



SOUTHERN  
MIDLANDS  
COUNCIL



# ANNUAL REPORT

2017/2018



The Southern Midlands Council was created on the 2nd April 1993 through the merging of the Municipalities of Oatlands, Green Ponds and the Northern wards of the Municipalities of Brighton and Richmond. The municipal area has a predominantly rural based economy.

Towns and localities include Mangalore, Bagdad, Broadmarsh, Elderslie, Dysart, Kempton, Melton Mowbray, Oatlands, Tunbridge, Tunnack, Parattah, Woodsdale, Levendale, Runnymede, Colebrook, Campania, Pontville and Rekuna.

The area of the Southern Midlands is 2,561 sq km's, a high proportion of which is privately owned land (2406 sq.kms), divided into approximately 3,800 rateable properties.

The municipal area is centrally located with both the Midland Highway and the north-south rail route bisecting the municipality.

Council is responsible for 803 kilometres of road made up of 30km of urban sealed roads; 153km of rural sealed roads; 13km of urban unsealed roads; 607km of rural unsealed roads and 152 bridges.

Council offices are located in Oatlands and Kempton.



# Contents

---

Introduction.....7

Overview .....9

Council.....12

Council Committee Structure .....13

Organisational Charts .....15

Statistics 2017/18 .....17

**I N F R A S T R U C T U R E .....21**

Roads .....22

Bridges.....24

Walkways, Cycleways & Trails .....25

Lighting.....26

Buildings .....27

Sewers / Water .....29

Drainage.....30

Waste .....31

Information, Communication Technology .....33

**G R O W T H .....34**

Residential .....35

Tourism.....36

Business .....39

Industry .....	41
Industry (cont). .....	42
<b>LANDSCAPES .....</b>	<b>43</b>
Heritage .....	44
Natural .....	47
Cultural.....	50
Regulatory .....	53
Climate Change .....	60
<b>LIFESTYLE .....</b>	<b>61</b>
Community Health & Wellbeing .....	62
Youth .....	64
Seniors .....	66
Children & Families .....	67
Volunteers.....	68
Access.....	69
Public Health.....	70
Recreation.....	71
Animals.....	72
Education .....	73
<b>COMMUNITY .....</b>	<b>74</b>
Capacity.....	75
Safety .....	77

Consultation & Communication .....	78
<b>ORGANISATION .....</b>	<b>79</b>
Improvement .....	80
Sustainability.....	82
Finances.....	84
<b>Reporting on Legislative Requirements .....</b>	<b>85</b>
<b>2017 / 2018 Financial Statements .....</b>	<b>93</b>



## Our Vision

- A community spirit based on friendliness, co-operation and self-help;
- An environment which encourages local creativity, enterprise and self-help;
- A diversified local economy creating employment opportunities through sustainable agriculture, heritage tourism, forestry, and viable historic villages/service centres;
- Development based on the sustainable use of local resources and the physical environment;
- A range and standard of services within the Southern Midlands that are affordable and efficient.

## Our Mission

- Work for the benefit of the community;
- Be progressive and provide leadership;
- Operate as a team of Councillors and Employees focused upon performance;
- Be financially responsible.

## Our Guiding Principles

- Consult and listen to our customers and employees by maintaining open communication;
- Treat people with respect and courtesy;
- Give advice to the best of our professional ability;
- Be sensitive to the needs of residents and visitors;
- Respond promptly to customers concerns and requests;
- Be fair, equitable and consistent in decisions and conduct;
- Fully utilise the expertise and resources available to Council within the organisation and the community;
- Develop the full potential of Councillors and all Employees;
- Operate in accordance with the "Codes of Conduct" adopted by Council.

# Introduction

---

## *The Year in Review*

It is indeed a pleasure to provide this 2017-2018 report on behalf of the Southern Midlands Council.

The past year has seen some significant developments, both within the Council area and from a state-wide perspective. Councils across Tasmania voiced their concerns at the proposed State Government takeover of TasWater and this resulted in lengthy negotiations to arrive at an acceptable model that would resolve the long-term issue of ownership and governance arrangements. It is a model whereby Local Government retained majority ownership of the entity and the State Government being prepared to contribute significant funding to enable TasWater's Board to deliver a capital works program aimed at improving water and sewerage services in Tasmania.

Under the model the State Government will inject \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater (1% equity for each \$20m). Current distribution levels to Local Government as agreed prior to entering into the MOU will be maintained through to the 2025/26 financial year, and the TasWater Board to determine beyond 2025/26, but profitability should enable indexation beyond that point.

The reporting period has also seen a number of other positive developments and achievements. This includes a considerable increase in the level of development (both commercial and domestic) that is occurring within the municipal area, and more importantly, the number of large scale developments that have (and will) create local employment opportunities. Examples of these developments include the Reid Cherry Farm at Jericho; both new and expanded Distillery operations that have been established within the municipal area; and increased farming activities which can be directly linked to the introduction of the Midlands Water Scheme.

During the financial year, Council has continued to concentrate on maintaining its lengthy road network, with in excess of \$2.0 million being spent on capital projects, and a further \$1.33 million (excluding depreciation) on maintenances of roads. In addition to roads, there has been an emphasis on Streetscape improvement projects, with substantial works undertaken at Colebrook and Kempton.


Progression of the Oatlands Aquatic Centre has been a major focus having secured both State and Commonwealth Government funding the previous financial year. At the time of writing, development approval has been secured and the various consultants have been engaged to prepare the detailed documentation and specifications required to advance to the tender process.



Councils' services, programs and activities are provided and / or managed by our very dedicated and enthusiastic Council staff. I thank all staff members for their continued commitment during the past year. I also acknowledge and express gratitude to my fellow Councillors for their continued support and devotion to Council and the southern midlands community.

One thing that never ceases to amaze me is the fact that the Southern Midlands is blessed with many people that are willing to volunteer their time for a range of purposes, whether it be community events; sporting clubs; and organisations that simply raise funds to improve our local communities and its residents. Examples which come to mind include: Melton Mowbray Community Rodeo Association (which basically raises funds to distribute to other groups that need financial support to maintain their own activities); the Midlands Multi- Purpose Health Centre Auxiliary which have raised many hundreds of thousands to enhance the local health facility); the Bargain Centre at Oatlands (who I believe recorded a record profit for distribution to other not-for profit groups); Kempton Progress Association who organise the annual Kempton Festival; the football and cricket clubs that are highly reliant on volunteers to exist; and members of the many Management Committee of our Halls and Recreation Grounds. The list goes on but I take this opportunity to thank all volunteers within our community that add considerable value to the quality of life that we enjoy within the southern midlands.

The year ahead will no doubt have many challenges but I am very confident your Council can meet and resolve those challenges, and in doing so provide a better community for all.

A handwritten signature in black ink that reads "Anthony E Bisdee". The signature is written in a cursive, flowing style.

Clr A E Bisdee OAM  
**MAYOR**



# Overview

---



## Update from the General Manager

This Annual Report is one of four major documents produced by Council each year to ensure public accountability. They are the:

- Strategic Plan;
- Annual Operational Plan;
- Annual Budget; and
- Annual Report and Financial Statement.

All of these documents are available to the public.

The *Local Government Act 1993* requires Council to provide a summary of the Operational Plan for the year including performance in respect of targets set for the period. The following section of the Annual Report details the key achievements during the 2017/18 reporting period. The format of the Annual Report is consistent with the respective strategic themes contained in Council's Strategic Plan:

- Infrastructure
- Growth
- Landscapes
- Lifestyle
- Community; and
- Organisation.

In reference to the accompanying Financial Statements, Council has reported an underlying deficit of \$509K for the year 30 June 2018. This level of deficit is consistent with Council's Long-term Financial Management Strategy. Whilst this amount is different to the reported 'Result from continuing operations' of \$1.482 million, the '**Underlying Surplus/Deficit**' is an adjusted figure that is the recurrent (not including income received specifically for new or upgraded assets, physical resources

received free of charge of other income of a capital nature) of a council for a financial year less the recurrent expenses of the council for a current year.,

It should be noted that the underlying deficit is calculated by deducting the Australian Government's Roads to Recovery Program funding (\$878K in 2017/18) which is treated as a Capital Grant. This is despite the Roads to Recovery Program now being an ongoing funding source from the federal government. In addition, the underlying deficit includes an expense amount of \$329K which relates to the written down value of assets disposed where there is no sale prospect (i.e. \$128K demolition of buildings; and \$181K for bridges that were renewed).

A major challenge for Council during the reporting period was to reach a decision to close the Callington Mill Visitor Information Centre (noting that the Callington Mill flour milling operation continues). Although its value as an attraction to Oatlands was well recognised, operating the facility came at a considerable cost, losing around \$250,000 annually. This was considered to be unsustainable and unacceptable in the long term to amass such losses. The decision was however offset by the positive news a private investor was planning to build a Whisky distillery on the adjoining property at 99 High Street, and proposed to take over the running of the Mill precinct as part of his distillery plans. At the time of writing, it is confirmed that the rezoning to enable this development has been approved, and lodgement of a Development Application is imminent.

