓	Review	✓	NOT STARTED (OBSTACLES)	Not yet commenced.
REGULATORY						
Legislative Audit	✓			✓	COMPLETED	Review of legislation ongoing.
Delegations Reviews	✓			✓	ON TRACK	Review as new staff commence and legislation changes. Regulatory software purchased to assist.
Council Policy Manual Review	✓			✓	ON TRACK	Policies due for review, relevant managers and officers notified, schedule for review in place. Ongoing.



EVENT MANAGEMENT & TOURISM PROMOTION

Objective:

- Provide advice and support to event managers ensuring events in the municipality are run safely and successfully;
- Promote Northern Midlands as a tourist destination in a way that benefits local businesses, visitors and residents alike.

Performance:

Visitor Information:

- Participated in Tourism Visitor Information Network (TVIN) northern area quarterly meetings, and attended the Annual TVIN Conference, representing the Northern Midlands region and its five Visitor Centres on a state-wide platform. The events enabled the sharing of information about events and attractions in our region and obtaining knowledge and information to share with the Northern Midlands Visitor Centres.

- Facilitated two shoulder season meetings of the five Northern Midlands Visitor Centres, creating networking opportunities for the volunteers, sharing challenges and ideas.
- Coordinated the volunteers and restocking of the Northern Midlands Business Promotion & Visitor Information Centre at Longford.

Heritage Highway Tourism Region Association (HHTRA):

- Supported the HHTRA through financial contribution and provision of secretarial and administrative support.
- Coordinated the maintenance of the Heritage Highway website, blog and social media platforms.
- Coordinated the reprint of the Heritage Highway Touring Map & Guide.
- Coordinated the implementation of the Ross Revealed Augmented Reality project, which originated from the HHTRA Destination Action Plan. Project completion is expected by the end of 2019.

General tourism & industry engagement

- Represented the Northern Midlands Council at various industry workshops and forums including the Tourism Tasmania Journey's Forum and Australian Tourism Data Warehouse workshop.

- Disseminated industry information from key tourism agencies to tourism operators and businesses in the Northern Midlands.
- Liaised with new tourism operators regarding networking opportunities, facilitating connections with relevant agencies and providing information where requested.

Events

- Maintained an up-to-date events list for the Heritage Highway region, including updating online events calendars and notification to approximately 300 recipients, including tourism operators, state-wide visitor centres and key tourism agencies.
- Assisted with enquiries from event holders looking to hold events in the Northern Midlands, advising of requirements, assisting with compliance criteria, venue hire, facilities and promotion via our networks.
- Created a business case for a Northern Midlands Community Expo. Planning has progressed for the event to take place on 21 March 2020.

Supported and promoted Special Events within the area and provided \$39,426 grants to:

ANZAC Day	\$18,781
Tour of Tasmania Road (7 Day) Event	\$3,000
Festival of Small Halls	\$2,556
YMCA Skate Park League and Development Program	\$2,000
Australia Day and Volunteer Recognition Celebrations	\$1,638
Tasmanian Trout Fishing Expo (Cressy)	\$1,500
Longford Fun Run	\$1,364
Let's Ride, Longford – 15 January 2019	\$1,300
Longford RSL Remembrance Day 2018	\$996
John Glover Society Arts Festival	\$900
Longford Jazz Festival	\$836
Rossarden Isolated Children's Christmas Trip	\$636
Cars, Bikes & Bands Symmons Plains	\$500
RSL Longford – National Servicemen's Reunion	\$500
Fusion – Australia Day Family Festival	\$500
Tasmanian Municipal Bowls Championships, Longford	\$500
Longford Fishing Club – Kids Dam Days	\$400
Campbell Town ANZAC Group – Remembrance Day & ANZAC Day	\$370
P E Green Memorial Cycling Road Race	\$350
Longford Show	\$262
Woolmers Festival of Roses	\$249
Ross Marathon	\$188
Remembrance Day	\$100



RECREATION

Objective:

Promote the use of existing Sport & Recreation facilities, maintain and improve facilities to meet the communities needs.

Performance:

Council is working in partnership with State and Federal Governments, local community service providers, local community organisations and members to develop and implement strategies to encourage healthy lifestyles for Northern Midlands residents.

In 2018/2019 Council has worked to promote the health and well-being of northern midlands residents and visitors by undertaking the following activities in accordance with relevant recreational facility master plans:

- Completion of the renovation of the stadium at the Longford Recreation Ground comprising inclusive changerooms, function room and grandstand upgrade, a new storage facility, an electronic scoreboard and new oval lighting.

- Completion of an integrated sporting and recreation complex at the Campbell Town War Memorial Oval that comprises:
 - a new multi-function facility encompassing a 100 person capacity function room, meeting rooms, commercial kitchen and inclusive changerooms;
 - connectivity of the multi-function centre to the adjacent swimming pool complex to enable pool patrons access to the facility changerooms;
 - two new multi-purpose all-weather courts for tennis and netball;
 - redevelopment of the Cenotaph;
 - an electronic scoreboard and new oval lighting.
- Commencement of the upgrading of the Longford Community Sports Centre including a new gym, changerooms, child care area and a mezzanine floor for future expansion – work due for completion in 2019/2020.
- Securing State Government Levelling the Playing Field Funding (\$430,300) for the development and expansion of inclusive changerooms at Evandale's Morven Park – work due for completion 2020/2021. Installation of a new electronic scoreboard, oval lighting and storage/maintenance facility.
- Submitting an expression of interest to the State Government Levelling the Playing Field grant program for funds towards the construction of new inclusive changerooms at the Cressy Recreation Ground, and invited in June 2019 to proceed to Stage Two of the application process.
- Securing a Tasmanian Community Funds grant (\$16,973) and a matching Australian Government Stronger Communities grant to develop a younger children's playground at the Cressy Swimming Pool complex.
- Securing an Australian Government grant of \$400,000 (in addition to a State Government grant of \$100,00 in 2017/2018) for the Cressy Swimming Pool Complex. Work includes the renovation of the kiosk, creation of a new facility entrance, resurfacing of the pool concourse, remediation of reinforcement corrosion in the main pool and car park sealing – work to commence late 2019/2020.
- Installing Stage Three of the Longford Village Green Playground redevelopment, an inclusive, all-abilities carousel and swing seat, with funding support from Tasmanian Community Fund (\$29,539), Variety Tasmania (\$6,000), local community donations (\$3,100) and Council (\$7,326).
- Secured an Australian Government commitment of \$50,000 and a Tasmanian Community Fund grant of \$36,680 toward the redevelopment of the children's playground at Boucher Park, Avoca.
- Securing MAST funding (\$50,000) towards the construction of a floating pontoon on the eastern side of the boat ramp at Lake Leake.



• Longford Community Sports Centre – expansion works in progress



• Narrinda Cawthen at the 2018 Australian Indoor Bias Bowls Championships

In 2018/2019 Sporting & Academic Achievement Donations totalling \$16,810 were provided to:

Madeleine Berry – Bursary Program 2018	1,000
Jessica Bartels – Bursary Program 2018	1,000
Sophie Harding – Bursary Program 2018	1,000
Braydon Pavia – Bursary Program 2018	1,000
Adam Martin – Bursary Program 2019	1,000
Chelsea Johnson – Bursary Program 2019	1,000
Gabriella Franklin – Bursary Program 2018	1,000
Blake George – Bursary Program 2018	1,000
Luke Welsh – Bursary Program 2018	1,000
Kiarna Stonehouse – Bursary Program 2019	1,000
Eden Arrieta Shadbolt – Bursary Program 2019	1,000
Lia Eacher – Bursary Program 2019	1,000
Aladdin Addicoat – Bursary Program 2019	1,000
Bella Smith – Bursary Program 2019	1,000
James Grey – Bursary Program 2019	1,000
Darian Richardson – Bursary Program 2019	1,000
Joel Strickland – Royal Perth Show 2019 Young Poultry Judges Championships	66

Sophie Fletcher – 2018 Tasmanian Senior Bowls Team	62
Judy Gurr – 2018 Tasmanian Senior Bowls Team	62
Jack Jarman – 2018 Tasmanian Senior Bowls Team	62
Denise Middap – 2018 Tasmanian Senior Bowls Team	62
Narrinda Cawthen – 2018 Australian Indoor Bias Bowls Championships	62
Simon Zaporozec – 2018 Australian Indoor Bias Bowls Championships	62
Shenaye Zaporozec – 2018 Australian Indoor Bias Bowls Championships	62
Julie Zaporozec – 2018 Australian Indoor Bias Bowls Championships	62
Ava Walker – Interschool Championships Equestrian Competition	62
Lucy Johnston – Interschool Championships Equestrian Competition	62
Archie Clayton – Karl Prosselt Cup U12 Soccer Team	62
Taylah Quillam – Australian Little Athletics Championships	62

ANIMAL CONTROL

Objective:

Promote responsible and considerate animal ownership through the control and regulation of pet animals and livestock to minimise public nuisance and maximise community benefit.

Performance:

Council regulates dog control within the municipal area in accordance with the provisions of the *Dog Control Act 2000* and Council's Dog Control Policy.

Roles and responsibilities include:

- Promoting responsible dog ownership
- Maintaining a register of all dogs aged over 6 months
- Licensing kennels
- Managing municipal dog pound
- Providing declared areas where dogs can be exercised off lead if under effective control
- Investigating complaints relating to dog nuisances
- Levying annual dog registration fees.

Council reviewed its Dog Management Policy on 20 August 2018

	2018/2019	2017/2018	2016/2017
Dog Registration	4,224	4,250	3,673
Kennel Licences	78	76	70
No. of Impounded Animals	77	84	74



ENVIRONMENTAL HEALTH

Objective:

Provide for community wellbeing through a healthy living environment, healthy lifestyles and reducing disease.

Performance:

To research and resolve environmental nuisances.

To pro-actively implement programs/measures to protect community health by:

- facilitating immunisation programs for residents
- investigating and actioning Notifiable Disease cases
- monitoring potable water supplies and other waters.

To inspect and action with respect to registered premises, level 1 activities (as defined by Environmental Management and Pollution Control Act 1994) and on-site sewerage disposal systems.

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

Matters addressed include:

- Odour and dust complaints;
- Food safety related concerns and complaints;
- Noise complaints;
- Local industry odour emissions;
- Sewerage connection and odour;
- Asbestos related complaints;
- Other local industry environmental concerns including industrial waste storage and reuse; and
- Air quality (smoke) incidents.

The Community Health Report addressed objectives within the areas of:

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

SPECIFIC DATA	2018/2019	2017/2018	2016/2017
Licensed places of assembly	6	7	9

LAND USE, URBAN DESIGN & PLANNING

Objective:

- Provide a co-ordinated land use plan to facilitate controlled growth within the parameters of infrastructure availability, whilst maintaining certainty and harmony with local environs and community expectations.
- Shaping our communities, towns, villages and the region by planning and managing development, infrastructure and services.

Performance:

Approved 241 applications including (total applications figure includes 14 approvals for amendments), with a further 28 developments deemed exempt from planning:

- Expansions to Adams Distillery, Perth
- New bridges: Royal George, Tooms Lake and Brambletye
- Dog agility equipment
- Walkway roof at Evandale Community Centre
- Electronic scoreboard at Morven Park, Evandale
- Concrete Batch Plant at Breadalbane
- New warehouses and offices, TRANSlink
- Grain storage at Powranna

Approved 55 new lots, 27 new dwellings, 49 new units, 83 new sheds.

Received 5 Notices of appeal from RMPAT.

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

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

- On-Site Stormwater Detention adopted 24 June 2019
- Reduction in Planning Application fees for Community Projects reviewed on 20 August 2018



• Perth Link Road – tree planting corridor



• Expansion of Haywards facility at TRANSlink under construction

BUILDING SERVICES

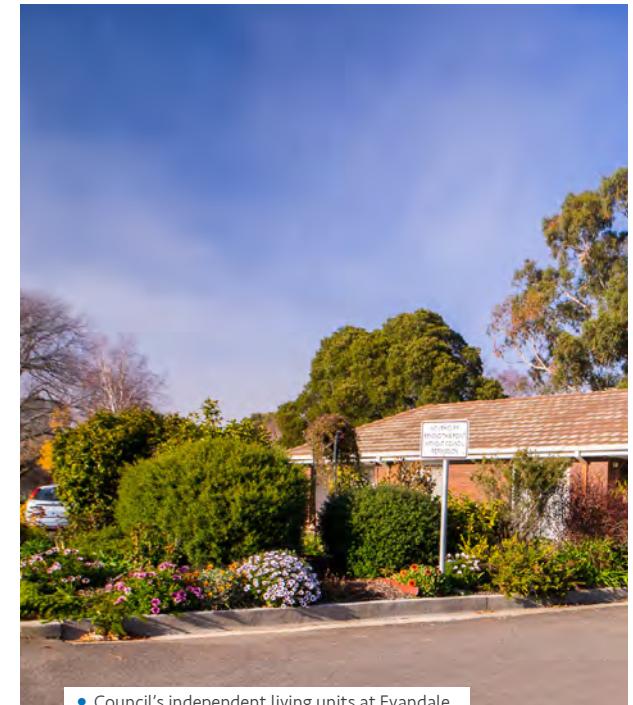
Objective:

Provide 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:

- Processed building and plumbing applications within statutory timeframes.
- Provided reporting statistics to relevant agencies on a monthly basis.
- Issued 212 building approvals totalling \$72.1 million.
- Issued 1,396 Property Certificates (Sec 132 & 337), compared to 1,313 last year.

SPECIFIC DATA	2018/2019	2017/2018	2016/2017	2015/2016
Applications approved	212	154	175	226
Dwellings	108	64	45	57
Additions to dwelling, incl. out-buildings & sheds	87	84	111	128
Industrial/Commercial	17	6	19	26
Value	\$72.1m	\$27.0m	\$27.4m	\$31.5m
Average Processing Time (Days)				
• Building Permit	7	7	14	6
• Certificate of Likely Compliance	7	14	3	5
• Plumbing Permit	6	14	9	6
No of Inspections	326	238	248	764
Septic Tank & AWTS Applications	29	25	9	19



• Council's independent living units at Evandale

COMPLIANCE

Objective:

Monitor all relevant regulatory areas to ensure statutory compliance, ensuring the Northern Midlands is a safe environment in which to live, visit and work.

Performance:

Respond to complaints regarding non-compliance with legislation regulated by Council, including:

- Planning
- Building
- Animal Control
- Environmental Health (including noise and pollution)

Action any breaches of legislation and enforce accordingly.

Actively promote compliance with legislation throughout the municipality and provide information where necessary.

SPECIFIC ACHIEVEMENTS/ISSUES WITHIN THE COMMUNITY HEALTH REPORT	2018/2019	2017/2018	2016/2017
Notifiable diseases investigated	3	4	4
School immunisations administered	45	199	105
Recreation water monitoring			
• River water compliance	92.5%	91%	94.2%
• Pool water compliance	100%	100%	100%
Environmental nuisance complaints	40	47	45
Registered food premises	121	92	122
Food premises inspected	130	77	75
Registered temporary food premises	60	64	46
Public environmental incidents	0	0	0

COMMITTEES OF MANAGEMENT

Objective:

Support Council Committees of Management and Community Organisations.

Performance:

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

Council provides an annual allocation of funds for capital works requested by community groups which are assessed on a priority basis.

Special Committees represent \$189,659 (including Council maintenance grants) operating income and \$212,995 operating expenditure in Council's financial statement. Special Committees cash and cash equivalents represent \$245,578 in Council's financial statements (\$268,913 in 2017/2018).

Special committees of Council managed the following facilities during 2018/2019:

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

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.



• Campbell Town War Memorial Oval multi-purpose complex

CORPORATE SERVICES

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



• Corporate Services Team

STRATEGIC PROJECTS

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
Asset Management Plan Annual Review	✓	✓	Review	2017-2027	ON TRACK	Road and Building revaluation currently being undertaken, review of Asset Plans to be completed upon receipt of review.
Annual Budget and Quarterly Review	✓	✓	Review	2017-2027	ON TRACK	Long Term Financial Plan updated, and annual budget adopted by Council at 24 June 2019 meeting.
Information Technology Upgrade Program	✓	✓	Review	2017-2027	ON TRACK	Planning/Building software upgrade; LivePro Customer Service System; and One Touch Payroll upgrade implemented. Security review conducted.
Emergency Management	✓	✓	Review	2017-2027	ON TRACK	Revised Emergency Management Plan approved by State Government April 2018.
Workplace Health and Safety Action Plan Annual Review	✓	✓	Review	2017-2027	ON TRACK	Risk Register reviewed. Work Health and Safety audit assessment completed. Asbestos registers for all properties completed.
Customer Service Standards	✓	Review	Review	Review	ON TRACK	LGAT statewide community satisfaction annual survey completed.

FINANCIAL MANAGEMENT

Objective:

Financial Management: provide practical, viable, sustainable financial management, policies and procedures.

The financial management unit includes the following functions:

Asset Management: assist Council in improving the way it delivers services from infrastructure including roads, bridges, footpaths, stormwater drainage, buildings and plant and equipment and any other classes of assets.

Council's asset management strategy enables Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future,
- enable Council's asset management policies to be achieved, and
- ensure the integration of Council's asset management with its long-term strategic plan.

Insurances: protect Council from financial claims or loss arising from a negligent act, error or omission, legal liability for personal injury and/or property damage claims.

Risk Management: identify any potential threats to financial and business operations; and take necessary steps to mitigate / eliminate threats likely to affect Council's ability to achieve objectives.

Performance:

This unit incorporates the provision of financial management and the related services of asset management, insurances and risk management.

Financial services provided include rates administration, receipts and payments, wages and salaries, budgeting and annual report preparation, investments, insurance, loans, asset registers and depreciation.

Council identifies potential significant risks and obtains insurance cover accordingly.

Council is committed to embedding enterprise risk management to create and maintain an environment that enables Council to deliver high quality services and meet performance objectives. Council recognises that risk management is an essential tool for sound strategic and financial planning and the ongoing physical operations of the organisation.

To meet this commitment, all employees are required to be competent and accountable for adequately managing risk within their area of responsibility. Council's risk management policy is the umbrella policy for all supportive activities and documentation, which have the objective of improving processes by reducing the uncertainty of outcomes, thereby minimising loss within the activities and services provided by Council.

Adopted the 2018/2019 Annual Plan and Budget on 25 June 2018.

The revaluation of the municipal area was undertaken during 2018 by LG Valuation Services and the values are effective from 1 July 2019, adjustment factors will be implemented bi-annually.

Tasmanian Audit Office has undertaken the Financial Audit services for Council during 2018/2019.

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

Council collects a volunteer fire service levy in respect of land in Cressy, Campbell Town, Longford, Evandale and Perth; and a general fire service levy for all other land.

The Financial Report for the year ended 30 June 2019 is appended to this report; included is the Independent Audit report provided by the Tasmanian Audit Office.

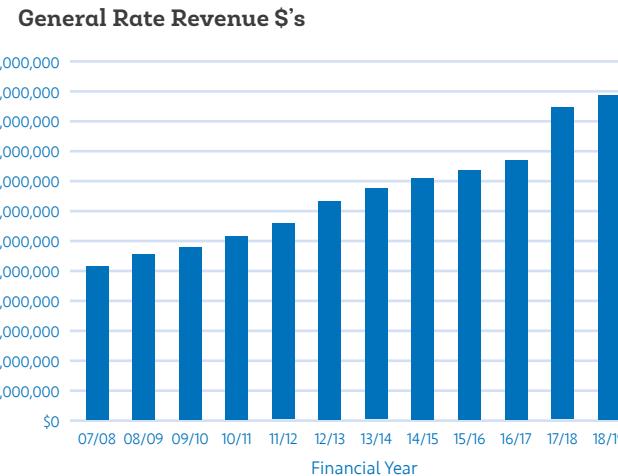
Council adopted/ reviewed the following policies during the year:

- Access to Units Policy reviewed on 20 August 2018
- Audit Committee Policy reviewed on 20 August 2018
- Code of Tendering and Procurement Policy reviewed 17 September 2018
- Customer Service Charter reviewed 20 July 2018
- Donations Policy reviewed on 24 June 2019
- Rates and Charges Policy reviewed on 24 June 2019

Council's recurrent revenue during 2018/2019 was \$19.0 million (\$17.8m 2017/2018), capital income \$2.9 million (\$3.4m 2017/2018) resulting in total income of \$21.9 million (\$21.2m 2017/2018). Operating expenditure was \$18.0 million (\$17.7m 2017/2018), which resulted in a surplus of \$3.9 million (\$3.4m 2017/2018).

The overall surplus was slightly in excess of the 2018/2019 budgeted surplus of \$3.8 million; however, some individual income and expenditure items varied considerably.

Rate Revenue was raised via a differential rating system in 2018/2019 based generally on the same amount of rate revenue, plus indexation and development, as previous years for each land use category. The General Rate in the dollar of assessed annual value was increased by 3.42% resulting in total rate revenue amounting to \$10.9 million or 57% of operating revenue and was generally within budget expectations. Rate receivables at 30 June 2019 represent 23.6% (21.6% at June 2018) of rate revenue (or 2.8% with the debt impairment adjustment). The increase being mainly due to one large rate debtor.



Commonwealth Financial Assistance Grant Revenue increased by \$142,631 in 2018/2019 to \$3.48 million (adjusted for advance payments). Grant revenue in 2018/2019 includes advance Financial Assistance payments of \$1.81 million (\$1.72m 2017/2018).

In addition, Council received \$3,139,250 in grant funding for projects including:

Roads to Recovery	\$396,509
Bridge Replacement, Macquarie River, Woolmers Bridge No. 1130	\$811,500
Morven Park Amenities Improvements	\$587,300
Campbell Town Recreation Ground Complex	\$450,000
Longford Recreation Ground Amenities Upgrade	\$233,409
Child Care – operations & projects	\$222,792
Paton Street Stormwater Diversion Project (NDRGP)	\$110,000
Heavy Vehicle Motor Tax Grants	\$74,197
Black Spot Road Funding Clarence/Arthur Street Perth	\$56,950
Campbell Town Tennis Courts	\$55,000
Gate Automation Back Creek Flood Levee (NDRGP)	\$40,000
Cressy Pool Infrastructure Upgrade	\$33,946
Longford Village Green Carousel & Swing Set	\$29,539
Vulnerable Road Users Perth Frederick/Fairtlough Street	\$15,578
Catholic Cemetery Evandale Peace Garden & Stormwater	\$11,980
Morven Park, Evandale Gym Equipment	\$6,550
Employee Training	\$4,000

Non-monetary contribution revenue amounted to \$51,480 (\$523,827 well below the amount budgeted to receive in 2018/2019 due to the handover of less subdivision assets than anticipated).

Investment revenue from TasWater dividend/tax equivalent income of \$468,000 (\$702,000 for full year non-priority distributions being allocated to councils in 2018/2019).

Operating Expenditure for the year was \$42,066 lower than budgeted; however, employee costs, materials and services, and loss on disposal of assets were lower which were offset by higher government charges, depreciation, and work in progress capitalised.

Depreciation actual cost increased from the previous year by \$150,853 to \$5.7 million, due to revaluation/indexation of assets.

Council recorded a net increase in asset revaluation of non-current assets of \$7.42 million (\$5.6 million 2017/2018) on Property and Infrastructure.

Council's total equity in 2018/2019 increased by \$17.13 million to \$324.35 million (\$9.6 million to \$307.2 million 2017/2018).

Council recorded non-current infrastructure assets with a written down value of \$263.0 million or Gross Value of \$392.3 million) as at 30 June 2019 (2017/2018 \$251.3 million) or Gross Value of \$372.7 million. (Note 14 in the financial statement provides a breakdown of asset values recognised).

Payments for purchase/construction of fixed assets totalled \$14.2 million, representing 54% of total annual cashflow during 2018/2019.

Derived proceeds of \$196,709 from sale of fleet/plant items during 2018/2019.

Cash and investments totalling \$10.24 million were on hand at the end of the reporting period, which is a decrease of \$3.94 million on last year's balance of \$14.18 million. Cash and investments on hand represent money quarantined for the following areas:

Infrastructure Reserve	\$3.923m
Grants Paid in Advance	\$2.612m
Money held in Trust	\$0.588m
Employee Entitlements	\$1.223m
Special Committees	\$0.246m
General Funds	\$1,651m

Trade and Other Receivables increased by \$424,857 as at 30 June 2019 mainly due to large government reimbursements not being received by year end in the previous financial year.

Work in progress amounts to \$6.921 million as at 30 June 2019 including \$6.626 million major building/recreation improvements, \$0.208 million stormwater improvements, \$0.130 million roadworks and \$0.163 million in other sundry works.

During 2017/2018 council borrowed \$6.570 million under the State Government Accelerated Capital Works Program (interest is reimbursed for a 5-year period). Total borrowings amount to \$8.470 million as at 30 June 2019.

The Tasmanian State Audit Office was appointed auditor for financial period ending 30 June 2019 at a cost of \$24,790 (2017/2018 \$23,380).

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 2018/2019 underlying result is a \$0.896 million surplus or a 5% underlying surplus ratio (see Note 27), the result is subject to some one-off operating items, and only a small loss on disposal of assets renewed prior to end of life due to some major projects still classified as Works in Progress.



• Work in progress on the Longford Community Sports Centre expansion

INFORMATION MANAGEMENT

Objective:

Provide practical, viable, sustainable information management policies and procedures; deliver information management services to meet organisation, statutory and community needs.

Performance:

Council operates a computer network connecting all users within the administrative headquarters. Remote users at the Longford Works Depot are connected to the network via a fibre optic cable.

Council utilises the Open Office Pty Ltd Local Government suite of programs for financials, Intramaps mapping application, and the Technology One information management system.

Council utilises an Infonet and Office 365 mailing system throughout the office as well as being connected to the Internet.

Council's email address is:
council@nmc.tas.gov.au

Council's website is:
www.northernmidlands.tas.gov.au

Council is an active member of the Tasmanian Technology One (ECM Records Management) User Group.

Reviewed the Information Management Policy on 20 August 2018.

During the period undertook improvements to Information Technology systems as follows:

- Provision of community CCTV, continued rollout of CCTV coverage of major buildings and attractions, \$3,422;
- Upgraded 11 staff desktop/laptop computers, \$13,672;
- Upgraded printers, several mobile phones and sundry electronic items, \$2,967;
- Upgraded office wireless network, \$2,415;
- Completed data security audit;
- Implemented Single Touch Payroll upgrade;
- Implemented Dukhag facility booking system;
- Attended TechOne Conference in Sydney, May 2019;
- Provided body cams and dash cams for Animal Control Officers and Compliance Officers;
- Implemented backups to the Cloud;
- Upgraded to the latest versions of other software for all users and network servers.

EARLY CHILDHOOD SERVICES

Objective:

Provide service within the limits of resource availability and without detriment to existing ‘traditional’ provision by private and government services rather than Council.

Performance:

Council operates Long Day Childcare Services adjacent to the Perth Community Centre five days per week and at the Cressy Childcare Centre two days per week; the service operates between the hours of 8am and 6pm. Avoca Childcare Centre is operated each Monday between 9am and 5pm.

Midlands Kids Club After School Care Services are operated from the Perth Community Centre, Perth Primary School, Cressy High School and Longford Primary School.

Midlands Kids Club Vacation Care Services are provided during school holiday periods from the Perth Community Centre.

Continued to operate the Northern Midlands Toy Library.



• Perth Childcare facility



• Childcare Team

WORK HEALTH & SAFETY

Objective:

Protect the health and safety of all stakeholders in the workplace from exposure to hazards and risks resulting from workplace conduct.

Performance:

Council aims to provide a safe, healthy and supportive environment where employees are valued, respected and are able to realise their full potential.

Council continues to encourage staff participation in workplace reform by holding regular staff and department meetings as well as supporting a Consultative Committee.

CEMETERIES

Objective:

Maintain and manage the Perth and Longford general cemeteries and associated infrastructure and services.

Performance:

Council own and operate:

- the Lawn Cemetery, Rose Garden and Niche Wall at Cressy Road, Longford
- a Rose Garden in Pioneer Park, Evandale
- Perth Cemetery (taken over from 24 June 2000).

A service is provided, in conjunction with Arrow Engraving Pty Ltd to supply memorial plaques.



• Installation of the banner poles at Longford's Village Green

WORKS & INFRASTRUCTURE

STRATEGIC PROJECTS

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.

PROGRESS REPORT	UNDERWAY	2017-2020	2020-2027	ONGOING	STATUS	COMMENTS
TRANSlink Precinct Renewal – Stormwater	✓	✓		2017-2020	ON TRACK	Process of land acquisition underway. Seeking grant assistance to fund planned works. Included in NMC Priority Projects 2019 document.
Campbell Town War Memorial Oval	✓			2017-2020	ON TRACK	Oval lighting upgrade works complete. Multi-function centre and ancillary works being finalised.
Longford NM Sport and Fitness Centre	✓	✓	✓	2017-2020	ON TRACK	Stage 1 to lock-up; Stage 2 fit-out to commence late 2019.
Evandale Honeysuckle Banks	✓			2017-2020	ON TRACK	Masterplan complete. Only minor works being undertaken. Included in NMC Priority Projects 2018 document.
Nile Road Upgrade		✓	✓		ON TRACK	Included in NMC Priority Projects 2019 document.
Stormwater Management Plans	✓	✓	Review	2017-2027	ON TRACK	Initial data collection survey complete. Model build for all Towns in progress. Funding application to be made to fund modelling work for Campbell Town.
Waste Management 2017-2020	✓	✓	Review	2017-2027	ON TRACK	Member of the Northern Waste Management Committee. WTS disposal and supervision contracts tendered for long term provision of services. Concrete material crushing implemented.
NRM Program Collaboration	✓	✓	Review		ON TRACK	Collaborating with NRM North on the WSUD Master Plan for Sheepwash Creek.
Longford Recreation Ground Master Plan	✓	✓		2017-2027	ON TRACK	Building and ancillary works being finalised.
Sheepwash Creek WSUD Open Space Corridor	✓	✓		2017-2027	ON TRACK	Stage 1 complete. Stage 2 land acquisitions in progress.

ROADS

Objective:

Maintain through cost effective operations, safe and effective road network to meet the needs of all users.

Performance:

Council has northern and southern based road works crews and responsibilities include asset management, road construction, resealing, re-sheeting, grading, edging and potholing, footpaths, roadside slashing, roadside spraying, safety railing, signage, kerb and channel, roadside drainage and emergency maintenance.



• Works Team

Northern Midlands has a total road network consisting of:

- 108 kilometres urban sealed roads
- 465 kilometres rural sealed roads
- 13 kilometres urban gravel roads
- 374 kilometres rural gravel roads

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

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

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

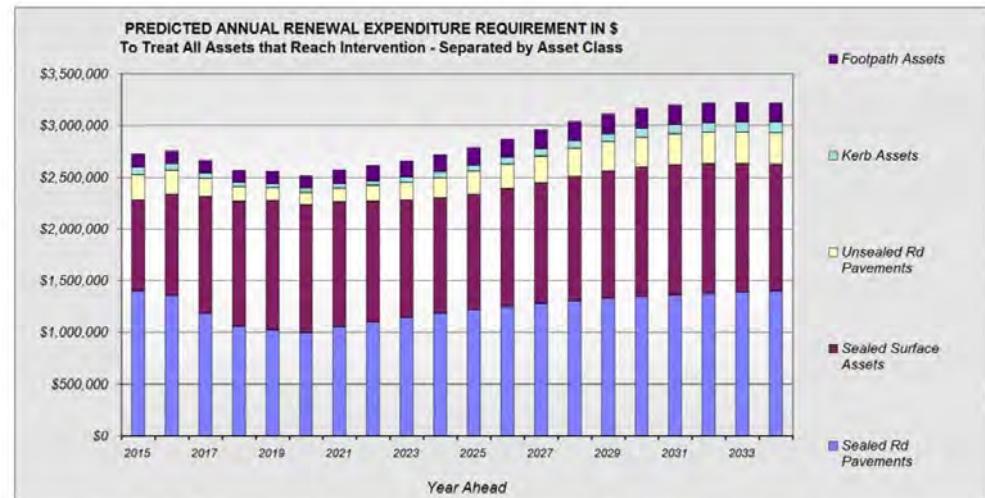


Fig 1.1 Predicted Renewal Demand to treat all assets that reach the Intervention level in future years

Following annual cost indexation, additions and disposals, and depreciation the breakdown of road infrastructure value as at 30 June 2019 is as follows:

Replacement cost	\$218,911,303
Accumulated Depreciation	\$77,336,198
Net amount at Fair Value	\$141,575,705

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

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



• Roadworks

Road Reconstruction

Reconstructed 1,512m² of urban, and 15,475m² rural sealed pavements at a total cost of \$0.795 million.

Resheeted gravel roads at a total cost of \$216,165.

Reseals

Sealed 16,987m² new or reconstructed pavements; and resealed 92,854 m² of the total sealed road network at a cost of \$0.669 million.

Footpaths

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

- 570m² concrete
- 108m² hotmix
- 1,532m² gravel
- Including sections of Main Street, Cressy; Malcombe Street, Cracroft Street and Burghley Street, Longford; Mary Street, Perth; and Church Street Ross.