I would also like to report on the outcome of an assessment undertaken by the Director of Local Government which resulted in the production of a 'Rates Snapshot' for all Councils in Tasmania. The Southern Midlands Council is classified as 'Rural Agricultural Large' and is in a category with Break O'Day, Circular Head, Dorset, George Town, and Kentish Councils. Within this group, the Southern Midlands had:

- a) the second lowest rate per head of population of \$802 (which compares to the lowest of \$795; a category average of \$1,021 and a statewide average of \$1,018); and
- b) the third lowest average rate per rateable property of \$1,343 (which compares to the lowest of \$1,315, a category average of \$1,464 and a statewide average of \$1,516).

Other highlights for the past year include:

- Preparation of a new ten year Strategic Plan;
- Substantial increase in the number of new dwellings approved;
- Implementing operational changes to the three (3) waste transfer stations to better control waste streams and address on-site occupational health and safety issues;
- Conversion to a fortnightly household garbage and recycling collection service, together with the introduction of 240 litre wheelie bins for recycling. A focus of the latter being to increase the percentage of recycling that currently happens within the Southern Midlands; and
- A total of \$19.63 million worth of development being approved by the Southern Midlands during 2017-18 (amount based on the estimated cost of development as submitted at the time of application)

In closing, I would like to thank the Mayor and Councillors for their hard work, support and assistance provided during the past twelve months. Similarly, I express my appreciation to all employees who continue to meet the challenges presented and remain focused on achieving our aims and aspirations.

A handwritten signature in black ink, appearing to read 'Tim Kirkwood', written in a cursive style.

Tim Kirkwood  
**GENERAL MANAGER**

# Council

---



**Mayor  
Anthony (Tony) Bisdee OAM**



**Deputy Mayor  
Alex Green**



**Councillor  
Anthony (Tony) Bantick**



**Councillor  
Edwin Batt**



**Councillor  
Robert (Bob) Campbell**



**Councillor  
Donald Fish**



**Councillor  
David Marshall**

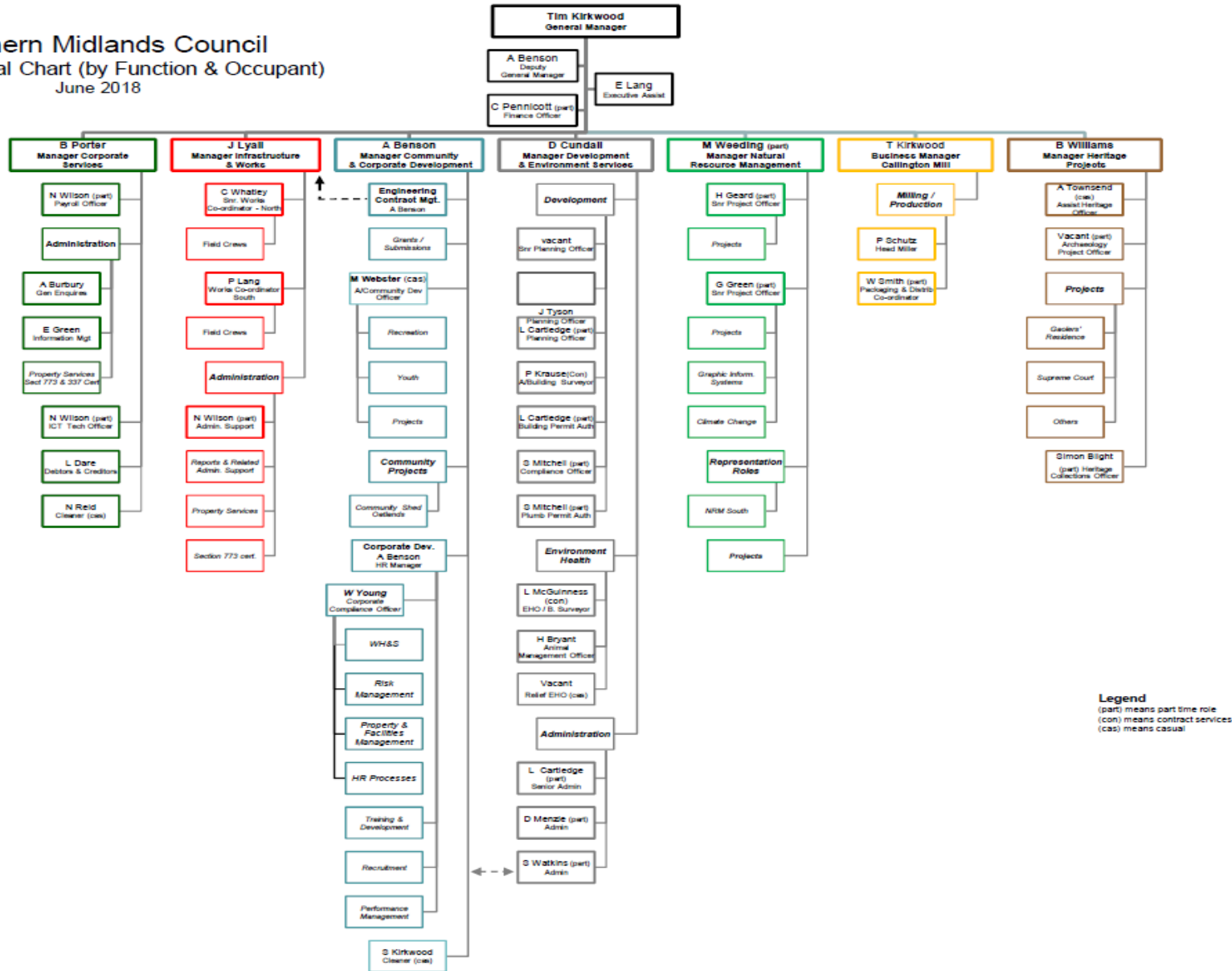
# Council Committee Structure

COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<b>Mayor Anthony (Tony) Bisdee</b> <b>OAM</b>	<ul style="list-style-type: none"> <li>◆ Australia Day Awards Selection Committee (Chair)</li> <li>◆ Enterprise Bargaining/Award Consultative Committee (Chair)</li> <li>◆ LGAT General Management Committee</li> <li>◆ Premiers Local Government Council</li> <li>◆ Southern Tasmania Councils Association (Deputy Chairman)</li> <li>◆ TasWater Corporation – Owners Representatives Committee and Board Selection Committee</li> <li>◆ Midlands Multi-Purpose Health Centre – Community Advisory Committee</li> <li>◆ Tunnack Recreation Ground Management Committee (Chair)</li> <li>◆ Oatlands Aquatic Centre Committee (Chair)</li> </ul>
<b>Deputy Mayor Alex Green</b>	<ul style="list-style-type: none"> <li>◆ Southern Midlands Audit Panel</li> <li>◆ Midlands Economic Development and Land Use Strategy (MEDaLS) - Implementation Committee</li> <li>◆ Campania Halls Management Committee</li> <li>◆ Campania Recreation Ground Management Committee</li> <li>◆ Campania Structure Plan Committee</li> <li>◆ Colebrook Hall Management Committee (Chair)</li> <li>◆ Levendale Community Centre Management Committee</li> <li>◆ Southern Midlands Facilities &amp; Recreation Committee (Proxy)</li> <li>◆ Woodsdale Hall Management Committee</li> <li>◆ Oatlands Recreation Ground Management Committee (Proxy)</li> <li>◆ Australia Day Awards Selection Committee (Proxy)</li> <li>◆ Enterprise Bargaining / Award Consultative Committee (Proxy)</li> <li>◆ TasWater Corporation – Owners Representatives (Proxy)</li> </ul>
<b>Councillor Anthony (Tony) Bantick</b>	<ul style="list-style-type: none"> <li>◆ Southern Midlands Facilities &amp; Recreation Committee</li> <li>◆ Municipal Disaster Management Committee (Emergency Management Planning Committee) (Chair)</li> <li>◆ Chauncy Vale Management Committee</li> <li>◆ Mangalore Recreation Ground Management Committee (Chair)</li> </ul>

COUNCILLOR	COUNCIL & COMMITTEE MEMBERSHIP
<b>Councillor Robert (Bob) Campbell</b>	<ul style="list-style-type: none"> <li>◆ Southern Tasmania Councils Authority Waste Strategy – South Committee</li> <li>◆ Arts Advisory Committee (Proxy)</li> <li>◆ Chauncy Vale Management Committee (Proxy)</li> <li>◆ Lake Dulverton / Callington Park Management Committee (Proxy)</li> <li>◆ Oatlands Community Hall Management Committee (Proxy)</li> <li>◆ Parattah Progress Association (Proxy)</li> <li>◆ Parattah Railway Restoration Management Committee (Proxy)</li> <li>◆ Woodsdale Hall Management Committee (Proxy)</li> </ul>
<b>Councillor Donald Fish</b>	<ul style="list-style-type: none"> <li>◆ Southern Midlands Facilities &amp; Recreation Management Committee (Chair)</li> <li>◆ Lake Dulverton / Callington Park Management Committee (Chair)</li> <li>◆ Oatlands Community Shed (Chair)</li> <li>◆ Parattah Progress Association (Chair)</li> <li>◆ Municipal Disaster Management Committee (Emergency Management Planning Committee) (Proxy)</li> <li>◆ Colebrook Hall Management Committee (Proxy)</li> <li>◆ Oatlands Community Hall Management Committee</li> <li>◆ Oatlands Recreation Ground Management Committee</li> <li>◆ Parattah Railway Restoration Management Committee</li> </ul>
<b>Councillor Edwin Batt</b>	<ul style="list-style-type: none"> <li>◆ Southern Midlands Audit Panel</li> <li>◆ Southern Midlands Facilities &amp; Recreation Committee</li> <li>◆ Arts Advisory Committee (Chair)</li> <li>◆ Southern Midlands Memorial Trees Committee (Chair)</li> <li>◆ Midlands Economic Development and Land Use Strategy (MEDaLS) - Implementation Committee</li> <li>◆ Tunnack Recreation Ground Management Committee (Proxy)</li> </ul>
<b>Councillor David Marshall</b>	<ul style="list-style-type: none"> <li>◆ Campania Structure Plan Committee</li> <li>◆ Southern Midlands Audit Panel (Proxy)</li> <li>◆ Campania Halls Management Committee (Proxy)</li> <li>◆ Campania Recreation Ground Management Committee (Proxy)</li> </ul>