Other Road Infrastructure

No subdivision road assets were transferred to Council during the year.

During 2018/2019 the reconstruction of a section of Barton Road, Campbell Town at a cost of \$396,509 was achieved through Roads to Recovery funding.

Reconstruction of urban streets including Cracroft Street verge between Wellington and Horne streets, Longford; High Street verge between Barclay and Russell streets, Evandale; and Mary Street, Perth; at a cost of \$133,888.

Completion of Woolmers Lane Bridge No. 1130, Tooms Lake Road Bridge No. 4619, Honeysuckle Road Bridge No. 4733, Royal George Road Bridge No. 2380, Brambletye Road Bridge No. 1820 and Bridge Street Campbell Town No. 5241 at a value of \$3,709,741.

Constructed 668m kerb and channel at a cost of \$63,465.

Installed two new heritage street light lamp posts in Evandale CBD, \$13,891.

Installed Cressy parklet, \$71,360.

Provided street furniture including seats, tables and benches, picnic settings, and waste bins across the municipal area, \$96,995.

Purchased road plant/vehicles at a net cost of \$655,696 including a JCB backhoe, a new water tanker, one new Isuzu tip truck, two John Deere tractors and fleet items (light utilities and sedans).

STORMWATER

Objective:

- Provide a stormwater network within town areas to drain the majority of properties, road reservations and public open spaces.
- Maintain a safe and effective stormwater system (including kerb & gutter and drains), whilst utilising Water Sensitive Urban Design principles to mitigate the impact of development on waterways and improving visual and recreational amenity of the urban landscape.



• Norfolk Street Perth, stormwater management

Performance:

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

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

Completed the diversion of stormwater from the Paton Street detention basin at Longford at a cost of \$428,476.

Undertook stormwater/drainage works, installed various stormwater pipes and associated manholes and gully pits at a cost of \$355,043, including:

- Wetlands & Basins (Evandale/Longford/Perth)
- Installed new stormwater drain – Cemetery Reserve in Evandale
- Replaced stormwater infrastructure – High Street, Evandale and Union Street, Longford
- Improvements – Macquarie and King streets, Cressy
- Replaced stormwater infrastructure – Union Street, Longford
- Extended stormwater infrastructure in Hartnoll Reserve, Evandale; Cracroft Street, Longford; Mary Street, Perth; and at the new Ross Village Green.

PLANT

Objective:

Procure, maintain and utilise plant & machinery in a safe, cost effective and efficient manner in the service and provision of community infrastructure assets.

Performance:

Council provide fleet cars for managerial activities and community services.

Heavy plant including graders, backhoes, tractors, trucks are held for maintenance and construction of Council infrastructure assets.

A 10-year plant replacement program is maintained and hire rates are costed to each project/activity to cover running and replacement expenses.

WASTE MANAGEMENT

Objective:

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:

Council provides a fortnightly door-to-door domestic waste and recycle collection service to the townships of Avoca, Cressy, Evandale, Longford, Nile, Campbell Town, Ross, Rossarden, Conara, Epping Forest, Perth and Royal George as well as some 320 rural properties within the northern area.

The Avoca, Evandale, Campbell Town and Longford waste transfer stations are supervised and green waste is accepted.

Provide a street sweeping/cleaning service and litter collection service of town streets and some recreational areas.

Provide an annual "special" garbage collection in township areas during December.

Participated in the Northern Tasmanian Development Regional Waste Management Committee and adopted the Waste Management Budget for 2018/2019.

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 new waste storage area at Lake Leake camping grounds, \$15,297.

Installed a solar compressing waste bin at the Longford Village Green playground \$7,440.



• Tooms Lake Road Bridge (Bridge No. 4619) (before & after)

BRIDGES

Objective:

Manage bridges to ensure safety and maximum life span.

Performance:

Northern Midlands is responsible for construction and maintenance of the following bridge and major culvert structures:

Type	length	Number
Box culvert	901m ²	36
Concrete	9,260m ²	111
Composite	48m ²	1
Concrete footbridge	142m ²	2
Concrete bridge structures	10,351m²	150
Pipe culverts	1,260m ²	87
Timber	331m ²	3
Timber (with concrete abutment)	316m ²	10
Timber bridge structures	647m²	13
Total	12,258m²	250

Completed construction of Woolmers Lane Bridge 1130.

Constructed: Tooms Lake Road Bridge 4619, Honeysuckle Road Bridge 4733, Royal George Road Bridge 2380, Brambletye Road Bridge 1820 and Bridge Street Campbell Town 5241 at a value of \$3,709,741.

COMMUNITY AMENITIES

Objective:

Provide, maintain and manage Council's public building and recreation infrastructure assets.

Performance:

Council maintains public buildings bus shelters and other street furniture throughout the municipal area; and project manages construction of, and alterations to, Council buildings.

Council supplies and maintains sport and recreation facilities throughout the Northern Midlands area.

Council actively supports local recreation ground management committees and encourages/promotes the use of existing recreation facilities.

Council also provides and maintains a variety of:

- parks and reserves to provide public open space and enjoyment for the community.
- the peaceful and manicured cemetery grounds at Longford, Perth and Evandale.
- public amenities and buildings are maintained across the municipal area.

Facilities maintained, include:

- 8 ovals for sporting activities
- 24 community halls/centres
- 2 caravan parks
- 3 swimming pools
- 7 waste transfer stations

Constructed new Campbell Town War Memorial Oval multi-function centre and tennis courts; installed new electronic scoreboard and interchange benches; and site works and upgrade of the Cenotaph, \$3.20 million.

Upgraded Longford Recreation Ground clubrooms, grandstand and amenities; installed new electronic scoreboard; upgraded cricket nets, \$2.44 million.

Lighting upgraded to suit regional club sports at the Campbell Town, Evandale, Longford and Perth recreation grounds, \$1.38 million.

Purchased land in Perth to facilitate stormwater management and provide public open space, \$1.2 million.

Commenced with extensions and improvements to the Northern Midlands Health, Fitness & Sports Centre complex in Longford, \$0.68 million.

Provided a disabled access to the council offices at Longford, \$177,830.

Extended the provision of powered sites at the Longford Caravan Park, \$104,000.

Installed electronic scoreboards at Evandale and Longford recreation grounds, \$91,550.

Constructed multi-use storage sheds at Evandale and Longford recreation grounds, \$88,065.

Installed street trees in Smith Street, Longford, \$40,625.

Installed solar panels at Bishopsbourne Community Centre and Morven Park clubrooms at Evandale, \$29,228.

Upgraded the chlorination system at Ross swimming pool, \$23,133.

Replaced town entrance signage at Conara, \$13,815; and completed replacement of town entrance signage at Avoca \$7,620.

Erected heritage style front fence at the Ross Village Green, \$17,566.

Installed 4 banner poles at the front of Victoria Square in Longford, \$13,038.

Installed four heat pumps in the Cressy hall, \$9,818.

Purchased a Phantom4 Pro Drone, \$2,529.

MAJOR PROJECTS & WORKS



• Longford Recreation Ground, upgraded clubrooms and amenities — works in progress

MAJOR PROJECTS

With the announcement of State Government Stimulus funding in 2017 Council sought to bring forward some major building improvement works largely in accordance with adopted facility Master Plans.

Major Projects commenced and/or completed during the financial year, include:

Campbell Town War Memorial Oval: New Multi-Function Facility

Council recognised that the War Memorial Oval precinct's clubhouse, amenities and grandstand had reached the end of their serviceable lifespan and the tennis club wished to relocate to the precinct. Also located at this precinct is the town's Cenotaph which required upgrading and landscaping to enable this vitally important community focal point to be showcased and respected.

Funding was vital in bringing the project to fruition:

- total project was costed at \$4M;
- Council secured \$750,000 in Federal Government funding;
- Tennis and multi-purpose courts: boosted by funding from Sport & Recreation Tas grant of \$80,000, Tas Community Fund grant of \$55,000, and the local Tennis Club contribution of \$60,000;
- Cenotaph: State Government grant of \$70,000 and Council's \$88,000 contribution.

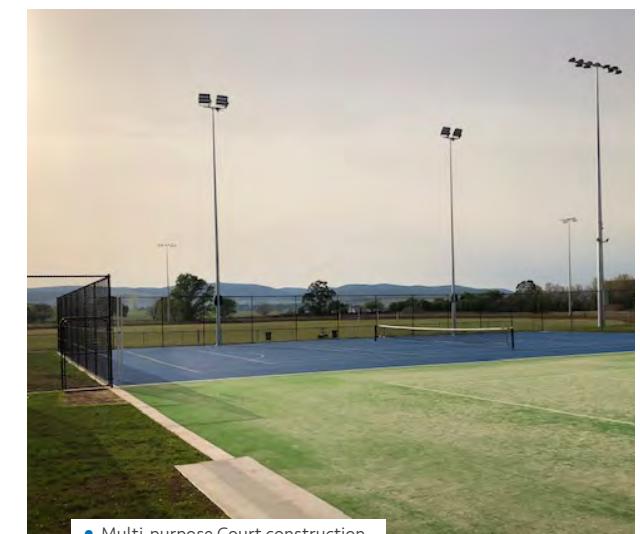
This project to redevelop the precinct has reduced the duplication of amenities as the existing outdoor swimming pool, tennis and multi-purpose courts now have direct access to new changerooms and amenities.

The vision of Council and the community has provided a new multi-function facility, encompassing a function room with the capacity to cater for 100 people, meeting rooms with IT capacity, commercial kitchen and inclusive changerooms.

Redevelopment of the Cenotaph and carpark construction works are now well underway and will complete this project in 2019/2020.

With Campbell Town's central location in the state, Council is already receiving keen interest in this modern facility as a conference venue and function space.

The official opening of the complex was held on 30 September 2019, with official guests: Senator Claire Chandler, Brian Mitchell MP (Federal Member for Lyons), the Hon. Tania Rattray (MLC Member for McIntyre), Guy Barnett MP (Member for Lyons), Jen Butler MP (Member for Lyons); Councillors and guests in attendance.



Longford Recreation Ground & Northern Midlands Sports Centre Precincts

Council's vision for a coordinated and expanded sport and recreation precinct comprising an upgraded sports centre, upgraded and expanded recreation ground stadium and functions building, an upgraded oval and a new training field brought about the development of:

- the Northern Midlands Health, Fitness and Sports Centre Master Plan; and
- development of a master plan, in collaboration with Longford community and sporting organisations, for the adjacent Longford Recreation Ground.

LONGFORD RECREATION GROUND UPGRADE

These works were undertaken by Council's internal building construction team.

A stimulus loan of \$1M was approved for improvements at the Longford Recreation Ground and designers were engaged to provide an upgrade concept and design to redevelop the Longford Recreation Ground building complex to incorporate a ground facing function room and two new changerooms to meet regional country football standards.

Longford's redeveloped multi-function facility has cost \$2.9M to date which, together with the stimulus loan, has mostly been Council funded with funds secured from the State Government Levelling of the Playing Field Grant Program of \$233,409 towards the cost of the changerooms and a Community Sport and Recreation grant from the State Government of \$80,000.

The redeveloped facility includes a function room, meeting rooms, upgraded grandstand, inclusive changerooms and amenities, and a magnificent all weather viewing area onto the oval.

NORTHERN MIDLANDS SPORTS CENTRE

The Northern Midlands Sports Centre, built in 1983/1984, is an integral component of Council's sport and recreation infrastructure. The need to modernise and expand the facility resulted in Council commissioning the development of a master plan to serve as a blueprint for the centre's staged redevelopment.

The Northern Midlands Community Sports Centre Master Plan was adopted by Council in 2015.

Stage One commenced in 2018/2019 with the building being extended to accommodate a new gym, aerobics room, toilets and changerooms, and a child care area. A mezzanine floor has been installed to allow for future expansion at another level. Stage One will be completed during 2019/2020.



• Council inspection of the Longford Recreation Ground Grandstand upgrade works



• Northern Midlands Sports Centre

Recreation Ground lighting

During 2018/2019 Council replaced the oval field lighting with 100 lux lighting at Evandale, Longford and Perth and 200 lux lighting at Campbell Town at a combined cost of \$1.38 million. Council received \$0.15 million funding support from AFL Tasmania toward the lighting at Campbell Town due to the central location of the ground within the state.



• Perth Recreation Ground lighting

Cressy Swimming Pool

The Cressy Swimming Pool was opened in 1965. A Special Committee of Council comprising local community members manages the complex, with a formal management agreement in place between Council and the Committee.

The Cressy Swimming Pool is the only public pool in the 'top end' of the Northern Midlands and thus it draws its patrons from Cressy, Longford, Perth and Evandale, and surrounding farming properties. The complex comprises the main pool, a toddler's pool, changerooms and toilets (renovated in 2010), kiosk, office and a grassed sitting/play area.

Council secured a State Government grant of \$100,000 towards the implementation of the swimming pool master plan.

The installation of a playground was completed in May 2019 which was externally funded by Tasmanian Community Fund and Stronger Communities Programme.

In March 2019, the Nationals in Government made a funding commitment of \$400,000 toward this project. Documentation to secure funds has been lodged.

Longford Village Green playground

Installed Stage Three of the Longford Village Green Playground redevelopment, an inclusive, all-abilities carousel and swing seat, with funding support from Tasmanian Community Fund (\$29,539), Variety Tasmania (\$6,000), local community donations (\$3,100) and Council (\$7,326).



• Longford Village Green playground

Perth Early Learning Centre

In parallel with the development of the Perth Structure Plan Council collaborated with the Department of Education and the Perth community to develop the Perth Community Centre and Early Learning Precinct Master Plan.

Perth's significant growth has put the current Perth Early Learning Centre at capacity and Council supported the business case for the building of a new centre and subsequently in December 2018 purchased a greenfield site off Fore Street in Perth.

During the 2019 Federal Election, the Coalition committed \$2.6M to build a new Early Learning Centre in Perth.

Documentation to secure funds has been lodged.

Perth – Open Space Tree Plantation Corridor

During the development approval process for the State Governments' Perth Links Road project, Council conditioned the approval to include a 20 metre wide tree plantation for the length of the 4.5km corridor to allow for a future shared path to connect to open space within the developed areas of Perth.

Council negotiated with the State Government to have the corridor in Council ownership and has been responsible for the fencing and planting, which has commenced. A future shared path corridor has been provided for in the planting design and is proposed to connect the open space throughout Perth, leading to the main street and South Esk River frontage reserves.

Ross Village Green

In mid-2016 Council purchased a vacant block (5,631m²) with 59m street frontage located at 33 Church Street; and engaged consultants to develop the Ross Village Green Master Plan. The consultants were required to consult with the community and consider the site in relation to its land use, historical and social context.

Council secured a State Government interest free loan of \$300,000 toward the implementation of the Village Green master plan. Work commenced on Stage 1 of the project during the 2018/2019 financial year (costed at \$305,000) and is yet to secure funding for Stage 2 works costed at approximately \$370,000.

Council Chambers, Longford

In 2018/2019 the upgrade of the Council Chambers at Longford commenced. The first stage of the upgrade included the entrance to the Council Chambers, to provide a new disabled access and the construction of a public car park at a cost of \$520,000.

The access, upgraded forecourt and streetscaping has improved the visual appearance and functionality of the building and the precinct in general.

A tree planting program to enhance the streetscape of the street fronting the Council Office, Smith Street, was also implemented during the financial year.

Council has included in its 2019/2020 budget further upgrades to the heritage building, which includes: the upgrade of the kitchen and staff facilities and amenities, as well as the construction of a Mayoral and Councillor meeting room.

Woolmers Bridge

The application for replacement of the Woolmers Lane Bridge was lodged in 2016 in Round Three of the Bridge Renewal Program, Council was successful in securing 50% of the \$3M total cost of replacement.

The tender for the new bridge was awarded to VEC. Construction began in January 2018 to build the new bridge adjacent to the old bridge which meant minimal disruption for users.

The new two-lane concrete bridge replaces a 187m² timber bridge which had reached the end of its useful life and required ever increasing upkeep and maintenance. Woolmers Lane Bridge was the third significant and final timber bridge within the Northern Midlands to be replaced, challenges in the bridges design and timing had to be overcome due to proximity of the bridge to the Brickendon and Woolmers World Heritage Listed sites.

The new Woolmers Bridge was officially opened on 26 September 2019, with official guests: Senator Claire Chandler and Senator Wendy Askew, in attendance together with Councillors and guests.