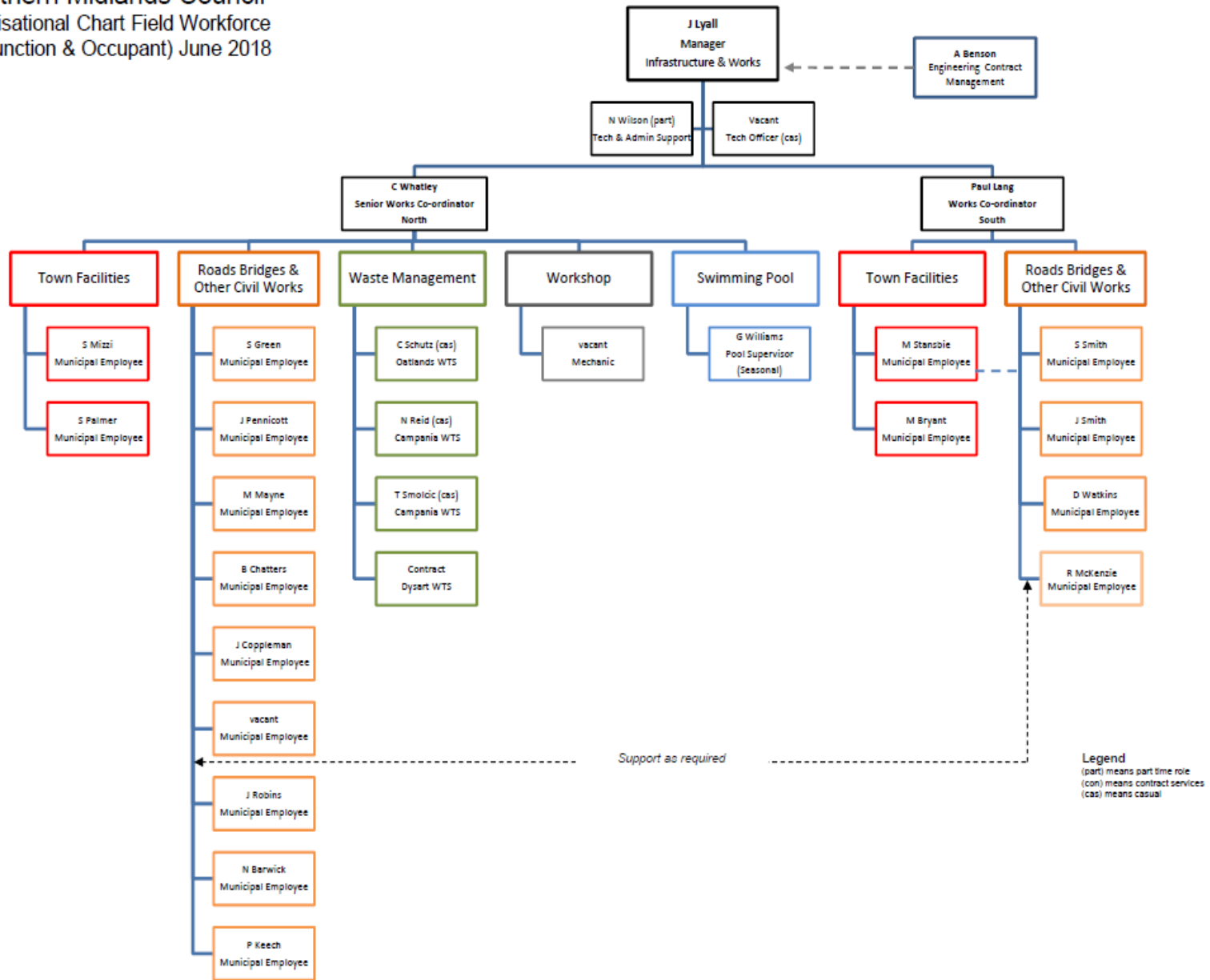
# Organisational Charts

Southern Midlands Council  
Organisational Chart (by Function & Occupant)  
June 2018



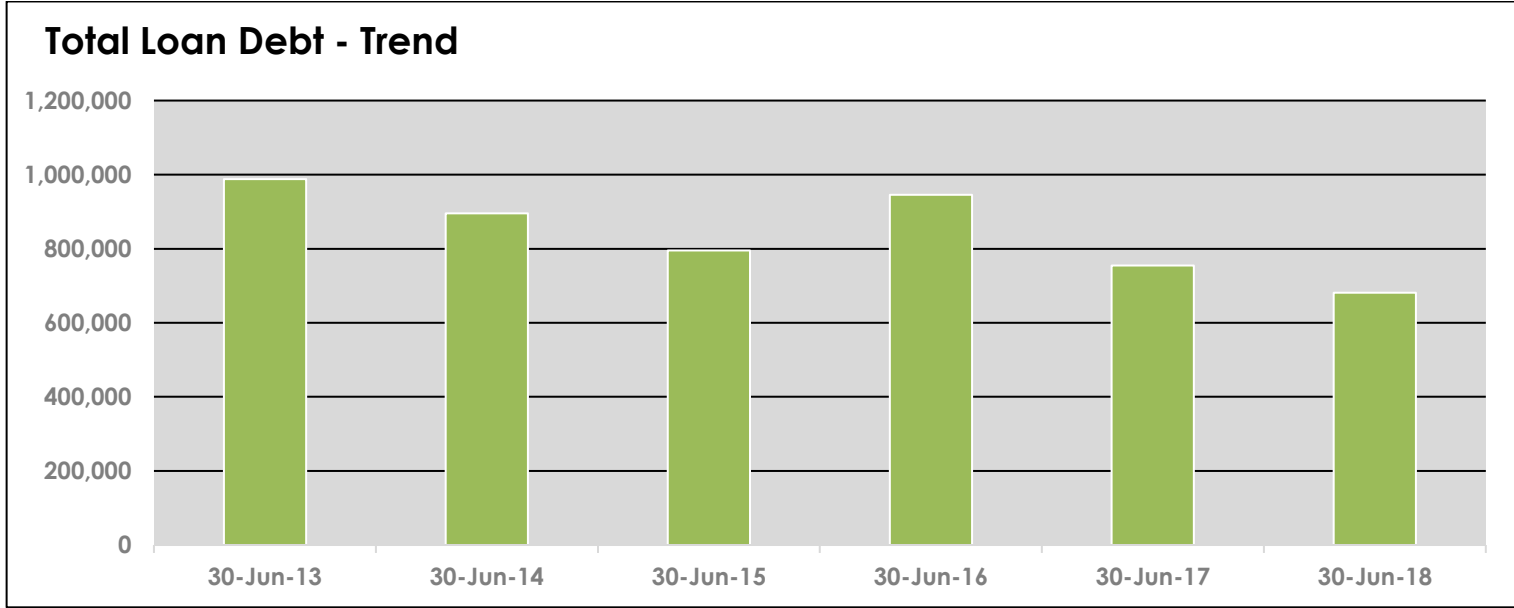
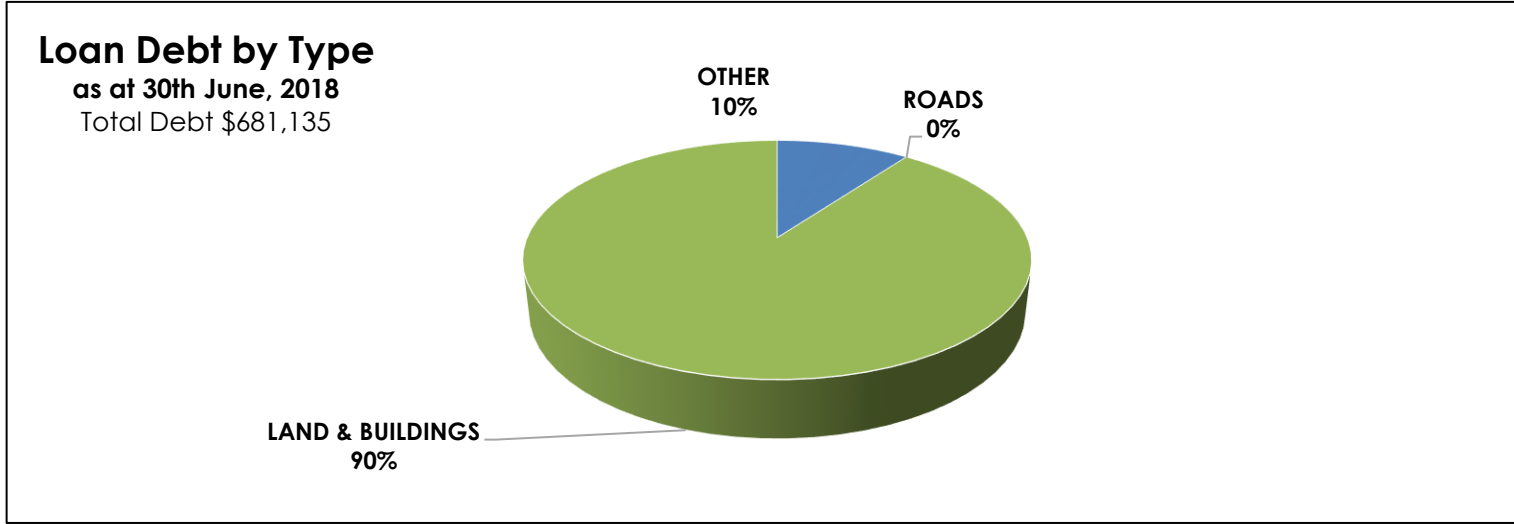