• Woolmers Bridge

CAPITAL WORKS PROGRAMME 2018-2019

ROAD INFRASTRUCTURE

All areas

Replacement of existing cracked asphalt footpath with concrete	ONGOING
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Campbell Town

Barton Road – Road Reconstruction	ACHIEVED
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High Street – Reconstruction, Verge, Kerb & Gutter	ACHIEVED
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Cressy

Main Street – Concrete Footpath Construction	ACHIEVED
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Evandale

High Street – Reconstruction of Verges, Kerb & Gutter	ACHIEVED
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Longford

Smith Street – Concrete Footpath Construction	ACHIEVED
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High Street – Reconstruction of Verge	DEFERRED TO 2019/2020
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Hobhouse Street – Road Reconstruction	DEFERRED TO 2019/2020
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Wellington Street – Urban Street Design Improvements	ONGOING
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Tannery Road – Entrance/Roundabout Improvements	DEFERRED TO 2019/2020
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Bishopsbourne Road – Road Reconstruction	ACHIEVED
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Perth

Old Punt Road – Concrete Footpath Construction	DEFERRED TO 2019/2020
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Mary Street West – Reconstruction of Verges, Kerb & Gutter	ACHIEVED
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BRIDGES

Completion of Woolmers Lane Macquarie River (Timber to Concrete abutment)	1130	ACHIEVED
Tooms Lake Road Ross Macquarie River (Concrete abutments)	4619	ACHIEVED
Honeysuckle Road Ross Cat Gully Creek, (Concrete abutments)	4733	ACHIEVED
Storys Creek Road Storys Creek, (Concrete abutments)	1469	DEFERRED
Royal George Road Lewis Hill Creek (Concrete abutments)	2380	ACHIEVED
Storys Creek Road Tasmania Creek (Timber abutments)	4000	DEFERRED
Brambletye Road Evandale Horse Paddock Creek	1820	ACHIEVED
Bridge Street Campbell Town, Un-named Creek (Stone abutments)	5241	ACHIEVED

URBAN STORMWATER/DRAINAGE

Undertake specific stormwater/drainage projects as detailed in the works program including:

Wetlands & Basins (Evandale/Longford/Perth)	ONGOING
Construct diversion stormwater line from Paton Street Basin	ACHIEVED
New stormwater line from Cemetery Reserve in Evandale	ACHIEVED
Replace stormwater in High Street Evandale – Barclay Street to Russell Street	ACHIEVED
Replace stormwater in Union Street Longford	ACHIEVED
Improvements to stormwater in Macquarie and King streets, Cressy	ACHIEVED

RECREATION, BUILDING & COMMUNITY

Improvements at Depot – Longford	ACHIEVED
Office Premises – alterations	DEFERRED TO 2019/2020
Office Premises – roof replacement	DEFERRED TO 2019/2020
Entrances – statements/beautification: Conara and Avoca	ACHIEVED
Avoca	
Play equipment	DEFERRED TO 2019/2020
Campbell Town	
Recreation Ground Clubroom/amenities upgrade	ONGOING
Recreation Ground Tennis Courts	ONGOING
Recreation Ground Cenotaph upgrade	ONGOING
Recreation Ground electronic scoreboard	ONGOING
Recreation Ground interchange benches	DEFERRED TO 2019/2020
Recreation Ground Site Works (<i>footpaths, power, irrigation etc</i>)	ONGOING
Cressy	
Recreation Ground Clubroom/amenities upgrade	DEFERRED TO 2019/2020
Recreation Ground Dump Point, main extension	DEFERRED
Pool Solar Blanket replacement	DEFERRED
Pool improvements to be determined	DEFERRED TO 2019/2020
Evandale	
Recreation Ground Amenities upgrade	DEFERRED TO 2019/2020
Recreation Ground <i>Top Dressing Ground</i>	ACHIEVED
Recreation Ground Electronic Scoreboard	ACHIEVED
Cricket Pitch improvements	ACHIEVED
Recreation Ground Building improvements—storage shed	ACHIEVED
Russell Street Lamp Pole	ACHIEVED

Liffey

Hall Roof replacement	DEFERRED TO 2019/2020
Longford	
Recreation Ground Clubrooms, grandstand, amenities upgrade	ONGOING
Gym extension, Longford Sports Centre	ONGOING
Wellington Street Cable Bundling	DEFERRED
Recreation Ground <i>Top Dressing Ground</i>	ACHIEVED
Recreation Ground <i>Grandstand Handrails & Gutter Replacement</i>	ACHIEVED
Recreation Ground <i>Dual Lane Access/Carpark</i>	ONGOING
Recreation Ground Storage Shed	ACHIEVED
Recreation Ground Cricket Net Upgrade	ACHIEVED
Recreation Ground Electronic Scoreboard	ACHIEVED
Public Open Space Stokes Park Area	ACHIEVED
Victoria Square <i>Christmas Tree Lighting</i>	ACHIEVED
Burghley Street Sports Centre Carpark	DEFERRED TO 2019/2020
Ross	
Village Green	ONGOING
Pool Chlorinating System Upgrade	ACHIEVED
Perth	
Childcare Entrance Shelter	DEFERRED
Recreation Ground <i>Top Dressing Ground</i>	DEFERRED



REPORTING ON LEGISLATIVE REQUIREMENTS

PUBLIC TENDERS

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

DESCRIPTION OF CONTRACT	PERIOD OF CONTRACT	VALUE OF TENDER AWARDED (EXCL. GST)	BUSINESS NAME (SUCCESSFUL CONTRACTOR)	BUSINESS ADDRESS (SUCCESSFUL CONTRACTOR)	MINUTE REFERENCE	CONTRACT NO.
Kerbside Waste Collection	1 July 2010 to 30 June 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 April 2020	4,796 collections @ \$1.21	Veolia Environmental Services	PO Box 431, Rosny 7018	133/10	10/02
Kerbside Recycling Processing	1 July 2010 to 1 May 2019	Tonnes collected @ \$48.20 per Tonne	Veolia Environmental Services	PO Box 431, Rosny 7018	134/10	10/03A
Council Waste Clearance & Bin Hire	1 July 2018 to 30 June 2021	Est \$147,435 clearance \$29,858 bin hire but based on no. of clearances	Just Waste	PO Box 499, Prospect 7250	101/18	18/03
Management of Waste Transfer Stations	1 July 2016 to 30 June 2020	\$214,646	Just Waste	PO Box 499, Prospect 7250	142/16	16/01
Land Use Planning & Development Strategy	1 November 2017 to 31 December 2019	\$125,765	Johnston McGee & Gandy	117 Harrington Street, Hobart 7000	302/17	
Campbell Town Recreation Ground Clubhouse		\$3,114,910	Vos Constructions	3 Hudson Fysh Drive, Western Junction 7212	48/18	-
Campbell Town War Memorial Oval Tennis Court complex		\$355,262	Basset Building Pty Ltd	231 Relbia Road, Relbia 7258	342/18	
High Street Longford Stormwater extension		\$296,010	J & W Sherriff Pty Ltd	PO Box 230, Mowbray 7250	377/18	-
Purchase of land at 10 Norfolk Street, Perth		\$640,909	Cassandra Securities Pty Ltd		378/18	-
Purchase of land at 46a Clarence Street		\$240,000	Philip Lance & Cornelia Maartie Dell	48 Clarence Street, Perth 7300	387/18	-
Fleet 61 - 4 wheel drive tractor		\$124,202	Midlands Tractors Pty Ltd	Wellington Street, Longford 7301	270/18	18 08
Bridge 2380 Royal George Road, Royal George		\$214,918	Hudson Civil Products	PO Box 316, Prospect 7250	271/18	18 05
Bridge 1820 Brambletye Road, Evandale		\$135,698	TasSpan	PO Box 225, Latrobe 7207	271/18	18 06
Bridge 4619 Tooms Lake Road, Ross		\$291,456	Bridge Pro	PO Box 3253, Ulverstone 7315	271/18	18 07

BIENNIAL CONTRACTS FOR INFORMATION ONLY

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

NON APPLICATION OF PUBLIC TENDER POLICY

DESCRIPTION OF CONTRACT	PERIOD OF CONTRACT	VALUE OF TENDER AWARDED (EXCL. GST)	BUSINESS NAME (SUCCESSFUL CONTRACTOR)	BUSINESS ADDRESS (SUCCESSFUL CONTRACTOR)	MINUTE REFERENCE	CONTRACT NO.
No item during 2018/2019						

ATTENDANCE AT COUNCIL AND COMMITTEE MEETINGS BY COUNCILLORS

(LOCAL GOVERNMENT ACT 1993)

Please refer to table on page 15 for details of attendance.

ELECTED MEMBER ALLOWANCES AND EXPENSES

(LOCAL GOVERNMENT ACT 1993)

During 2018/2019 Council provided allowances and reimbursements of all reasonable expenses to the Mayor, Deputy Mayor and Councillors. The total amount of these payments was \$206,109 (compared to \$200,100 the previous year). Please refer to page 15 for further breakdown of allowance and expense payments.

REMUNERATION STATEMENT

(LOCAL GOVERNMENT ACT 1993)

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

GRANTS & BENEFITS

(LOCAL GOVERNMENT ACT 1993)

During 2017/2018 Council donations under section 77 as listed on pages 27 and 43, and rate remissions under its Rate Remission Policy totalling \$51,598 (2017/2018 \$49,881); plus \$Nil (2017/2018 \$Nil) under Policy – Rate Incentive for New Development.

DONATION OF LAND

(LOCAL GOVERNMENT ACT 1993)

During 2017/2018 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 situated at 13 Smith Street, Longford.

During the 2018/2019 financial year, the following disclosures were made to the Northern Midlands Council with regard to the *Public Interest Disclosures Act 2012*.

LEGISLATIVE REQUIREMENT	NUMBER	TYPE OF DISCLOSURE
Number and types of disclosures made to Northern Midlands Council during the year that the Northern Midlands Council determines to be public interest disclosures.	Nil	N/A
Number of disclosures determined by the Northern Midlands Council to be public interest disclosures that it investigated during the year.	Nil	N/A
Number and types of disclosed matters referred to the Northern Midlands Council by the Ombudsman during the year.	Nil	N/A
Number and types of disclosed matters referred during the year by the Northern Midlands Council to the Ombudsman.	Nil	N/A
Number and types of investigations of disclosed matters taken over by the Ombudsman from the Northern Midlands Council during the year.	Nil	N/A
Number and types of disclosed matters the Northern Midlands Council has decided not to investigate during the year.	Nil	N/A
Number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	Nil	N/A
During the 2017/2018 financial year the Ombudsman recommended Council review its procedures, in accordance with the model procedures provided by the Ombudsman, this process was commenced prior to the conclusion of that 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 \$72,359 on health projects in 2018/2019 (2017/2018 \$84,816). Please refer to page 45 for further details of Council's Community Health Report.

RIGHT TO INFORMATION (RIGHT TO INFORMATION ACT 2009)

The *Right to Information Act* provides the opportunity for public access to Council documents.

The Act establishes a legally enforceable right for the community to access information in document form held by Council. Council received one application under the Right to Information for the period 1 July 2018 to 30 June 2019. 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.



• Longford Village Green

CODE OF CONDUCT COMPLAINTS

(LOCAL GOVERNMENT ACT 1993)

The requirements in relation to Code of Conduct, Complaints and Complaint Resolution are stipulated in Division 3A of the *Local Government Act*. One (1) Code of Conduct complaint was upheld with appropriate action being taken during 2018/2019 (Nil 2017/2018).

CUSTOMER REQUESTS/ COMPLAINTS RECEIVED

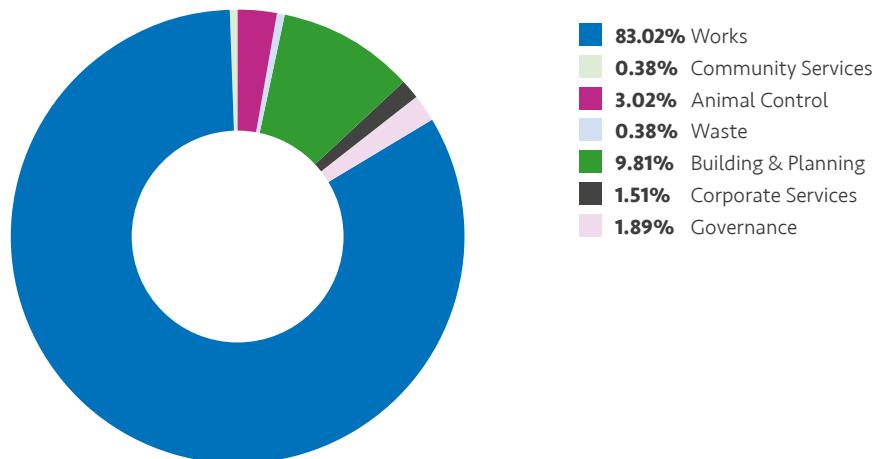
(LOCAL GOVERNMENT ACT 1993)

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.

A total of 265 customer requests were recorded by Council in the period, the following graph depicts the nature of the requests.

Integrity Commission advised that no complaints were received in the 2018/2019 year in relation to the Northern Midlands Council.

Customer Requests 2018/19





UNDERSTANDING THE FINANCIAL REPORT

WHAT ARE THE FINANCIAL STATEMENTS?

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

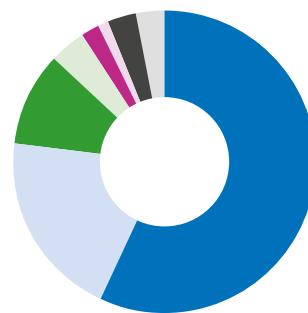
The four major disclosures, which are

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

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

Where the dollars come from
(operating income)

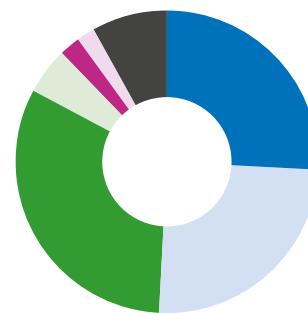
\$18,995,719



57%	Rate Revenue
20%	Grants
10%	User Charges
4%	Interest
2%	Reimbursement Interest Expense Stimulus Loans
1%	Other Reimbursements
3%	Investment Revenue from Water Corporation
3%	Other

Where the dollars go
(operating expenditure)

\$18,014,473



26%	Employee Benefits
25%	Materials and Services
32%	Depreciation and Amortisation
5%	Government Levies and Charges
2%	Net Loss/(Gain) on Disposal of Property, Infrastructure, Plant and Equipment
2%	Interest Expense Stimulus Loans
8%	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.

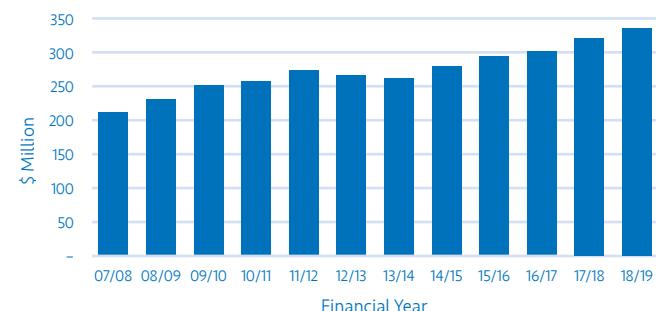
The bottom line of the Statement of Financial Position is Net Assets (Liabilities). This reflects the net worth of Council. The Assets and Liabilities are separated into Current and Non-Current categories, Current Assets and Liabilities are those which will fall due within the next reporting period (the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

Current & Non-Current Assets

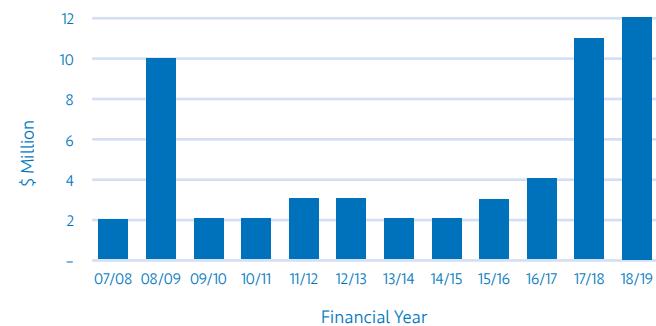
Current & Non-Current Assets include:

- 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.
- Investments and Loans (receivable).