Southern Midlands Council  
 Organisational Chart Field Workforce  
 (by Function & Occupant) June 2018

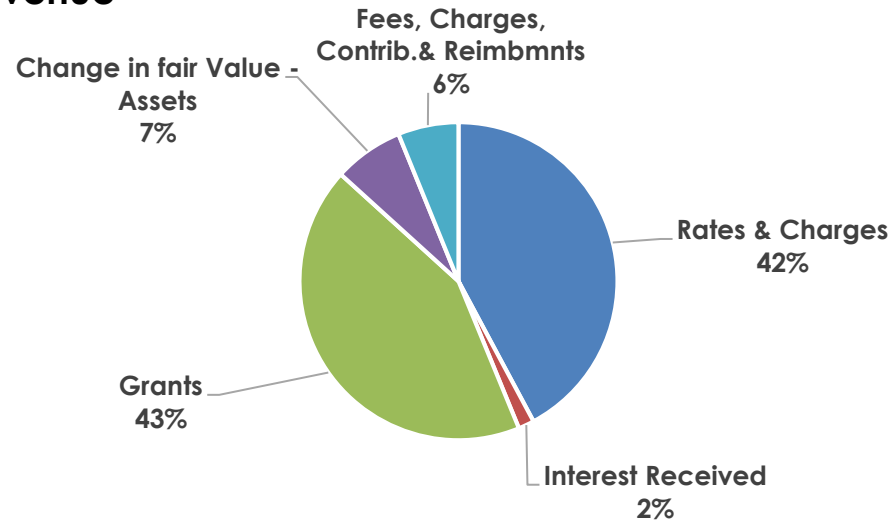


**Legend**  
 (part) means part time role  
 (con) means contract services  
 (cas) means casual

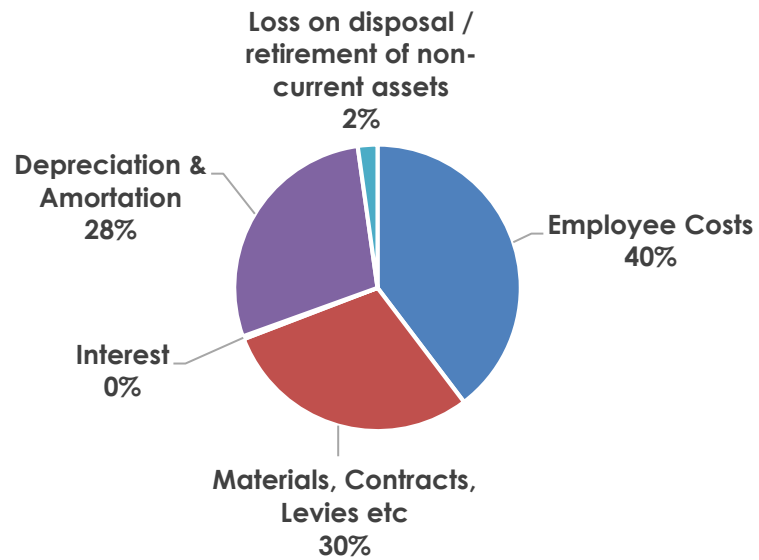
# Statistics 2017/18



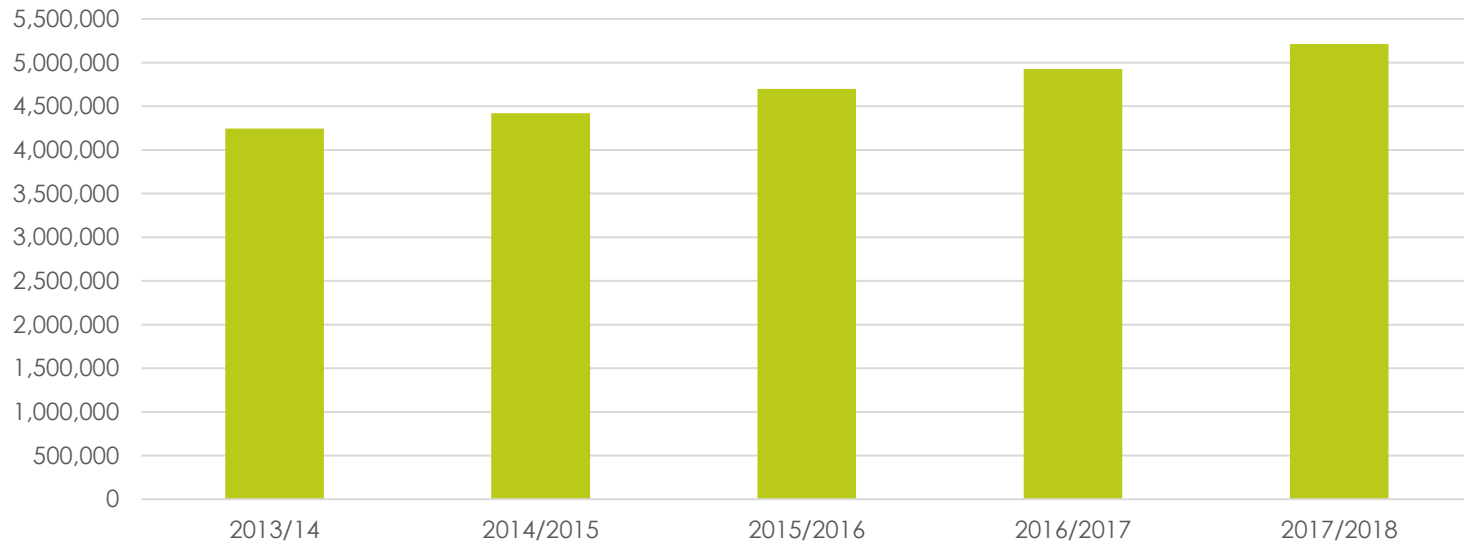
## Analysis of Revenue



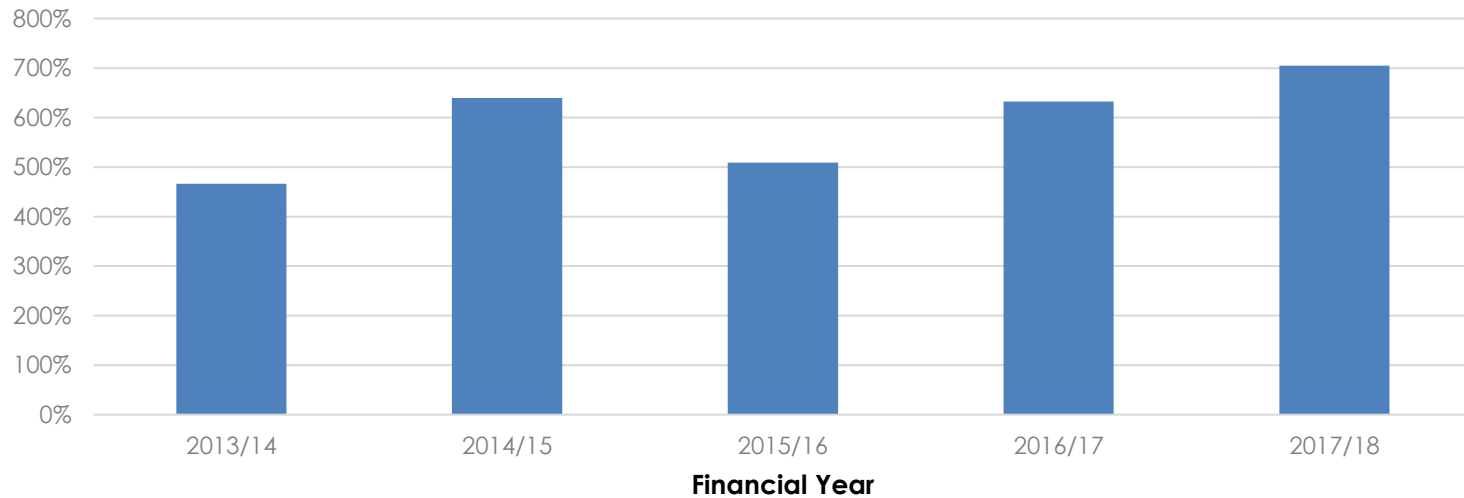
## Analysis of Expenses

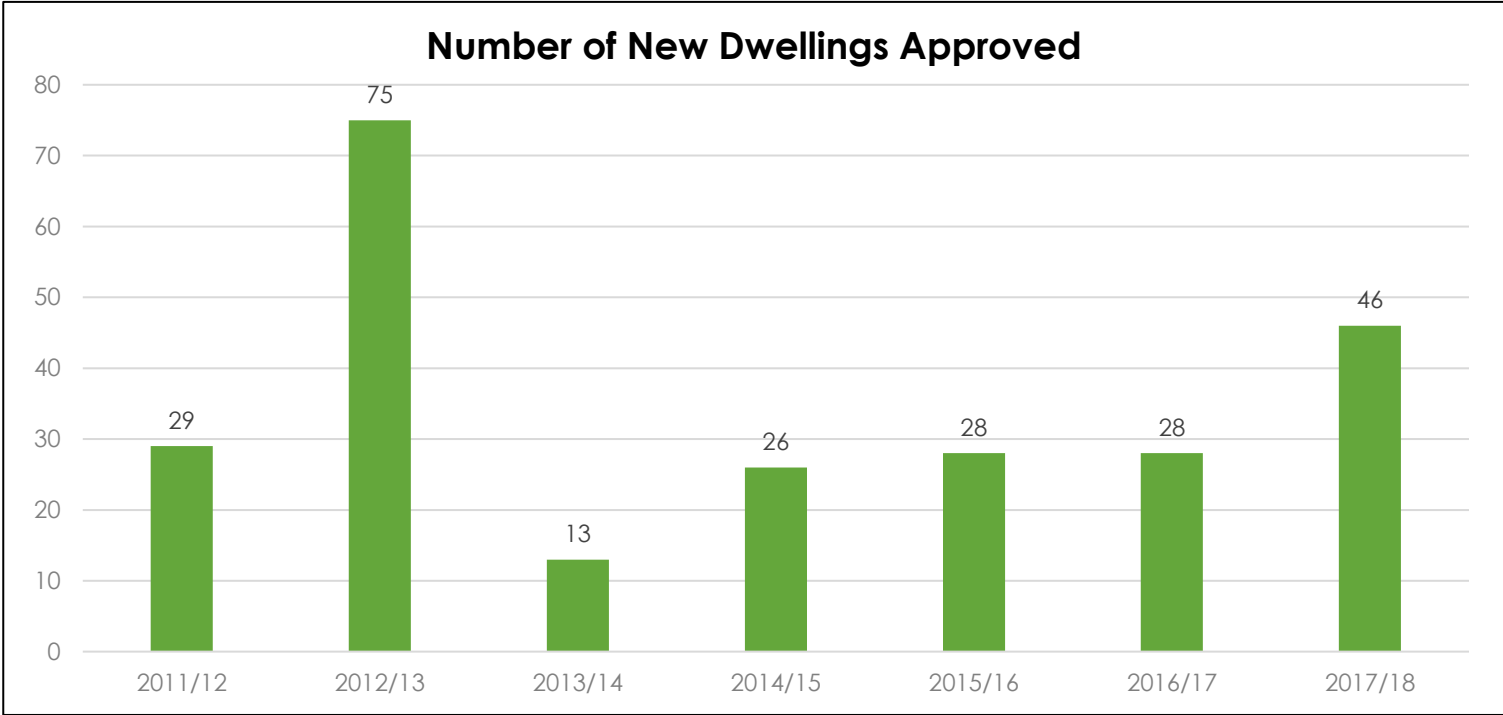


### Total Rates Levied - Trend



### Liquidity Ratio





# INFRASTRUCTURE

THE NEED TO MAINTAIN, IMPROVE AND MAXIMISE THE COMMUNITY BENEFIT FROM INFRASTRUCTURE PROVIDED BY COUNCIL



# Roads

---

MAINTENANCE AND IMPROVEMENT OF THE STANDARD AND SAFETY OF ROADS IN THE MUNICIPAL AREA

## 2017-18 Achievements

The total road length for the municipal area is 812 kilometres, which are classified as the following:

- 32 kilometres – Urban Sealed
- 167 kilometres – Rural Sealed
- 613 kilometres – Rural Unsealed

Road projects, totaling \$2.029 million were capitalised at the end of the 2017/18 financial year. These included:

- \$575K on re-sheeting unsealed roads;
- completion of the Colebrook Main Road / Lovely Banks Road junction at a total cost of \$213,857;
- realignment of Yarlinton Road \$190,046;
- \$604K on reconstruction and resealing roads – *East Bagdad Road; Elderslie Road; Eldon Road; Hall Lane; Native Corners Road; Stonor Road; Woodsdale Road and York Plains Road;*
- \$178K on other road safety improvements, including corner widening, and installation of safety railing.

This level of capital expenditure has been possible due to the ongoing funding received through the 'Roads to Recovery' Program by the Australian Government. The objective of Roads to Recovery is to contribute to the Infrastructure Investment Program through supporting maintenance of the nation's local road infrastructure asset, which facilitates greater access for Australians and improved safety, economic and social outcomes. The Roads to Recovery program does not contain a sunset clause under the new *National Land Transport Act 2014* meaning no new legislation will be required for the continuation of the program.

From 2014-15 to 2018-19 the Southern Midlands Council will receive a total of \$4,019,596, of which \$877,843 was received in 2017-18.

The Southern Midlands Council also received \$72,000 from the Tasmanian Government to fund the upgrade of Hall Lane, Bagdad (i.e. entry to Bagdad Community Club) and a further \$32,000 to reconstruct the Club carpark. The latter project will be undertaken in 2018-19.



## Roads (cont).

The Road Traffic Counter was placed on a number of roads during the reporting period. Use of the counter is aimed at gaining a better understanding of the road network; the level of use (i.e. traffic numbers), and the type of vehicles travelling individual roads. This information is valuable in the budgeting process, where there is always a need to prioritise capital expenditure projects.

# Bridges

---

MAINTENANCE AND IMPROVEMENT OF THE STANDARD AND SAFETY OF BRIDGES IN THE MUNICIPAL AREA