Council Assets



Council Liabilities



Current & Non-Current Liabilities

Current & Non-Current Liabilities include:

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

Net Assets

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

Total Property, Plant and Infrastructure Asset Value



2018/2019 Assets Purchased, Constructed and/or Received

\$10,558,086



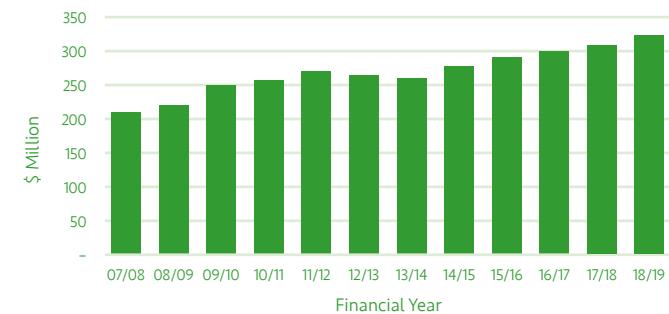
17.9% Roads
0.2% Land Under Roads
16.1% Land, Buildings and Heritage
6.3% Fleet
15.3% Plant and Equipment
7.4% Stormwater
35.1% Bridges
1.7% Furniture and Office Equipment

Ratepayer Equity

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

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

Council Equity



Statement of Changes in Equity

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

The main reasons for a change in equity stem from:

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

Statement of Cash Flows

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

Cash Flows from Operating Activities

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

Cash Flows from Investing Activities

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

Cash Flows from Financing Activities

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

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

Notes to the Accounts

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

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

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

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

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

Certification

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

Auditor General's Report

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



• Ross Town Hall

FINANCIAL REPORT

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• Banner Poles at Longford's Village Green

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

	NOTE	2019 \$	2018 \$	2019 (BUDGETED) \$
Income				
Recurrent Income				
Rate Revenue		10,883,045	10,395,067	10,756,672
Grants	3	3,869,114	3,680,241	3,797,515
User Charges		1,968,554	1,604,653	1,890,604
Interest		786,592	689,799	858,491
Reimbursement Interest Expense Stimulus Loans		272,007	214,902	272,007
Other Rebursements		211,835	145,755	118,516
Investment Revenue from Water Corporation	4	468,000	702,000	468,000
Other		536,572	348,782	61,587
		18,995,719	17,781,199	18,223,392
Capital Income				
Capital grants received specifically for new or upgraded assets	3	2,842,332	2,388,852	3,125,255
Contribution of non-monetary assets	14	51,480	984,788	523,827
		2,893,812	3,373,640	3,649,082
Total Income		21,889,531	21,154,839	21,872,474
Expenses				
Employee Benefits	6	4,753,395	4,823,745	5,339,860
Materials & Services	7	4,521,208	4,372,483	5,041,269
Depreciation & Amortisation	8	5,701,007	5,550,154	5,400,473
Government Levies & Charges		967,571	760,024	871,921
Net loss/(gain) on disposal of Property, Infrastructure, Plant & Equipment	5	373,207	860,569	520,505
Interest Expense Stimulus Loans		272,007	214,902	272,007
Other	9	1,426,078	1,132,284	610,504
		18,014,473	17,714,161	18,056,539
Surplus/(Deficit)		3,875,058	3,440,678	3,815,935
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment / (decrement)		7,418,079	5,607,454	
Fair value adjustment on equity investment				
- Investment in Water Corporation	15	5,833,976	-	
Items that may be reclassified to surplus or deficit				
Fair value adjustment on available for sale assets				
- Investment in Water Corporation		-	518,419	
		13,252,055	6,125,873	
Comprehensive Result		17,127,113	9,566,551	

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 2019

	NOTE	2019 \$	2018 \$
Assets			
Current Assets			
Cash and Cash Equivalents	10	3,327,064	5,313,517
Short Term Investments	10	6,914,434	8,869,496
Trade and Other Receivables	11	1,146,712	721,855
Inventory	12	21,363	27,375
		11,409,573	14,932,243
Non-Current Assets			
Capital Work in Progress	13	6,920,764	3,179,256
Property, Plant & Infrastructure	14	263,007,731	251,302,491
Investment in Water Corporation	15	46,295,474	40,461,498
Investment Term Deposits		6,550,000	6,550,000
Loan Receivable	18	1,900,000	1,900,000
		324,673,969	303,393,245
Total Assets		336,083,542	318,325,488
Liabilities			
Current Liabilities			
Trade & Other Payables	16	2,042,736	1,465,685
Provisions	17	1,148,625	1,059,075
		3,191,361	2,524,760
Non-Current Liabilities			
Provisions	17	74,242	109,903
Loan Payable	18	8,470,000	8,470,000
		8,544,242	8,579,903
Total Non-Current Liabilities		8,544,242	8,579,903
Total Liabilities		11,735,603	11,104,663
Net Assets		324,347,939	307,220,825
Equity			
Accumulated Surplus		164,496,278	160,621,218
Reserves		159,851,661	146,599,607
		324,347,939	307,220,825
Total Ratepayer Equity			

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 2019

	TOTAL		ACCUMULATED SURPLUS		ASSET REVALUATION RESERVES		FAIR VALUE RESERVES	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Beginning of the Year	307,220,825	297,654,274	160,621,218	157,180,540	149,535,754	143,928,300	(2,936,147)	(3,454,566)
Comprehensive Result	17,127,113	9,566,551	3,875,058	3,440,678	7,418,079	5,607,454	5,833,976	518,419
Ratepayer Equity at the end of the year	324,347,938	307,220,825	164,496,276	160,621,218	156,953,833	149,535,754	2,897,829	(2,936,147)

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 2019

CASH FLOWS FROM OPERATING ACTIVITIES	NOTE	2019 \$	2018 \$
Outflows			
Employee Costs		(4,686,240)	(4,644,813)
Materials & Services		(5,617,949)	(5,063,414)
Levies Paid		(967,571)	(760,024)
Other		(1,029,341)	(663,755)
Inflows			
Receipts from Ratepayers		10,510,563	9,842,587
Government Grants		4,013,871	3,356,774
User Charges		1,678,948	2,575,538
Interest Received		783,880	641,844
Investment Revenues from Water Corporation		468,000	702,000
Other		748,408	494,536
Receipts from Australian Taxation Office		1,364,988	992,427
Net Cash Provided by Operating Activities	23	7,267,557	7,473,700
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows			
Payment for Property, Plant & Equipment		(14,248,114)	(8,549,090)
Payments for Purchase of Financial Investments		-	(6,550,000)
Transfer to Investments		-	(3,188,869)
Inflows			
Capital Grants		2,842,332	2,388,852
Proceeds from Sale of Fixed Assets		196,709	244,291
Transfer from Investments		1,955,062	-
Net Cash Provided By (used in) Investing Activities		(9,254,011)	(15,654,816)
CASH FLOWS FROM FINANCING ACTIVITIES			
Outflows			
Interest Paid Stimulus Loans		(272,007)	(148,776)
Inflows			
Reimbursement of Interest Expense Stimulus Loans		272,007	148,776
Proceeds from Interest Bearing Loans & Borrowings	24	-	6,570,000
Net Cash Provided By (used in) Financing Activities		-	6,570,000
Net Increase/(Decrease) in Cash and Cash Equivalents for the Period		(1,986,454)	(1,611,116)
Cash and Cash Equivalents at the Commencement of the Period		5,313,517	6,924,633
Net Cash and Cash Equivalents at the End of the Reporting Period	10	3,327,063	5,313,517

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 2019

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.

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

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

All amounts are presented in Australian dollars and unless stated rounded to the nearest dollar.

This report has been prepared under the historical cost convention, except where specifically stated in Notes 14, 15 and 17.

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

All entities controlled by Council such as Special Committees of Management have been included in this financial report. All transactions between these entities and Council have been eliminated in full.

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

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

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

Fair Value of Property Plant & Infrastructure

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

Employee entitlements

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

Investment in water corporation

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

(b) ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

(i) AASB 9 Financial Instruments

This standard replaces the existing standard, AASB 139: Financial Instruments: Recognition and Measurement and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by Council's business model for holding the particular asset and its contractual cash flows.

Council has applied this standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but does require the presentation of both qualitative and quantitative disclosures for affected items, along with a corresponding adjustment to the opening balance of Accumulated Surpluses for transitional effects of re-measurement.

NOTE 1

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

The affect of adopting AASB 9 has resulted in no adjustments to equity but the financial assets have been reclassified into one of the following categories. The classifications are primarily based on Council's business model in which a financial asset is managed and its contractual cash flow characteristics. The main effects resulting from reclassification are as follows:

- Trade and Other Receivables - classified as 'Loans and Receivables' as at 30 June 2018, these are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- Investment in Water Corporation - classified as an 'Available-For-Sale' financial asset as at 30 June 2018. As Council does not hold this equity investment for trading purposes, it has made an irrevocable election for this equity instrument to present any subsequent changes in fair value in Other Comprehensive Income. Under this approach only dividends are recognised in profit or loss. Council's Investment in Water Corporation is classified and measured as an 'Equity Instrument at fair value through Other Comprehensive Income' beginning 1 July 2018.
- Council did not designate any financial assets as at fair value through profit or loss.
- Short term deposits within Cash and Cash Equivalents - classified as 'Held to Maturity Investments' and measured as Financial Assets at 'Amortised Cost' beginning 1 July 2018
- Council has not designated any Financial Liabilities at fair value through profit or loss. There are no changes in the classification and measurement for Council's financial liabilities.

In summary, upon the adoption of AASB9, Council had the following reclassifications as at 1 July 2018:

AASB 139 CATEGORY AND CARRYING AMOUNT	CARRYING AMOUNT (\$)	AMORTISED COST (\$)	EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (\$)
Loans and Receivables			
- Trade and other receivable - Note 11	2,621,855	2,621,855	-
Held to maturity			
- Short term fixed deposits - Note 10	3,500,000	3,500,000	-
Available-for-sale			
- Investment in water corporation - Note 15	40,461,498	-	40,461,498

The adoption of AASB 9 has fundamentally changed Council's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach, with a forward-looking expected credit loss (ECL) approach. AASB 9 requires Council to recognise an allowance for ECL's for all financial assets not held at fair value through profit or loss.

On adoption of AASB 9, Council has recognised no additional impairments on Trade and Other Receivables.

(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) REVENUErecognition

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.

NOTE 1 (continued)

(e) EXPENSE RECOGNITION

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

(i) Employee benefits

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

(ii) Depreciation of Property, Plant and Infrastructure

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

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

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

Land is not depreciated.

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

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

ASSET	LIFE (YEARS)
Land	Unlimited
Land Under Roads	Unlimited
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 & Computers	2 to 20 years
Fleet	2 to 20 years
Heritage Assets	
- Depreciable Component	20 to 100 years
- Non Depreciable Component	Unlimited
Plant	10 to 50 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 AND MEASUREMENT OF ASSETS

(i) The Council controls and owns assets that are required to provide the services for which it has responsibility. These assets include: land, buildings, fleet, plant and infrastructure; i.e. roads, bridges and stormwater.

(ii) Acquisition and Recognition

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

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

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

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

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

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

Council applies a capitalisation threshold and assets purchased or constructed with a 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).

NOTE 1

(f) RECOGNITION AND MEASUREMENT OF ASSETS (continued)

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.

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

(iii) Valuation of Non-Current Assets

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

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

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

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

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

(iv) Impairment of Assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the 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 and drainage and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

(v) Maintenance vs Capitalisation

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

(g) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, other short-term, highly liquid investments with maturities of 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.

Council in previous years has reported Investments with a Maturity of up to Twelve Months as Cash and Cash Equivalents, it has in the current year revised this policy to only include investments with a maximum term of three months from balance date, with those between Three and Twelve Months recategorised as Short Term Investments. Comparative figures have been amended to accord with this revised presentation.

NOTE 1 (continued)

(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 and Sewerage Corporation's net asset value at balance date. Council's ownership interest in TasWater, which is based on Schedule 2 of the Corporation's Constitution, decreased from 2.52% at 30 June 2018 to 2.49% at 30 June 2019. The decrease was due to the issue of 1,000,000 shares to the Tasmanian Government in January 2019. Further decreases will occur each financial year up to 30 June 2028, subject to the Tasmanian Government meeting its obligations to subscribe to shares in accordance with the Share Subscription and Implementation Agreement.

Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets. As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments, to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

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

(j) INVESTMENT TERM DEPOSITS

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

(k) TRUST FUNDS

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

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

(l) EMPLOYEE BENEFITS

(i) Short term obligations

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

(ii) Other long term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

(iii) 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 2018/19 financial year was 4.8 days (2017/18 6.6 days).

(iv) Rostered Days Off

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

(m) ACCRUALS / PREPAYMENTS

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

(n) NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

It is Council's view that the carrying value of its financial assets and liabilities approximates fair value.

(o) SIGNIFICANT BUSINESS ACTIVITIES

The Local Government Act requires the reporting of operating capital and competitive neutrality in respect of each significant business activity undertaken by Council. Council has determined, based upon an assessment of the activities it undertakes that it has no significant business activities for the 2019 year.

NOTE 1 (continued)

(p) LEASES

Operating Leases as Lessee

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

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

Operating Leases as Lessor

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

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

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

(q) TAXATION

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

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

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

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

(r) BUDGET FIGURES

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

(s) CONTINGENT ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable.

(t) ROUNDING

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

(u) PENDING ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

(i) AASB 16 Leases (effective 1 January 2019)

The classification of leases as either finance leases or operating leases is eliminated for lessees under AASB 16. Leases with a term of more than 12 months will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability.

The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

The overall impact to reporting is considered to be immaterial with Council having no material existing assets held under lease agreements with the exception of a number of peppercorn lease arrangements over Crown Land, but all are considered to have underlying assets of low value and hence are not considered applicable for reporting. Lessor accounting will remain largely unchanged with no significant changes expected. Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to accumulated surpluses for the difference in accounting treatment on initial adoption.

(ii) AASB 15 Revenue from Contracts with Customers

(The standard has been deferred by AASB 2016-7 Deferral of AASB 15 for Not-for-Profit Entities, until the 2019/20 reporting period)

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

NOTE 1

(u) PENDING ACCOUNTING STANDARDS (continued)

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

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).
- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- 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 will continue being recognised as revenue upfront assuming no change to the current grant arrangements.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in Note 3. Council's assessment is that the majority of the amounts received unexpended for the year, excluding the Commonwealth Financial Assistance Grants will be deferred as a liability under AASB 15 and progressively recorded as income as performance obligations are fulfilled. Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated Surpluses for the difference in accounting treatment on initial adoption.

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

(This standard has been deferred until the 2019/20 reporting period)

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions. The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Where the asset acquired is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. These leased right-of-use assets have not previously been recognised. Council currently has a number of these Peppercorn leases, however preliminary assessment has revealed the fair value of these leases is unlikely to be material in nature and therefore will not impact on Council's Financial Statements.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period.

The impact to Council will be that revenue recognised when received from Rates and Charges in advance as disclosed in Note 2.1, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

AASB 1058 requires the recognition of Volunteer Services where they would have been purchased if not donated and the fair value of those services can be reliably measured. Council has not yet assessed these requirements and their future impact.

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

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

NOTE 2

(a) FUNCTIONS / ACTIVITIES OF THE COUNCIL

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

	2019 GOVERNANCE	2018 GOVERNANCE	2019 REGULATORY & COMMUNITY SERVICES	2018 REGULATORY & COMMUNITY SERVICES	2019 DEVELOPMENT SERVICES	2018 DEVELOPMENT SERVICES	2019 WORKS & INFRASTRUCTURE	2018 WORKS & INFRASTRUCTURE	2019 TOTAL	2018 TOTAL
Recurrent Income										
Grants	158,876	144,042	73,248	82,194	74,746	67,883	3,562,244	3,386,121	3,869,114	3,680,240
Other	2,454,418	2,410,363	866,002	899,853	989,142	924,029	10,817,043	9,866,714	15,126,605	14,100,959
Total	2,613,294	2,554,405	939,250	982,047	1,063,888	991,912	14,379,287	13,252,835	18,995,719	17,781,199
Capital Income										
Grants	16,051	-	-	23,000	-	-	2,826,281	2,365,852	2,842,332	2,388,852
Other	-	-	-	-	-	-	51,480	984,788	51,480	984,788
Total	16,051	-	-	23,000	-	-	2,877,761	3,350,640	2,893,812	3,373,640
Total Income	2,629,345	2,554,405	939,250	1,005,047	1,063,888	991,912	17,257,048	16,603,475	21,889,531	21,154,839
Expenses	2,096,169	1,982,025	966,417	1,130,992	986,183	934,069	13,965,703	13,667,075	18,014,472	17,714,161
Surplus/(Deficit)	533,176	572,380	(27,167)	(125,945)	77,705	57,843	3,291,345	2,936,400	3,875,059	3,440,678
Assets	107,628,726	101,130,532	1,172,849	1,054,396	261,427	290,694	227,020,540	215,849,866	336,083,542	318,325,488

(b) COMPONENT FUNCTIONS / ACTIVITIES

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

Governance

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

Regulatory & Community Services

The provision of the following services to Council:

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

Development Services

The provision of the following services to Council:

- Planning
- Building & Plumbing

Works & Infrastructure

Maintenance and construction of Council's infrastructure and facilities.