## 2017-18 Achievements

There are 152 bridges and major culverts within the municipal area, with a total deck area of 7,822 m<sup>2</sup>. \$30,612 (excluding depreciation) was expended on the maintenance of bridges within the municipal area. Maintenance expenses continue to decline due to Council's pro-active renewal and replacement program.

Bridge renewal / replacements projects, totaling \$709,969 were capitalised at the end of the 2017/18 financial year. These included:

- \$56,883 – Grahams Creek Road Bridge;
- \$373,506 – Bellevale Road Bridge;
- \$156,738 – Link Road Bridge;
- \$43,066 – Noyes Road Bridge;
- \$72,172 – Reynolds Road Bridge;

The net value of Council's bridges as at 30 June 2018 was \$18.477 million.

Bellevale Road Bridge over the Jordan River at Lower Marshes. This bridge was completed during this financial year. This bridge replaced a very old timber bridge which was unusable, so in recent years a bypass was installed with the support of local land owners and replacement was required. The old timber bridge was known as the 'Wonky Donkey Bridge' by many young people in the area.

*The 'Wonky Donkey Bridge' this structure is reminiscent of a bridge in a children's story books. Not very good as an asset management image but delightfully engaging & quite magic for a children's story book.*



# Walkways, Cycleways & Trails

---

MAINTENANCE AND IMPROVEMENT OF THE STANDARD AND SAFETY OF WALKWAYS, CYCLEWAYS AND PEDESTRIAN AREAS TO PROVIDE CONSISTENT ACCESSIBILITY

## *2017-18 Achievements*

Ongoing maintenance of all walkways, cycle ways and pedestrian areas occurred during the reporting period.

\$159,937 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area.

No significant capital works were undertaken in 2017/18.

# Lighting

---

ENSURE ADEQUATE LIGHTING BASED ON DEMONSTRATED NEED AND CONTESTABILITY OF ENERGY SUPPLY

## *2017-18 Achievements*

Additional street lighting has been approved / provided in accordance with Council's Street-lighting Policy.

An amount of \$81,693 was paid to Aurora Energy in 2017/18 for street lighting. Council continues to receive the benefits associated with entering into a combined contract between Councils and Aurora Energy, noting that the annual charges were \$80,281 in 2016/17 and \$96,010 in 2015/16). Contract negotiations for the supply of energy for unmetered public lighting was facilitated and coordinated by the Local Government Association of Tasmania.

Council continues to monitor potential sources of funding to progress the next stage of the High Street, Otlands underground power project.

# Buildings

---

MAINTENANCE AND IMPROVEMENT OF THE STANDARD AND SAFETY OF PUBLIC BUILDINGS IN THE MUNICIPAL AREA

## *2017-18 Achievements*

Council has ownership and is responsible for maintaining a large stock of public buildings. There are a variety of uses such as: Council offices; community hall and recreation facilities; heritage buildings; buildings within parks and reserves; housing; and public toilets.

The total replacement value of these buildings is assessed at \$21.92 million, with a current written down value of \$12.05 million.

Whilst a total of \$1.42 million was expended in Capital Projects in 2017/18, the majority of these projects were recorded as Works in Progress as at 30/6/18. They included:

- Oatlands Aquatic Centre;
- Oatlands Works Depot (Glenelg Street);
- 79 High Street, Oatlands (Commissariat);
- Memorial Avenue redevelopment; and
- Kempton Memorial Hall (external re-painting and associated maintenance works).

### **New Solar Panels for the Council's Kempton Offices**

Council has invested in a 9kW solar photovoltaic system for its offices at Kempton. The system is expected to generate 10.8 megawatt hours of electricity per year. Over 80% of the generated electricity will be consumed on site, the remainder being exported to the grid.

The installation will result in a 40% reduction in energy consumption from the grid at the Kempton offices and equate to an initial annual saving off electricity invoices of \$2340.

Over the life of the system, the cumulative savings amounting from the system are expected to be in the order of \$100,900 (based upon a 5.0% annual increase in electricity price scenario). This installation is a continuation of council's long term commitment to energy efficiency across all its facilities.

The next energy efficiency project planned is an upgrade of office lighting to LEDs. This move will see investment outlay recouped in energy bill savings in as little as one year.

# Buildings (cont).

## Oatlands Council Depot Relocation

With the development of the proposed Oatlands Aquatic Centre on the Oatlands Depot site at Church Street, this required the relocation of the Oatlands Council Depot to the Glenelg Street site. As building demolition was undertaken at Church Street, the first of the new buildings were established at Glenelg Street. This is the vehicle garage with a workshop and office to follow during 2018/19.



*New Solar Panels at Councils Kempton Office*

*Glenelg Street Council Works Depot*



# Sewers / Water

---

INCREASE THE CAPACITY TO ACCESS TO RETICULATED SEWERAGE SERVICES

INCREASE THE CAPACITY AND ABILITY TO ACCESS WATER TO SATISFY DEVELOPMENT AND COMMUNITY TO HAVE ACCESS TO RETICULATED WATER OF PUBLIC BUILDINGS IN THE MUNICIPAL AREA

## 2017-18 Achievements

At 30 June 2018, Council held a 0.76% ownership interest in TasWater, based on schedule 2 of the Corporation's constitution, which reflects Council's voting rights. The total value of Council's investment increased by \$156,349 to \$12.203 million.

\$228,000 was received from TasWater via dividends and tax equivalent payments.

Following the State Election in March 2018, a Memorandum of Understanding was entered into between the State Government, the Local Government Owners Chief representative and TasWater. This MOU was aimed at improving water and sewerage services in Tasmania and resolved the long-term issue of ownership and governance arrangements.

Under the agreement, the Government will inject \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater (1% equity for each \$20m). Local government will retain majority ownership of TasWater and new governance arrangements will ensure that State and Local Government will work together with TasWater's board to deliver the capital program. The MOU includes the following proposed pricing arrangements:

- FY2018/19 4.1%
- FY2019/20 0%
- FY2020/21 – FY2024/25 Capped at 3.5%, but possibly lower
- FY2025/26 Onwards No Commitment

The Memorandum of Understanding also addressed issues associated with the forward Capital Program, indicating the aim to spend \$1.8bn over the current 10 year capex plan.

Current distribution levels to Local Government as agreed prior to entering into the MOU will be maintained through to the 2025/26 financial year, and the TasWater Board to determine beyond FY25/26, but profitability should enable indexation beyond that point.



# Drainage

---

## MAINTENANCE AND IMPROVEMENT OF THE TOWN STORM-WATER DRAINAGE SYSTEMS

### 2017-18 Achievements

#### **Best Practice Design**

Council continues to appraise, implement and monitor 'Water Sensitive Urban Design' (WSUD) through the Development Application process. This provides more opportunity for rain water to soak into the local water table. WSUD is typically implemented through subdivision design which complements the village character of the Southern Midlands townships.

#### **Stormwater Mapping**

As a component of Council's *Stormwater Strategy 2016* Council continues to update its asset register and mapping of stormwater infrastructure. This in turn assists Council and the community in maintenance and provides clearer pathways for new development. The stormwater mapping is updated through obtaining new data from developers such as the "as constructed plans" in the final stages of a subdivision approval.

Council maintains a service agreement with the State Government List Services and has allocated resources to providing spatial data direct to the public.

This data would streamline investigation of future pipe location, in relation to determining point to point fall and gradients for new connections to the stormwater system. Armed with this data, council would be well equipped to advise residents and developers of their options in relation to stormwater connection and disposal.

# Waste

---

MAINTENANCE AND IMPROVEMENT OF THE PROVISION OF WASTE MANAGEMENT SERVICES TO THE COMMUNITY

## 2017-18 Achievements

Key recommendations of the *Southern Midlands Waste Management Strategy* (August 2016) were implemented in the 2017/2018 year.

### **Waste Transfer Stations**

Council operates three waste transfer stations, Dysart, Campania, and Oatlands.

Council implemented operational changes to the three (3) waste transfer stations in November 2017. Capital funding was previously allocated in the 2017/2018 budget to enhance the sites, obtain better control of waste streams and to better address on-site occupational, health and safety. This included:

- having two (2) personnel on-site during opening hours;
- alterations to opening hours;
- Essential OHS equipment located on site during opening hours;
- Improved money handling;
- Improve waste checks and avoidance of hazardous waste;
- Improve recycling; and
- Ensure out of area users are identified and charged per the fees schedule.

Further changes and improvements to recycling and re-using materials have been identified in the *Waste Management Strategy* and will be implemented as resources and budget become available.

### **Strategic Planning**

Council continues to actively participate in the Waste Strategy South (WSS), a committee of the Southern Tasmanian Council Authority (STCA). The committee was established to facilitate strategic planning for waste management in southern Tasmania and to implement activities outlined in the Southern Waste Management Strategy and the Regional Action Plan.

WSS coordinates municipal and non-municipal waste minimisation programs, infrastructure developments, waste stream performance monitoring, education and marketing programs – including participation in statewide initiatives – among other functions. The WSS is also an opportunity for Councils to network and resource share services in the South.

# Waste (cont).

## **Kerbside Collection Changes**

The contract for roadside collection service for household waste and recycling (by Thorp Waste) expired in January 2017. This required Council to tender a new contract for the service per Council's procurement Code. This is a five (5) year contract with a one (1) plus one (1) year extension(s). Therefore up to seven (7) years.

In tendering a new contract Council had the opportunity to investigate and implement further recommendations of the *Waste Management Strategy* and also implement recommendations of the former Southern Waste Strategy Authority (SWSA). The strategy identified the following operational and potentially cost saving measures:

- Move to a fortnightly collection service for all residents
- Replace the 55lt recycling crates with 240lt wheelie bins
- Investigate replacement of the 140lt bins with 240lt bins
- Consistent bin types across Councils per the national standard
- Reduce landfill
- Increase recycling
- Better service to ratepayers
- Reduce OH&S risk associated with manual handling waste
- Reduce risk to residents in manual handling crates
- Reduce waste material becoming airborne and entering environment; and
- Reduce risk to motorists and pedestrians.

At the January 2018 meeting Council endorsed the Officer's recommendations to implement those measures and to tender a new contract for a fortnightly collection service and the collection and replacement of the 55lt crates and 140lt wheelie bins with brand new 240lt wheelie bins. It was identified in a report prepared by Officers that Southern Midlands has the lowest recycling rate in the southern region primarily due to the small 55lt crates putting a limit on how much a household can recycle. Southern Midlands recycling rate was around 9% of the household waste stream compared to a 21% average in the region and a potential to reach up to 42% (*12.10.1 Kerbside Waste Collection – Consideration of service frequency and Replacing 55lt Recycling Crates with 240lt Recycling Bins – Jan 2018 Meeting*).

The transition to the new service commenced in July 2018 after Council had selected the preferred tenderer (May 2017 meeting).

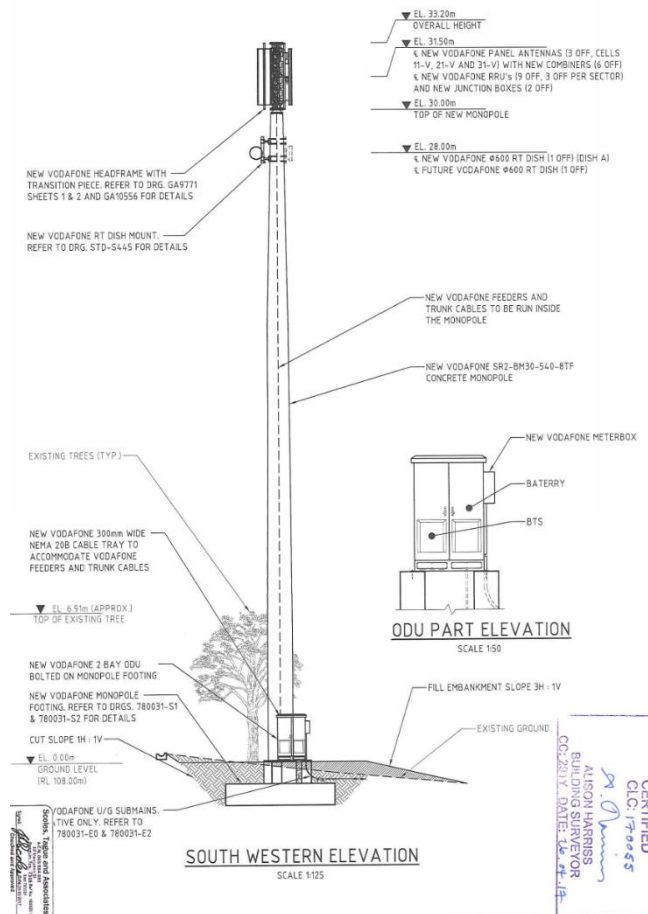
# Information, Communication Technology

IMPROVE ACCESS TO MODERN COMMUNICATIONS INFRASTRUCTURE

## 2017-18 Achievements


Council has entered into a leasehold relationship with Vodafone in the construction of a communications tower in the Campania bush reserve. Subsequently Optus has been co-hosted on the Communications Tower.