NOTE 3

GRANT REVENUE

Grants were received in respect of the following:

	2019 \$	2018 \$
Federally funded capital grants received specifically for new or upgraded assets		
Roads to Recovery	396,509	1,385,852
Bridge Replacement: Macquarie River – Woolmers Bridge No. 1130	811,500	600,000
Rural & Remote Child Care Capital Shade Sail/Shed/Bathroom	16,051	–
Solar Panel Installation Recreation Grounds	–	10,000
Campbell Town Recreation Ground Complex	450,000	–
Cressy Pool Infrastructure Upgrades	16,973	–
	1,691,033	1,995,852
Federally funded recurrent grants		
Employee Training	4,000	–
Midlands Kids Club	3,925	15,700
Perth Child Care Service	115,104	43,100
Rural & Remote Child Care	87,712	176,544
Rural and Remote Child Care – BFF Transition Funding	–	10,000
Rural & Remote Child Care Workforce Supplementation	–	8,209
Commonwealth Government financial assistance grants		
– General Purpose	1,158,635	1,033,814
– Roads	2,413,561	3,572,196
	3,782,937	3,603,044

	2019 \$	2018 \$
State funded capital grants received specifically for new or upgraded assets		
Avoca Tourist Info Centre Museum – Solar Panels	–	23,000
Avoca Hall Kitchen	–	10,000
Black Spot Road Funding Clarence/Arthur St Perth	56,950	–
Campbell Town Tennis Courts	55,000	80,000
Campbell Town Cenotaph Redevelopment	–	70,000
Cressy Pool Infrastructure Upgrade	16,973	100,000
Evandale Football Club Electronic Scoreboard	–	30,000
Longford Village Green Carousel & Swing Set	29,539	–
Longford Recreation Ground Amenities Upgrade	233,409	80,000
Morven Park Amenities Improvements	587,300	–
Morven Park Gym Equipment Evandale	6,550	–
Paton Street Stormwater Diversion Project (NDRGP)	110,000	–
Gate Automation Back Creek Flood Levee (NDRGP)	40,000	–
Vulnerable Road Users Perth Frederich/Fairtlough St	15,578	–
	1,151,299	393,000
State funded recurrent grants		
Back Creek Levee Augmentation Feasibility Study (NDRG)	–	3,000
Catholic Cemetery Evandale Peace Garden & Stormwater	11,980	–
Heavy Vehicle Motor Tax Grants	74,197	74,197
	86,177	77,197
Total Capital Grants	2,842,332	2,388,852
Total Recurrent Grants	3,869,114	3,680,241
Total Government Grants	6,711,446	6,069,093

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2018/19 the Commonwealth made early payment of two quarterly instalments for the following year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments had been anticipated by Council in its original budget and therefore has not resulted in Commonwealth Government Financial Assistance Grants being greater than budgeted. This payment has not impacted the Surplus/Deficit in the Statement of Comprehensive Income as an advance payment of two quarterly payments was also received at the end of the 2017/18 financial year.

Government funds received in relation to pensioner rates of \$452,339 (\$448,165 2017/18) have been treated in the Statement of Comprehensive Income as rate revenue.

NOTE 3

GRANT REVENUE (continued)

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:

	2019 \$	2018 \$
Commonwealth Financial Assistance Grant		
- General Purpose	585,338	550,495
- Roads	<u>1,229,056</u>	<u>1,814,394</u>
Avoca Tourist Info Centre Museum – Solar Panels	21,450	23,000
Black Spot Road Funding Clarence/Arthur St Perth	41,297	–
Campbell Town Tennis Courts	–	80,000
Campbell Town Cenotaph Redevelopment	69,010	70,000
Cressy Pool Infrastructure Upgrade	97,920	100,000
Evandale Football Club Electronic Scoreboard	–	30,000
Gate Automation Back Creek Flood Levee (NDRGP)	31,693	–
Longford Recreation Ground Amenities Upgrade	–	80,000
Morven Park Amenities Improvements	532,032	–
Rural & Remote Child Care Capital Shade Sail/Shed/Bathroom	3,853	–
	2,611,649	2,111,905

NOTE 4

INVESTMENT REVENUE FROM WATER CORPORATION

	2019 \$	2018 \$
Dividend Revenue	245,434	432,879
Tax Equivalents	159,350	207,210
Guarantee Fee	63,216	61,911
Total Investment Revenue from Water Corporation	468,000	702,000

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

	2019 \$	2018 \$
The gain / (loss) on sale and disposal of fixed assets for the period was comprised of:		
Buildings		
Proceeds from sales / (Cost of disposal)	–	(13,245)
Written down value of assets disposed with no Proceeds	–	(384,842)
Gain / (loss) on disposal	–	(398,087)
Furniture, Fittings, Office Equipment and Computers		
Proceeds from sales	1,709	1,364
Written down value of assets sold	(637)	(10,118)
Gain / (loss) on disposal	1,072	(8,754)
Plant and Equipment		
Proceeds from sales	1,500	–
Written down value of assets sold	(1,089)	–
Gain / (loss) on disposal	411	–
Fleet		
Proceeds from sales	193,500	256,172
Written down value of assets sold	(171,401)	(195,962)
Gain / (loss) on sale	22,099	60,210
Roads Infrastructure		
Written down value of assets disposed with no proceeds	(196,367)	(397,143)
Gain / (loss) on disposal	(196,367)	(397,143)
Bridges		
Written down value of assets disposed with no proceeds	(39,735)	(108,936)
Gain / (loss) on disposal	(39,735)	(108,936)
Stormwater & Drainage		
Written down value of assets disposed with no proceeds	(160,687)	(7,858)
Gain / (loss) on disposal	(160,687)	(7,858)
Total		
Proceeds from sales / (Cost of disposal)	196,709	244,291
Written down value of assets sold	(173,127)	(206,080)
Gain / (loss) on sale of Fixed assets	23,582	38,211
Written down value of assets disposed with no proceeds	(396,789)	(898,780)
Gain / (loss) on sale & disposal of Fixed Assets	(373,207)	(860,569)

NOTE 6

EMPLOYEE BENEFITS

	2019 \$	2018 \$
Wages and Salaries	3,677,817	3,456,047
Superannuation	505,662	485,008
Annual, Sick, Long Service & Other Leave Paid	713,747	729,825
Total employee benefits expenses	4,897,226	4,670,880
State Government Payroll Tax	219,447	228,292
Workers Compensation	116,975	133,954
Provision for Leave Entitlements	48,392	175,133
Other Employee Oncost Expenses	31,175	30,162
Total other employee related expenses	415,989	567,541
	5,313,215	5,238,421
Less Amounts Capitalised:		
Non-current assets constructed	(559,820)	(414,676)
Total employee benefits & related expenses	4,753,395	4,823,745

Number of Employees as at 30 June are:	TOTAL 30/6/19	EQUIVALENT FULL TIME 30/6/19	TOTAL 30/6/18	EQUIVALENT FULL TIME 30/6/18
Permanent	68	62	63	57
Casual	17	4	15	3
	85	66	78	60

NOTE 7

MATERIALS AND SERVICES

	2019 \$	2018 \$
Contractor Payments		
- Corporate Services & Governance	116,867	167,426
- Community Buildings & Halls	39,889	32,976
- Development Services	64,413	85,977
- Health & Environmental Services	81,570	95,006
- Kerbside Garbage and Recycling	688,897	650,654
- Parks & Reserves	159,096	109,610
- Public Amenities	78,388	57,131
- Roads & Bridges	583,051	456,246
- Tourism & Community Development	21,947	11,577
- Urban Stormwater	44,612	30,977
- Waste Transfer Stations	532,288	531,864
- Other Contractor Payments	178,497	2,589,515
Materials		
- Community Buildings & Halls	15,955	10,192
- Corporate Services & Governance	192,058	170,958
- Parks & Reserves	101,803	95,323
- Public Amenities	37,016	18,672
- Roads & Bridges	265,243	266,910
- Urban Stormwater	19,847	27,126
- Other Material Purchases	213,885	845,807
Consultants Fees		
	638,587	578,219
Electricity Costs		
	191,343	247,547
Insurance		
	178,699	160,012
Telecommunication Costs		
	54,260	48,416
Other		
	22,997	153,350
	4,521,208	4,372,483

NOTE 8

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation expense for the year is as follows:

	2019 \$	2018 \$
Buildings	697,163	662,124
Plant	227,099	198,903
Flood Levee Infrastructure	18,882	18,882
Furniture, Fittings, Office Equipment & Computers	145,817	142,410
Fleet	409,855	408,576
Road Infrastructure	3,395,301	3,343,723
Bridges	394,713	384,357
Stormwater & Drainage	402,681	381,926
Heritage Assets	9,496	9,253
Total	5,701,007	5,550,154

NOTE 9

OTHER EXPENSES

Other expenses for the year are as follows:

	2019 \$	2018 \$
Bad & Doubtful Debts	459,935	418,915
Contributions & Donations	209,575	202,451
Councillors' Remuneration	206,109	200,100
Fringe Benefits Tax	18,362	26,671
Rate Remissions & Discounts	49,402	49,612
Special Committee Expenditure	177,454	181,216
Refunds & Reimbursements	31,806	29,978
Work in Progress from prior years not Capitalised	273,435	23,100
Other Expenses	-	241
Total	1,426,078	1,132,284

NOTE 10

CASH AND CASH EQUIVALENTS AND SHORT TERM INVESTMENTS

	2019 \$	2018 \$
Cash and Cash Equivalents		
Cash on Hand	600	600
Cash at Bank	1,441,295	910,015
Cash held by Special Committees of Council	245,578	268,913
Money Market Call Accounts	1,130,362	633,989
Short Term Fixed Deposits	509,229	3,500,000
Total cash and cash equivalents	3,327,064	5,313,517
Short Term Investments		
	6,914,434	8,869,496
Cash and Cash Equivalents and Short Term Investments	10,241,498	14,183,013

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

- Leave provisions (Note 17)	1,222,867	1,168,978
- Monies held in Trust (Note 16)	587,617	360,743
- Special Committee Cash Held	245,578	268,913
- Grants received which have not yet been applied to the purpose for which they were provided (Note 3).	2,611,649	2,111,905
- Cash required to maintain objectives set out in asset Management and Long term Financial Plans calculated at 1% of gross value of Property, Plant & Infrastructure	3,922,916	3,727,086
Total Restricted Funds	8,590,627	7,637,625
Unrestricted Cash and Cash Equivalents and Short Term Investments	1,650,871	6,545,388

NOTE 11

TRADE AND OTHER RECEIVABLES

	2019 \$	2018 \$
Current		
Trade Debtors – Sundry	740,919	294,521
Rates Outstanding	2,568,393	2,245,313
Less Expected Credit Loss	(2,266,748)	301,645
Accrued Income	104,148	101,436
	1,146,712	721,855
Non Current		
Loan Receivable	1,900,000	1,900,000
Total Trade & Other Receivables	3,046,712	2,621,855

Rates payments received in advance are treated as rate revenue in the year in which they are received, in 2018/19 this amounted to \$293,078 (2017/18 \$266,512).

Certain amounts raised by way of rates equivalents (which are not a charge on the land) in respect of Launceston Airport are subject to dispute which had not been resolved at balance date. The amount raised but unpaid at 30 June was \$2,266,748 (30 June 2018 \$1,919,415). This matter was heard in the Federal Court of Australia and a judgement handed down on the 24th of September 2019 in favour of the Launceston Airport. Council is in the process of lodging an appeal against the decision.

NOTE 12

INVENTORY

	2019 \$	2018 \$
Timber – Held for distribution at average cost	2,332	4,021
Norfolk Plains History Book – Held for sale at cost	19,031	19,849
Longford 200 Years Medallions – Held for sale at cost	–	3,505
	21,363	27,375

NOTE 13

CAPITAL WORKS IN PROGRESS

	2019 \$	2018 \$
Opening Work in Progress	3,179,256	852,680
Add Work in Progress additions in current year	14,521,549	8,572,189
Less transfers to expenses	(273,435)	(23,100)
Less transfers to Property, Plant & Infrastructure	(10,506,606)	(6,222,513)
Closing Work in Progress at cost	6,920,764	3,179,256

NOTE 14

PROPERTY, PLANT AND INFRASTRUCTURE

	2019 \$	2018 \$
Land		
Gross Value		
Opening Balance	12,466,343	10,660,978
Additions – Purchased	1,074,014	314,222
Revaluation Adjustment	–	1,491,143
Net Amount at Fair Value	<u>13,540,357</u>	<u>12,466,343</u>
Land Under Roads		
Gross Value		
Opening Balance	14,474,775	14,432,690
Additions – Donated or Contributed	16,480	42,085
Net Amount at Fair Value	<u>14,491,255</u>	<u>14,474,775</u>
Buildings		
Gross Value		
Opening Balance	51,719,718	48,728,382
Additions – Purchased or Constructed	607,904	921,911
Additions – Donated or Contributed	–	–
Sales	–	(19,645)
Disposals with no proceeds	–	(639,719)
Revaluation Adjustment	<u>1,494,700</u>	<u>2,728,789</u>
Closing Balance	<u>53,822,322</u>	<u>51,719,718</u>
Accumulated Depreciation		
Opening Balance	(26,605,061)	(24,827,140)
Depreciation Expense	(697,163)	(662,124)
Sales	–	9,953
Disposals with no proceeds	–	264,570
Revaluation Adjustment	<u>(768,886)</u>	<u>(1,390,320)</u>
Closing Balance	<u>(28,071,110)</u>	<u>(26,605,061)</u>
Net Amount at Fair Value	<u>25,751,212</u>	<u>25,114,657</u>

	2019 \$	2018 \$
Heritage Assets		
Gross Value		
Opening Balance	1,208,671	1,167,868
Additions – Purchased or Constructed	21,434	40,803
Closing Balance	<u>1,230,105</u>	<u>1,208,671</u>
Accumulated Depreciation		
Opening Balance	(184,353)	(175,099)
Depreciation Expense	(9,496)	(9,254)
Closing Balance	<u>(193,849)</u>	<u>(184,353)</u>
Net Amount at Cost	<u>1,036,256</u>	<u>1,024,318</u>
Flood Levee Infrastructure		
Gross Value		
Opening Balance	5,205,942	5,205,942
Closing Balance	<u>5,205,942</u>	<u>5,205,942</u>
Accumulated Depreciation		
Opening Balance	(191,140)	(172,258)
Depreciation Expense	(18,882)	(18,882)
Closing Balance	<u>(210,022)</u>	<u>(191,140)</u>
Net Amount at Cost	<u>4,995,920</u>	<u>5,014,802</u>
Furniture, Fittings, Office Equipment & Computers		
Gross Value		
Opening Balance	2,091,066	2,409,693
Additions – Purchased or Constructed	179,283	209,664
Additions – Donated or Contributed	–	–
Sales	(7,662)	(6,985)
Disposals with no proceeds	–	(521,306)
Closing Balance	<u>2,262,687</u>	<u>2,091,066</u>
Accumulated Depreciation		
Opening Balance	(1,340,434)	(1,716,196)
Depreciation Expense	(145,817)	(142,410)
Sales	7,026	5,793
Disposals with no proceeds	–	512,379
Closing Balance	<u>(1,479,225)</u>	<u>(1,340,434)</u>
Net Amount at Cost	<u>783,462</u>	<u>750,632</u>

NOTE 14

PROPERTY, PLANT AND INFRASTRUCTURE (continued)

	2019 \$	2018 \$
Fleet		
Gross Value		
Opening Balance	4,862,031	4,591,784
Additions – Purchased or Constructed	660,196	942,377
Sales	(521,162)	(672,130)
Closing Balance	5,001,065	4,862,031
Accumulated Depreciation		
Opening Balance	(1,916,769)	(1,984,359)
Depreciation Expense	(409,855)	(408,576)
Sales	349,762	476,166
Closing Balance	(1,976,862)	(1,916,769)
Net Amount at Cost	3,024,203	2,945,262
Plant		
Gross Value		
Opening Balance	3,881,047	3,027,920
Additions – Purchased or Constructed	1,582,843	853,127
Additions – Donated or Contributed	35,000	-
Sales	(1,479)	-
Closing Balance	5,497,411	3,881,047
Accumulated Depreciation		
Opening Balance	(2,260,997)	(2,062,094)
Depreciation Expense	(227,099)	(198,903)
Sales	387	-
Closing Balance	(2,487,709)	(2,260,997)
Net Amount at Cost	3,009,702	1,620,050