This is a tangible way in which Council is assisting its Community in building greater connectivity for the region.



# GROWTH

THE NEED TO INCREASE THE POPULATION IN THE MUNICIPALITY TO A LONG TERM SUSTAINABLE LEVEL AND TO GROW THE LEVEL OF AGRICULTURAL, COMMERCIAL AND INDUSTRIAL ACTIVITY, BALANCED WITH ENVIRONMENTAL, HERITAGE AND CULTURAL VALUES ALONG WITH THE PROVISION OF APPROPRIATE SERVICES



HERITAGE HIGHWAY  
Destination Action Plan 2017-2019  
April 2017

SUPPORTED BY  
Tasmanian Government  
DESTINATION SOUTHERN TASMANIA  
Tourism Northern Tasmania

# Residential

---

INCREASE THE RESIDENT, RATE PAYING POPULATION IN THE MUNICIPALITY

## *2017-18 Achievements*

Council continues to ensure a sufficient supply of residential land in the Southern Midlands for the next 10-15 years. This is achieved through monitoring the progress of past strategic plans and reviewing the current residential zoning through the Planning Scheme reform (and preparation of the LPS).

The southern areas of the municipality continue to have the highest levels of residential growth with 22 of the 46 dwellings approved in the 2017/2018 year being in the Campania, Bagdad and Mangalore area.

Stages of the "Coal River Estate" in Campania continue to be released with high demand for residential land in this area.

# Tourism

---

INCREASE THE NUMBER OF TOURISTS VISITING AND SPENDING MONEY IN THE MUNICIPALITY

## 2017-18 Achievements

According to the Tourism Tasmania Statistics (Tasmanian Visitor Survey) for the year ending December 2017.

- Visitors to Tasmania: 1.26 million (an increase of 2% from previous year)
- Expenditure by visitors: Visitors to Tasmania spent a total of \$2.33 billion on accommodation, attractions, tours, transport and other goods and services during this period. This represents an average spend of \$1,844 per visitor. (an increase of 8% from previous year)
- 34,595 visitors stopped & looked around but did not stay overnight (Oatlands) 9,743 visitors stayed overnight (Oatlands).
- 80, 076 visitors visited on their trip (Oatlands) (travelled through)

The top visitor activities for Tasmania- total visitors for January – December 2017.

- 285,372 people - Visited Historic Houses
- 535,058 people - Visited Historic sites/attractions
- 262,301 people - Visited antique shops
- 413,546 people - Visited museums
- 303,036 people - Visited galleries
- 392,245 people - Visited craft shops
- 341,416 people - Bought Tasmanian made art/craft

### Callington Mill Precinct

Ratepayers received correspondence from Council in October 2017 advising that the Visitor Centre and café along with the tours at the Callington Mill precinct would close on Friday, 20<sup>th</sup> October 2017. The letter stated that it was never the intention for Council to operate these services, however Council was left with no choice at the time given the lack of private sector uptake following completion of the redevelopment in 2010. In late 2017, time had arrived to review this in light of the ongoing annual deficit of between \$250,000 to \$280,000 per annum, which was not sustainable nor in line with ratepayer's expectations.



## Tourism (cont).

Council were fortunate however in having a private developer purchase the property at 99 High Street, Oatlands (adjacent to the Visitor Centre) and expressing a genuine interest in sub-leasing and operating the Visitor Centre as part of his grand plan to build a major whisky distillery on his new property overlooking Lake Dulverton.

Council saw this as a welcome opportunity to transfer the operation of the Visitor Centre from Council to a private enterprise developer and whisky entrepreneur.

It was planned that the operation of the mill and flour milling would continue as normal until a commercial undertaking is entered into with the proposed developer. Grain was to continue to be purchased from local grain suppliers along with wheat and spelt flour produced then delivered to customers.

The following matters were clarified in the Council Newsletter based on feedback at the time from the ratepayer letter in respect to the closing:

- The Callington Mill will continue to operate & produce flour for sale;
- Oatlands IGA has agreed to stock an expanded range of Callington Mill Flour Product;
- There is also opportunity for other retail premises to buy stock at a wholesale price and offer it for sale;
- Many towns in Tasmania do not have a Visitor Centre for example, Richmond does not have a Visitor Centre;
- The number of enquiries to Visitor Centres are declining with many now using their own devices and online booking systems;
- Employees affected by the closure of the visitor centre, café and tours were informed, as was their Union, prior to Council making its final decision;
- Stakeholders were also consulted, and feedback over the past few years from ratepayers was also taken into consideration;
- Public toilets within the Mill precinct will remain open and be serviced by Council.

In reporting on this item it is important to acknowledge the Callington Mill staff for their contributions and commitment to the Centre's operation and the development of tourism in the Southern Midlands.

Callington Mill precinct has remained accessible by the public, especially the Community Garden and the Blacksmith, and everyone has been welcomed to wander around the precinct. The proposed new whisky distillery, if it gains necessary approvals, will further boost opportunities to attract increased visitation to the village, to benefit all.

# Tourism (cont).

## **Heritage Highway Tourism Region**

Council continues to support the Heritage Highway Tourism Region Association and provided a contribution of \$12,000 in 2017-18. The Association has two main purposes:

- To facilitate sustainable and profitable business opportunities through the provision of a series of distinct visitor experiences, by engaging all communities in the development of their individual and complementary identities
- To maximise business for the region's tourism industry, to build demand for core services, to development, to develop new marketing segments and to raise demand for tourism and other businesses in the region.

## **Destination Southern Tasmania**

Council continues to be a financial Member of the Destination Southern Tasmania (DST). Council Officers and Elected members have worked on the Heritage Highway Destination Action Plans (DAP) for the Region, with a number of Council initiatives in the pipeline for 2017/18.

## **Southern Midlands Arts Advisory Committee**

The Southern Midlands Arts Advisory Committee has further sought to enhance the visitor experience with the Blacksmith 'Come & Try Days' program which is proving to be very successful, with our resident Farrier/Blacksmith, Fergus Paterson, at Callington Mill through the Community Blacksmith (complete with forge and anvils in the stables area). Another project that the Committee initiated will come to fruition during 2018/19, which is the 'Cows in the Lake', a significant element of tourist interest with strong cultural/historic connections to Oatlands.

A subcommittee of the Arts Committee is the Heritage & Bullock Festival Committee, which is in the planning stages for the inaugural two day Heritage & Bullock Festival in August 2018. It is shaping up to be an amazing event, under the Chairmanship of local identity, Brian Fish along with fellow Directors, Dr R A Simpson, Jack Lyall and Council staff.

## **Proposed large tourism accommodation facility in Oatlands**

The proposed large tourism accommodation facility in Oatlands, which was identified in the Midlands Economic Development and Land use Strategy project as being a key missing element in the area's tourism infrastructure, is an ongoing project for Council with the aim of attracting private investment in such a facility. It was felt that the anticipated whiskey distillery would be a significant 'lever' for the advertising of this development so it is expected that the Expression of Interest will be launched following a decision in respect of that development.

# Business

---

INCREASE THE NUMBER AND DIVERSITY OF BUSINESS IN THE SOUTHERN MIDLANDS; INCREASE EMPLOYMENT WITHIN THE MUNICIPALITY;  
INCREASE COUNCIL REVENUE TO FACILITATE BUSINESS AND DEVELOPMENT ACTIVITIES (SOCIAL ENTERPRISE)

## 2017-18 Achievements

### Filming of Rosehaven

Tasmanian-made TV comedy 'ROSEHAVEN' is coming back to our televisions for season two — and the series is also set to make its debut on US screens later this year.

Created by, written by, and starring Celia Pacquola and Tasmanian comedian Luke McGregor, ROSEHAVEN premiered on ABC TV last October and was a hit with audiences and critics, fast becoming the ABC's top-rated comedy series for the year. They have also both appeared in the television series "Utopia" on the ABC.

Eight new episodes of *Rosehaven* will be filmed in and around Hobart, the Huon Valley and Oatlands.

The former CT Fish shop on the High Street in Oatlands, which is owned by Council will feature as the Real Estate Agent location. The Oatlands site has be integrated into both series 2 and series 3.



*Of the supporting roles, 48 of the 60 speaking roles have gone to local Tasmanian actors and 41 of the 75 crew are Tasmanian.*

*Above: Filming in the CT Fish Building, High St, Oatlands*



## Business (cont).

### Centre for Heritage

On-going operation of the Southern Midlands Council owned entities associated with the Centre for Heritage at Oatlands:

- a) Heritage Building Solutions Pty Ltd - a proprietary company which operates the 'Services Arm'; and
- b) Heritage Education and Skills Centre Ltd - a company limited by guarantee to operate the 'Education Arm'.