	2019 \$	2018 \$
Roads Infrastructure		
Gross Value		
Opening Balance	209,297,922	205,506,142
Additions – Purchased or Constructed	1,887,671	2,432,424
Additions – Donated or Contributed	-	522,638
Disposals with no proceeds	(1,692,097)	(2,040,368)
Revaluation Adjustment	9,418,407	2,877,086
Closing Balance	218,911,903	209,297,922
Accumulated Depreciation		
Opening Balance	(72,188,159)	(69,514,459)
Depreciation Expense	(3,395,301)	(3,343,723)
Disposals with no proceeds	1,495,729	1,643,225
Revaluation Adjustment	(3,248,467)	(973,202)
Closing Balance	(77,336,198)	(72,188,159)
Net Amount at Fair Value	141,575,705	137,109,763
Bridges		
Gross Value		
Opening Balance	28,738,361	28,187,280
Additions – Purchased or Constructed	3,709,742	430,260
Disposals with no proceeds	(675,542)	(254,523)
Revaluation Adjustment	(529,180)	375,344
Closing Balance	31,243,381	28,738,361
Accumulated Depreciation		
Opening Balance	(7,769,831)	(7,430,142)
Depreciation Expense	(394,713)	(384,357)
Disposals with no proceeds	635,807	145,588
Revaluation Adjustment	(340,515)	(100,920)
Closing Balance	(7,869,252)	(7,769,831)
Net Amount at Fair Value	23,374,129	20,968,530

NOTE 14

PROPERTY, PLANT AND INFRASTRUCTURE (continued)

	2019 \$	2018 \$
Stormwater & Drainage		
Gross Value		
Opening Balance	38,762,748	37,522,228
Additions – Purchased or Constructed	783,519	77,725
Additions – Donated or Contributed	-	420,065
Disposals with no proceeds	(255,854)	(16,716)
Revaluation Adjustment	1,794,743	759,446
Closing Balance	41,085,156	38,762,748
Accumulated Depreciation		
Opening Balance	(8,949,389)	(8,416,410)
Depreciation Expense	(402,681)	(381,925)
Disposals with no proceeds	95,167	8,858
Revaluation Adjustment	(402,723)	(159,912)
Closing Balance	(9,659,626)	(8,949,389)
Net Amount at Fair Value	31,425,530	29,813,359
Total Property, Plant & Infrastructure		
Gross Value		
Opening Balance	372,708,624	361,440,907
Additions – Purchased or Constructed	10,506,606	6,222,513
Additions – Donated or Contributed	51,480	984,788
Sales	(530,303)	(698,760)
Disposals with no proceeds	(2,623,493)	(3,472,632)
Revaluation Adjustment	12,178,670	8,231,808
Closing Balance	392,291,584	372,708,624
Accumulated Depreciation		
Opening Balance	(121,406,133)	(116,298,157)
Depreciation Expense	(5,701,007)	(5,550,154)
Sales	357,175	491,912
Disposals with no proceeds	2,226,703	2,574,620
Revaluation Adjustment	(4,760,591)	(2,624,354)
Closing Balance	(129,283,853)	(121,406,133)
Net Amount	263,007,731	251,302,491

NOTE 15

INVESTMENT IN WATER CORPORATION

	2019 \$	2018 \$
Opening Balance Investment in Water and Sewerage Corporation	40,461,498	39,943,079
Fair Value adjustments on Available for Sale Assets	-	518,419
Fair Value adjustments on Equity Investment	5,833,976	-
Total Investment in Water and Sewerage Corporation	46,295,474	40,461,498

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

NOTE 16

TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Current		
Trade Creditor	1,317,181	980,270
Accrued Wages	137,938	124,672
Money held in Trust	587,617	360,743
	2,042,736	1,465,685

NOTE 17

PROVISIONS

	2019 \$	2018 \$
Current		
Employee Benefits – Annual Leave	449,569	433,575
Employee Benefits – Long Service Leave	504,223	446,818
Employee Benefits – Oncosts	194,833	178,682
	1,148,625	1,059,075
Non-Current		
Employee Benefits – Long Service Leave	61,382	91,100
Employee Benefits – Oncosts	12,860	74,242
Aggregate Employee Benefits	1,222,867	1,168,978

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.

NOTE 18

LOANS PAYABLE AND RECEIVABLE

	2019 \$	2018 \$
Loans Payable		
Loans Payable – TasCorp	8,470,000	8,470,000
Total Loans Payable	8,470,000	8,470,000
Loans Receivable		
Loans Receivable – Community Organisation	(1,900,000)	(1,900,000)
Total Loans Receivable	(1,900,000)	(1,900,000)

Council has received the sum of \$8.47 million from Tascorp under the State Governments Accelerated Local Government Capital Program. Council applied for \$1.9M of this funding on behalf of Toosey Aged Care, to whom it transferred the funds in March 2017, as an interest free loan repayable in full after 5 years. Interest is applied to this Council loan from Tascorp at a 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 this loan in full at the end of the five year period. The Balance of the loan fund were received in two instalments of \$5.52M (4/7/2017) and \$1.05M (29/6/2018) have been retained by Council to be used for various infrastructure projects. Interest is applied to these Council loans from Tascorp at a rate of 3.16% and 3.43% respectively, again 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 both these loans in full at the end of the five year period.

NOTE 19

CAPITAL EXPENDITURE COMMITMENTS

Capital/Contractual Commitments

	2019 \$	2018 \$
Estimated expenditure contracted for at balance date but not yet incurred:		
- payable not later than one year	963,246	5,403,802
- payable later than one year but no later than two years	168,676	372,696
- payable later than two years	-	167,687
	1,131,922	5,944,185

NOTE 20

CONTINGENT LIABILITIES

Council has no contingent liabilities.

NOTE 21

AUDITORS REMUNERATION

	2019 \$	2018 \$
Audit fees to conduct external audit - Tasmanian Audit Office	24,790	23,380

NOTE 22

SPECIAL COMMITTEES AND RIVERWORKS DISTRICT

The statements include transactions for the following :

(a) SPECIAL COMMITTEES

	OPERATING INCOME \$ 2019	OPERATING EXPENDITURE \$ 2019	CASH & CASH EQUIVALENTS \$ 2019
Committee Name			
About Campbell Town	7,285	5,912	17,684
Avoca Community Centre	3,657	2,750	12,960
Avoca Museum & Info Centre	841	1,715	14,531
Bishopsbourne Community Centre	19,792	24,115	33,808
Campbell Town Pool	19,636	16,487	28,525
Campbell Town Recreation Ground	2,851	2,942	13,328
Cressy Hall	2,239	4,172	7,482
Cressy Pool	33,844	33,362	17,914
Cressy Recreation Ground	352	7,132	4,889
Devon Hill Residents	331	358	1,750
Epping Hall	3,547	3,567	7,434
Evandale Community Centre & War Memorial Hall	26,519	22,449	14,118
Liffey Hall	4,089	3,461	7,001
Longford Recreation Ground	6,350	9,890	3,376
Morven Park Recreation Ground	10,796	15,284	1,293
Perth Community Centre	13,067	13,410	10,116
Perth Recreation Ground	5,870	8,025	4,511
Ross Community Sports Club	28,593	37,964	44,858
	189,659	212,995	245,578

NOTE 22

(a) SPECIAL COMMITTEES (continued)

Committee Name	OPERATING INCOME \$ 2018	OPERATING EXPENDITURE \$ 2018	CASH & CASH EQUIVALENTS \$ 2018
About Campbell Town	8,352	4,623	16,310
Avoca Community Centre	8,134	8,860	12,053
Avoca Museum & Info Centre	19,306	8,304	15,405
Bishopsbourne Community Centre	21,500	25,109	38,131
Campbell Town Pool	15,589	21,094	25,376
Campbell Town Recreation Ground	8,180	2,096	13,419
Cressy Hall	5,105	2,944	9,415
Cressy Pool	33,287	27,188	17,432
Cressy Recreation Ground	9,337	3,751	11,670
Devon Hill Residents	1,030	668	1,776
Epping Hall	4,039	4,212	7,453
Evandale Community Centre & War Memorial Hall	26,379	21,941	10,048
Liffey Hall	2,549	1,622	6,373
Longford Recreation Ground	13,096	11,861	6,916
Morven Park Recreation Ground	21,377	18,556	5,782
Perth Community Centre	20,765	21,229	10,459
Perth Recreation Ground	12,720	8,452	6,666
Ross Community Sports Club	26,005	24,164	54,229
	256,750	216,674	268,913

(b) RIVERWORKS DISTRICT

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

	2019 \$	2018 \$
The Lake River Riverworks District		
Opening Cash Balance	12,699	12,699
Plus Income	-	-
Less Expenditure	-	-
Closing Cash Balance	12,699	12,699

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 27th of June 2019.

NOTE 23

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS

	2019 \$	2018 \$
Surplus	3,875,058	3,440,678
Capital grants received specifically for new or upgraded assets	(2,842,332)	(2,388,852)
Contribution of non-monetary assets	(51,480)	(984,788)
Net loss/(gain) on disposal of property, infrastructure, plant & equipment	373,207	860,569
Depreciation	5,701,007	5,550,154
Changes in Operating Assets and Liabilities		
- (Increase)/Decrease in Trade & Other Receivables	(424,855)	302,145
- (Increase)/Decrease in Inventory	6,012	491
- Increase/(Decrease) in Creditors	577,051	520,901
- Increase/(Decrease) in Provisions	53,889	172,402
Net cash provided by operating activities	7,267,557	7,473,700

NOTE 24

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	2019 \$	2018 \$
Opening Balance	8,470,000	1,900,000
Changes from financing cash flows:		
- Cash Received	-	6,570,000
- Cash Repayments	-	-
Closing Balance	8,470,000	8,470,000

NOTE 25

RELATED PARTY TRANSACTIONS

(i) Responsible Persons

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

Councillors:

Clr Dick Adams
 Clr Matthew Brooks – Elected 1/11/19
 Clr Andrew Calvert
 Clr Jan Davis – Elected 1/11/19
 Mayor David Downie – Term ended 1/11/19
 Clr Ian Gonion
 Clr Leisa Gordon – Term ended 1/11/19
 Deputy Mayor Richard Goss
 Clr / Mayor Mary Knowles – Elected as Mayor 1/11/19
 Clr Janet Lambet
 Clr Michael Polley

Staff:

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

NOTE 25

RELATED PARTY TRANSACTIONS (continued)

(ii) Councillor Remuneration

	2019		TOTAL ALLOWANCES & EXPENSES
	ALLOWANCES	EXPENSE	
Mayor	50,732	14,587	65,319
Deputy Mayor	29,286	730	30,017
Councillors	104,668	5,278	109,946
	184,686	20,595	205,282

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

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

(iii) Key Management Personnel Remuneration Bands

REMUNERATION BAND \$	NUMBER OF EMPLOYEES 2019	NUMBER OF EMPLOYEES 2018
60,001 to 80,000	1	-
80,001 to 100,000	-	-
100,001 to 120,000	1	-
120,001 to 140,000	-	2
140,001 to 160,000	1	1
160,001 to 180,000	1	-
180,001 to 200,000	-	-
200,001 to 220,000	1	1
Total	5	4

(iv) Key Management Personnel and Councillors Remuneration

	2019 \$	2018 \$
Short term employee benefits	624,662	562,227
Post employment benefits	82,258	63,294
Other long term benefits	8,023	(11,019)
Total	714,943	614,502

Short term employee benefits consist of:

- Gross Salary, including all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.
- Vehicle costs, the total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking .
- Other allowances and benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

Post employment benefits consists of:

- Superannuation contributions made by Council to the superannuation fund of the individual.
- Other long term benefits consists of
- Non-monetary benefits including annual and long service leave movements.

(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 Council Enterprise Agreement 2016-2019* 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.

NOTE 25

RELATED PARTY TRANSACTIONS (continued)

(vi) Transactions with related parties

2019		
NATURE OF TRANSACTION	AMOUNT OF TRANSACTION DURING YEAR	TERMS & CONDITIONS
Supply of Office Equipment, Note 1	1,845	30 Day terms on invoice
Supply of Housing, Note 2	2,410	14 Day terms on rental invoice
Fees and Charges, Note 3	12,064	Council's approved fees
Supply of towing services, Note 4	520	7 Day terms on invoice

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

Notes:

1. Council purchased in aggregate during the year office furniture from Second Office Launceston, a company which has a member of Councils KMP as a director.
2. Council provides 8 units for residential accommodation for aged and disadvantaged in the townships of Campbell Town and Evandale during the year one occupant was a relative to a member of Councils KMP. Rental was billed based on normal rates for such accommodation and was due and payable under normal payment terms.
3. Development fees were received in relation to applications from a company which is associated with a Council KMP. The applications relate to land in Wellington Street, Drummond Street and Paton Street (2018 - Wellington Street, Drummond Street and Paton Street).
4. Council purchased in aggregate during the year towing services from NM Towing Pty Ltd , a company which has a member of Councils KMP as a director.

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

(vii) Loans and guarantees to/from related parties

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

(viii) Commitments to/from related parties

No commitments have been notified to the General Manager.

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

Most of the entities and people that are related parties of council live and operate within the municipality.

Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Payment of rates on a primary residence/farm
- Dog registrations
- Use of Council's recreational facilities

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

NOTE 26

FINANCIAL INSTRUMENTS

(a) ACCOUNTING POLICY, TERMS AND CONDITIONS

FINANCIAL INSTRUMENTS	NOTE	ACCOUNTING POLICY	TERMS & CONDITIONS
Financial Assets			
Cash and Cash Equivalents		<p>Cash and cash equivalents are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.</p>	<p>On call deposits returned a floating interest rate of 1.0% (0.8% 2017/18).</p> <p>Funds returned fixed interest rates between 1.48% and 3.37% (1.82% and 3.37% 2017/18).</p>
Rate Debtors	11	Rate debtors are carried at nominal amounts due plus interest and penalty. Rate debtors are charges attached to the property and are recoverable on sale, therefore allowance for impairment is only made when it is unlikely the property could be sold for an amount which will cover the costs of sale.	Rates are payable by three equal instalments during the year or alternatively by one payment within 30 days of demand, which provides a discount of 1.0% (any such discount allowed is shown as an expense of Council in its income statement). Overdue Rates attract a penalty of 5% (5% 2017/18), 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. 2017/18). 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 Council's standard ordering terms of 30 day from date of purchase.

NOTE 26

FINANCIAL INSTRUMENTS (continued)

(b) FINANCING ARRANGEMENTS

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

	2019 \$	2018 \$
Total Corporate Credit Cards Facility Limit	50,000	50,000
Corporate Credit Card Facility Limit Used at Reporting Date	(3,639)	(3,910)
Available at reporting date Corporate Credit Card	46,361	46,090

No other credit standby arrangements and loan facilities are used or available to be used as at 30/6/2019 (30/6/2018).

(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 Council's 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 holding Council's cash deposits and investments have sufficient security by investing in appropriately rated Financial Institutions

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.

NOTE 26

(c) FINANCIAL RISK EXPOSURE AND MITIGATION (continued)

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

2019	FLOATING INTEREST RATE \$	1 YEAR OR LESS \$	1 TO 5 YEARS \$	OVER 5 YEARS \$	NON INTEREST BEARING \$	TOTAL \$
Assets						
Current Assets						
Cash & Cash Equivalents	2,817,235	509,229			600	3,327,064
Financial Assets		6,914,434				6,914,434
Trade & Other Receivables						
- Rates		301,645				301,645
- Sundry					740,919	740,919
Revenue Accrual					104,148	104,148
Non Current Assets						
Trade & Other Receivables						
- Loans to community organisations					1,900,000	1,900,000
Investment Term Deposits		6,550,000				6,550,000
Equity Investment						
- Tas Water					46,295,474	46,295,474
Total Financial Assets	2,817,235	7,725,308	6,550,000	-	49,041,141	66,133,684
Liabilities						
Current Liabilities						
Trade & Other Payables						
- Sundry Creditors					1,455,119	1,455,119
- Monies held in Trust					587,617	587,617
Non Current Liabilities						
Interest bearing Loans & Borrowings					8,470,000	8,470,000
Total Financial Liabilities	-	-	-	-	10,512,736	10,512,736
Net Financial Assets/ (Liabilities)	2,817,235	7,725,308	6,550,000	-	38,528,405	55,620,948

2018	FLOATING INTEREST RATE \$	1 YEAR OR LESS \$	1 TO 5 YEARS \$	OVER 5 YEARS \$	NON INTEREST BEARING \$	TOTAL \$
Assets						
Current Assets						
Cash & Cash Equivalents	1,812,917	3,500,000				600
Financial Assets		8,869,496				
Trade & Other Receivables						
- Rates		325,898				325,898
- Sundry						294,521
Revenue Accrual						101,436
Non Current Assets						
Trade & Other Receivables						
- Loans to community organisations						1,900,000
Investment Term Deposits					6,550,000	6,550,000
Available for Sale Investment						
- Tas Water						40,461,498
Total Financial Assets	1,812,917	12,695,394	6,550,000	-	42,758,055	63,816,366
Liabilities						
Current Liabilities						
Trade & Other Payables						
- Sundry Creditors						1,104,942
- Monies held in Trust						360,743
Non Current Liabilities						
Interest bearing Loans & Borrowings						8,470,000
Total Financial Liabilities	-	-	-	-	9,935,685	9,935,685
Net Financial Assets/ (Liabilities)	1,812,917	12,695,394	6,550,000	-	32,822,370	53,880,681

NOTE 26

(c) FINANCIAL RISK EXPOSURE AND MITIGATION (continued)

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) EXPECTED CREDIT LOSS

A provision for expected credit 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:

	2019 \$	2018 \$
Balance at 1 July	1,919,415	1,500,500
Charge for the year	459,934	418,915
Amounts previously charged no longer impaired	(112,601)	–
Balance 30 June	2,266,748	1,919,415

(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 1.25%. 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.

2019	CARRYING AMOUNT SUBJECT TO INTEREST	INTEREST RATE RISK			
		-0.5% -50 BASIS POINTS		0.5% 50 BASIS POINTS	
		PROFIT	EQUITY	PROFIT	EQUITY
Financial assets		\$	\$	\$	\$
- Cash & Cash Equivalents, and Financial Assets	10,241,498	(51,207)	(51,207)	51,207	51,207
- Non Current Investments Term Deposits	6,550,000	(32,750)	(32,750)	32,750	32,750
- Loans & Receivables	301,645	(1,508)	(1,508)	1,508	1,508
		(85,465)	(85,465)	85,465	85,465

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

NOTE 26 (continued)

(f) CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Carrying amounts classified as:	2019 \$	2018 \$
Financial assets		
Loan & Receivables	3,046,712	2,621,855
Cash & Cash Equivalents, and Financial Assets	10,241,498	14,183,013
Non Current Investments Term Deposits	6,550,000	6,550,000
Equity Investment, TasWater	46,295,474	66,133,684
Financial Liabilities measured at Amortised Cost		
Payables	2,042,736	1,465,685
Loans & Borrowings	8,470,000	10,512,736
Net Financial Assets / (Liabilities)	55,620,948	53,880,681

(g) ANALYSIS OF UNIMPAIRED FINANCIAL ASSETS

	2019 \$	2018 \$
Rate Debtors, not past due	-	40,851
Rate Debtors, less than 30 days past due	1,458	-
Rate Debtors, greater than 30 and less than 60 days past due	585	-
Rate Debtors over 60 days past due	299,602	285,047
Trade Debtors Sundry, not past due	451,352	238,854
Trade Debtors Sundry, less than 30 days past due	69,604	10,201
Trade Debtors Sundry, over 30 days less than 60 Days past due	4,473	51
Trade Debtors Sundry, over 60 days past due	215,490	45,415
Accrued Income, Current	104,148	101,436
Loan Receivable, not past due	1,900,000	1,900,000
	3,046,712	2,621,855

(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

2019	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Equity Investment	-	-	46,295,474	46,295,474
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-

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

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

Reconciliation of Level 3 Fair Value Movements	2019 \$	2018 \$
Opening Balance	40,461,498	39,943,079
Gains (losses) recognised in other comprehensive income:		
Change in Fair Value of Investment in Water Corporation	5,833,976	518,419
Closing Balance	46,295,474	40,461,498

NOTE 27

MANAGEMENT INDICATORS

(a) FINANCIAL MANAGEMENT INDICATORS

(i) Underlying Surplus/(Deficit)

Bench Mark	2019 \$,000s	2018 \$,000s	2017 \$,000s	2016 \$,000s
Recurrent Income*	18,910	17,776	17,096	16,855
Less Recurrent Expenditure	18,014	17,714	17,775	17,403
Underlying Surplus/(Deficit)	0	896	62	(679)
				(548)

*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 two of the last four 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	2019 \$,000s	2018 \$,000s	2017 \$,000s	2016 \$,000s
Underlying Surplus or Deficit	896	62	(679)	(548)
Divided by Recurrent Income*	18,910	17,776	17,096	16,855
Underlying Surplus Ratio %	0%	5%	0%	-4%
				-3%

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 two of the last four 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	2019 \$,000s	2018 \$,000s	2017 \$,000s	2016 \$,000s
Liquid Assets	11,388	14,905	13,629	11,140
Less Total Liabilities	11,736	11,105	3,841	2,852
Net Financial Assets/(Liabilities)	0	(348)	3,800	9,788
				8,288

Commentary – A positive result indicates Council's ability to meet its liabilities from its liquid assets. While Council has a negative result in the most recent year, it currently holds \$6,550,000 as non current financial assets in term deposits, and \$1,900,000 as a non current loan receivable which all mature at the same time as Council's loan liabilities of \$8,470,000 fall due, meaning Council is in a position to be able to meet its liabilities when they fall due.

(iv) Net Financial Assets/(Liabilities) Ratio

Bench Mark	2019 \$,000s	2018 \$,000s	2017 \$,000s	2016 \$,000s
Net Financial Assets/(Liabilities)	(348)	3,800	9,788	8,288
Divided by Recurrent Income*	18,910	17,781	17,096	16,855
Net Financial Assets/(Liabilities) %	0% to (50)%	-2%	21%	57%
				49%

Commentary – A positive result indicates Council's ability to meet its liabilities from its liquid assets. While Council has a negative result in the most recent year, it currently holds \$6,550,000 as non current financial assets in term deposits, and \$1,900,000 as a non current loan receivable which all mature at the same time as Council's loan liabilities of \$8,470,000 fall due, meaning Council is in a position to be able to meet its liabilities when they fall due.

NOTE 27

MANAGEMENT INDICATORS (continued)

(b) ASSET MANAGEMENT INDICATORS

(i) Asset Consumption Ratio

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

	Bench Mark	2019 \$,000s	2018 \$,000s	2017 \$,000s	2016 \$,000s
Buildings					
Depreciated Replacement Cost		25,751	25,115	23,901	23,474
Divided by Current Replacement Cost		53,822	51,720	48,728	47,071
Asset Consumption Ratio %	60%	48%	49%	49%	50%
Road & Bridge Infrastructure					
Depreciated Replacement Cost		164,950	158,078	156,749	156,443
Divided by Current Replacement Cost		250,155	238,036	233,693	232,469
Asset Consumption Ratio %	60%	66%	66%	67%	67%
Stormwater & Drainage					
Depreciated Replacement Cost		31,426	29,813	29,106	25,344
Divided by Current Replacement Cost		41,085	38,763	37,522	34,204
Asset Consumption Ratio %	60%	76%	77%	78%	74%

Commentary – These ratios show the depreciated replacement cost of classes of depreciable assets relative to their “as new” (replacement) value. They therefore show the average proportion of new condition left in the assets. Councils ratios for Roads and Bridge Infrastructure and Stormwater and Drainage have consistently over the four year period been above the established benchmark of 60% indicating, an appropriate level of investment in renewal of these asset classes. The Buildings ratio fell from 65% in 2015 to an average of 49% in most recent four years above. This primarily occurred as a result of both the componentisation of buildings into 6 parts with the allocation of varying lives to these component parts and the revaluation of the building asset in the 2016 year. As a result of the outcomes of this process Council will continue to regularly review its level of ongoing investment in renewal of its Building assets, in order to actively work toward achievement of the benchmark.

(ii) Asset Renewal Funding Ratio

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

	Bench Mark	2019 \$,000s	2018 \$,000s	2017 \$,000s	2016 \$,000s
Buildings					
Projected Capital Funding Outlays**		5,664	5,920	5,920	N/a
Divided by Projected Capital Expenditure Funding***		4,185	4,185	4,185	N/a
Asset Renewal Funding Ratio %	90-100%	135%	141%	141%	N/a
Road & Bridge Infrastructure					
Projected Capital Funding Outlays**		29,509	29,509	34,735	23,161
Divided by Projected Capital Expenditure Funding***		24,708	24,708	23,842	24,305
Asset Renewal Funding Ratio %	90-100%	119%	119%	146%	95%
Stormwater & Drainage					
Projected Capital Funding Outlays**		2,150	600	600	2,094
Divided by Projected Capital Expenditure Funding***		390	390	390	4,800
Asset Renewal Funding Ratio %	90-100%	551%	154%	154%	44%

** 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 in April 2016 includes additional expenditure not yet updated to the long-term financial plan. Council adopted an updated Long-Term Financial Plan in the 2015/16 financial year, which includes this additional expenditure. Council's Building asset management plan was first adopted by Council in February 2016, ratios have only been calculated for the following financial years.

NOTE 27

MANAGEMENT INDICATORS (continued)

(iii) Asset Sustainability Ratio

	Bench Mark	2019 \$'000S	2018 \$'000S	2017 \$'000S	2016 \$'000S
Capital Expenditure on Replacement/ Renewal of existing assets		8,457	5,983	4,198	6,625
Divided by Annual Depreciation Expense		5,701	5,550	5,378	5,336
Asset Sustainability Ratio %		100%	148%	108%	78%
					124%

Commentary—This ratio compares the rate of spending on existing infrastructure, property, plant and equipment through renewing, restoring and replacing existing assets against depreciation. Councils average ratio of 115% over the past four years is above the benchmark of 100%, however this is a long term indicator as depreciation costs tend to be relatively stable over a period of time, whereas capital renewal can tend to be much more variable.

	CAPITAL RENEWAL EXPENDITURE \$'000	CAPITAL NEW/ UPGRADE EXPENDITURE \$'000	TOTAL CAPITAL EXPENDITURE \$'000
Land	—	1,074	1,074
Buildings	4,025	2,154	6,179
Heritage Assets	—	21	21
Furniture, Fittings, Office Equipment & Computers	71	147	218
Fleet	660	—	660
Plant	46	1,194	1,240
Road Infrastructure	2,100	—	2,100
Bridges	1,427	763	2,190
Stormwater & Drainage	128	438	566
Total	8,457	5,791	14,248

NOTE 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
- Investment in Water Corporation

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

(a) FAIR VALUE HIERARCHY

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

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following table shows the assigned level for each asset and liability held at fair value by the Council, together with each items carrying value.

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.

NOTE 28

(a) FAIR VALUE HIERARCHY (continued)

AS AT 30 JUNE 2019					
Recurring fair value measurements	NOTE	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$	TOTAL \$
Land	14	-	13,540,357	-	13,540,357
Land under roads	14	-	14,491,255	-	14,491,255
Buildings	14	-	-	25,751,212	25,751,212
Roads Infrastructure	14	-	-	141,575,705	141,575,705
Bridges	14	-	-	23,374,129	23,374,129
Stormwater & Drainage	14	-	-	31,425,530	31,425,530
Investment in Water Corporation	15	-	-	46,295,474	46,295,474
		- 28,031,612	268,422,050	296,453,662	

AS AT 30 JUNE 2018					
Recurring fair value measurements	NOTE	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$	TOTAL \$
Land	14	-	12,466,343	-	12,466,343
Land under roads	14	-	14,474,775	-	14,474,775
Buildings	14	-	-	25,114,657	25,114,657
Roads Infrastructure	14	-	-	137,109,763	137,109,763
Bridges	14	-	-	20,968,530	20,968,530
Stormwater & Drainage	14	-	-	29,813,359	29,813,359
Investment in Water Corporation	15	-	-	40,461,498	40,461,498
		- 26,941,118	253,467,807	280,408,925	

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 during the year.

(b) HIGHEST AND BEST USE

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

(c) VALUATION TECHNIQUES AND SIGNIFICANT INPUTS USED TO DERIVE FAIR VALUES

(i) Land

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

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

(ii) Land Under Roads

Council recognised all land under roads effective 1 July 2015 in the 2015/16 financial year, this valuation of Land Under Roads was determined by Councils Officers through the application of a land under roads rate for each category of land (Residential, Commercial, Industrial, Community, Primary Production and Other), determined by W.P. Coverdale the Valuer General as at 1 July 2014, for the Northern Midlands Municipality. The Valuer General derived the rates by dividing land values by land area by property class category in each municipality. A 30% discount was applied to average values in each category (Residential, Commercial, Industrial, Community and Other) to equate to unimproved values, no discount was applied to the Primary Production property class category. As the Valuer General has not issued any adjustment factors in relation to this valuation, no indexation has been applied by Council Officers to its Land Under Roads asset.

(iii) Buildings

The fair value of Buildings was determined by Mr Murray A Bugg, Dip Val. AAPL, Independent Certified Valuer as at 1 July 2015. Council Officers have applied a Non Residential Building index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2018. 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.

NOTE 28

(c) VALUATION TECHNIQUES AND SIGNIFICANT INPUTS USED TO DERIVE FAIR VALUES (continued)

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

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

Roads Infrastructure

A full Valuation of Roads and Streets was undertaken by Moloney Asset Management Systems as at 1 July 2014. Council Officers have applied a Road and Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2018.

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban roads and rural roads are managed in segments of varying lengths. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. As part of the 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 the *Northern Midlands Council Enterprise Agreement 2016-2019*. Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Bridges

A full valuation of Bridges was undertaken by Moloney Asset Management Systems as at 1 July 2014. Each bridge was assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area. Council Officers have applied a Road and Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2018.

Stormwater and Drainage

A full valuation of Stormwater and Drainage was undertaken by Consulting Engineers Pitt & Sherry as at 1 July 2016. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components. Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Council Officers have applied a Road and Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2018.

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

Investment in Water Corporation

Refer to Note 15 for Valuation Techniques and Inputs and Sensitivities.

(d) CHANGES IN RECURRING LEVEL 3 FAIR VALUE MEASUREMENTS

The changes in level 3 assets with recurring fair value measurements are detailed in Note 14 (Property, Plant and Infrastructure).

(e) VALUATION PROCESSES

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

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

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

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

STATEMENT BY GENERAL MANAGER

I, Des Jennings certify that in my opinion:-

The financial report presents fairly the financial position of the Northern Midlands Council as at 30 June 2019, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Des Jennings
GENERAL MANAGER

Dated at Longford this 14th day of August 2019.

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 2019 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2019 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 27(b)(ii) 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*.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
--	---

Land, buildings and infrastructure assets

Refer to note 8, 14 and 28

Property, plant and infrastructure at 30 June 2019 includes land, buildings and infrastructure assets including roads, bridges and stormwater measured at fair values totalling \$250.16m. The fair values of land and buildings are derived from observable market information while the fair values of infrastructure assets are based on current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.

In 2018-19, Council indexed its buildings, roads, bridges and stormwater assets.

The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged.

Capital payments in 2018-19 totalled \$14.25m on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.

- Assessing the appropriateness of the valuation methodology and the key assumptions used.
- Evaluating indexation applied to assets between formal valuations.
- Testing the mathematical accuracy of the indexation calculations.
- Evaluating management's assessment of asset useful lives.
- Performing substantive analytical procedures on depreciation expenses.
- Testing a selection of significant expenditure on maintenance and capital works to corroborate appropriate treatment.
- Testing a selection of capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner.
- Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

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Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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- 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.

From the matters communicated with the General Manager, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Leigh Franklin
Assistant Auditor-General, Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

29 October 2019
Hobart

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• Rural scene with the Western Tiers in the background



• Macquarie River at Cressy



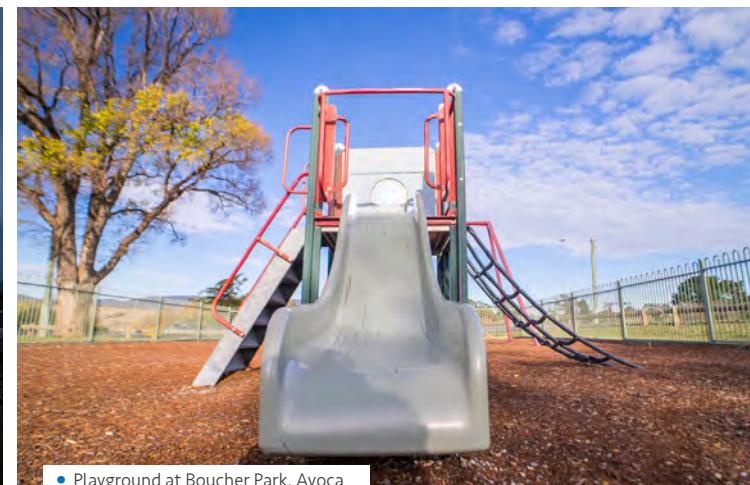
• Old style red telephone booths at Ross



• 42° South interpretation signage and amenities building at Ross



• Campbell Town Cenotaph



• Playground at Boucher Park, Avoca

Back cover, clockwise:

- ANZAC War Memorial mural at Evandale, Longford Town Hall and the Queen's Arms Hotel, Perfect conditions for a balloon flight over the picturesque Northern Midlands – reflections in the Macquarie River



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MIDLANDS
COUNCIL

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