Achievements of those entities for the year include:

- Commercial conservation, restoration and advisory roles on several significant Tasmanian heritage sites, including World Heritage places.
- Continuation of an apprenticeship scheme.
- A focus on utilising local labour and materials where possible.
- A successful series of short-courses on heritage trades and conservation practices and a free advisory service to local heritage property owners.
- Facilitation of partnerships with complimentary organisations.

# Industry

---

RETAIN AND ENHANCE THE DEVELOPMENT OF THE RURAL SECTOR AS A KEY ECONOMIC DRIVER IN THE SOUTHERN MIDLANDS; INCREASE ACCESS TO IRRIGATION WATER WITHIN THE MUNICIPALITY

## *2017-18 Achievements*

As part of Council's commitment to supporting sustainable land management practices in the agricultural industry, the newly appointed Weeds Officer from the NRM Unit has been encouraging landholders to manage / plan to eradicate high priority weeds from landholdings. There has been an emphasis on agriculture, given the proportion of the Municipality that relies on rural land production as an industry. Cotton, saffron and nodding thistles, Chilean and Texan Needle Grass and one area of Serrated Tussock are the targeted priorities in the agricultural and urban landscape.

Council continues to support the Midlands Water Scheme operations within the Municipality. The Council's NRM officer sits on the Midlands Water Scheme Irrigator Representative Committee as a representative for our rural landholders in a number of regions.

Council has been briefed on a further potential irrigation scheme for the Southern Midlands that will bring water from Lake Echo to the Jericho, upper Coal Valley, Kempton and south of, should the scheme receive funding from the Federal and State governments. The proposed scheme is being driven by Tas Irrigation. Southern Midlands landholders in the areas that may be serviced by this scheme have already indicated a high level of interest in the proposal by provisionally nominating the number of Mega litres of water that they would consider purchasing in the scheme. Council looks to support and encourage the proposal should it gain traction in the future, as a matter of increasing the production and economic activity from within our region.

Council continues to assist in promotion of field days related to agriculture and /or irrigation, particularly events that focus on the latest technology and sustainable land management practices.

## Industry (cont).

A four-hectare greenhouse at Jericho, (in this image is nearing completion) in what is believed to be a world-first trial of growing cherries under controlled conditions. The structure has now been completed and fully operational.





# LANDSCAPES

---

THE NEED TO MAINTAIN, IMPROVE AND MAXIMISE THE BENEFITS OF THE EXISTING HERITAGE, NATURAL AND CULTURAL LANDSCAPES OF THE SOUTHERN MIDLANDS



# Heritage

---

MAINTENANCE AND RESTORATION OF SIGNIFICANT PUBLIC HERITAGE ASSETS; ACT AS AN ADVOCATE FOR HERITAGE AND PROVIDE SUPPORT TO HERITAGE PROPERTY OWNERS; INVESTIGATE DOCUMENT, UNDERSTAND AND PROMOTE THE HERITAGE VALUES OF THE SOUTHERN MIDLANDS

## 2017-18 Achievements

- Continued public use of the Oatlands Supreme Court House and Gaol, including Artist in Residence program and regular use by the Heritage Arts and Crafts Group, Heritage Education and Skills Centre and other occasional users. Installation of the 'Oatlands Key' system has allowed 7-day per week access to parts of the buildings (with CCTV security and user registration).
- Major works have been undertaken on the Oatlands Commissariat and 79 High Street with the implementation of the conservation management plan (as part of the master plan) as part of a Commonwealth Government *National Stronger Regions Fund* project. Expected completion late 2018. Use planning as the 'Heritage Hub' further to the project plan will be undertaken during the latter half of 2018 with an expected opening date of Dec/Jan. That initiative will be a community-based cooperative centre for use by groups with an interest in heritage trades, skills and training.
- Continued strong association with the Centre for Heritage at Oatlands.
- Promotion of collection material, heritage projects and events through social media including Facebook and Instagram as well as regular tours and industry engagement.
- Management of Council's heritage collections, including archival rehousing and databasing, input of Southern Midlands data into the Tasmanian Decorated Interiors Database, migration of SMC heritage collection to the National Library of Australia Trove website and digitisation of collection material from the SMC heritage and archeological collection.
- Ongoing promotion of Southern Midlands heritage through talks, presentations, media events and the lead-up to the Heritage and Bullock Festival.
- Supervision of an active volunteer program which engages community groups where possible (e.g. work with the Kempton RSL with the Victoria Hall interpretation project, Tasmanian Decorated Interiors, Mt. Pleasant Hall etc.).
- Input into the Kempton Memorial Avenue interpretation and commemoration project.
- Liaison with Government departments such as the Department of State Growth to ensure appropriate recognition and protection of historic heritage assets in the major projects process.
- Review of achievements against the Southern Midlands Historic Heritage Strategy 2014-18.



## Heritage (cont).

- Heritage Projects Program staff continue to have a role in a range of Council committees (e.g. Arts Advisory Group, Memorial Avenues etc.) to promote the heritage of the region in a range of initiatives.
- Formalised process for heritage input into the development appraisal process.
- Resource sharing of SMC Heritage staff has occurred with neighbouring Councils and Heritage Building Solutions on a fee-for-service basis.
- Continued support of local heritage initiatives such as the Callington Mill Blacksmith, Community Garden etc.
- Research into several key SM heritage themes ahead of the planned 'monograph series'.
- Collaboration with the Heritage Education and Skills Centre for occupation of the Oatlands Commissariat.
- Various interpretation projects, such as upgrades of Oatlands Gaol and military precinct interpretation and the 'Beacons' project in collaboration with neighbouring councils.
- Upgrade of the Heritage Officer position to full-time. Current direct heritage staff 2.6 fte (noting that some of that time is charged-out to other organisations).
- Participation in the Heritage reGeneration project in collaboration with the Heritage Education and Skills Centre.
- Active promotion of Southern Midlands heritage through a series of public talks, including U3A, Tasmanian Historical research Association etc.

The physical focus of the heritage projects program during 2017-18 was the implementation of the Oatlands Commissariat and 79 High Street conservation management plan. Funding through the *National Stronger Regions Fund* has allowed the full restoration of those buildings further to the *Southern Midlands Integrated Heritage Skills Hub* project plan. An exceptional team of heritage practitioners has been engaged for the restoration, with works set to be completed by early December 2018. A project officer is to be engaged during 2018/19 to manage the further implementation of the project plan and established the community collaborative hub. The Centre for Heritage at Oatlands is to be the key tenant of the Commissariat further to the CfH Business Plan. The restoration has attracted substantial positive community comment and has been the subject of several media articles, tours and training initiatives.

During 2017/18 a key focus of the Heritage Projects Program is to seek to enhance the access and use to heritage buildings through design and installations of various interpretation initiatives and the installation of access control systems to allow secure access to buildings. Initial visitor numbers utilising that system look promising and this has allowed 7-day per week access without prohibitive staffing costs. The Artist in Residence program has been greatly successful, with five residencies and the new Artist in Residence policy resulting in Council acquiring art pieces in exchange for the in-kind support for the residencies.

# Heritage (cont).

Most Artists in Residence have been strongly engaged with the community and continue to promote Oatlands and the midlands as a destination.

Continued curatorial inputs have been undertaken on Council's heritage and archaeological collection, with the 'backlog' of databasing and curating the archaeological collection now largely complete and the heritage collection is to be the next focus. A major 3-year archaeological project is currently being planned in conjunction with the University of Tasmania to commence in early 2019.



# Natural

---

IDENTIFY AND PROTECT AREAS THAT ARE OF HIGH CONSERVATION VALUE; ENCOURAGE THE ADOPTION OF "BEST PRACTICE" LAND CARE TECHNIQUES

## 2017-18 Achievements

Weeds: Council continues to be proactive in managing weeds on council road verges, quarries and public reserves and some waterways. Council endorsed *the Southern Midlands Weeds Management Strategy – October 2017* edition at the following November Council meeting. A new Weeds Officer position was established and filled in September. The Weeds Officer worked in conjunction with the Works Department to assist with targeting the Council's weed priorities on the roadsides. Priorities for treatment continue to be gorse, broome, blackberry, Spanish heath, with the addition of Paterson's Curse and boneseed.

Working in with Crown Land Services and the Northern Midlands Council, a section of willows was removed from in the Blackman River immediately north of the northern bridge at Tunbridge township. This followed on from the historical flooding that occurred in many parts of the state in June 2016, which included some houses and building being inundated in the Tunbridge due to the willows and debris blocking the flow of water through this section of the river.

Cumbungi in Lake Dulverton continues to be monitored and any plant sighted is dealt with. The 17/18 year proved to be challenging in dealing with this weed in the Lake. There were many areas with scattered plants. To the best of our knowledge, all plants but one were found before having seeded. Another water plant grew prolifically in the Recreation Zone of the lake in late 2017. Despite community concerns, it turned out to be a native water plant – *Myriophyllum salsugineum* (lake watermilfoil).

Lake Dulverton: The *Lake Dulverton Management Strategy 2002*, and the recently revised *Lake Dulverton Action Plan 2017* continued to provide guidance for work around the lake. A landscape plan for the area known as the 'pine tree' area near Mahers Point was prepared and went out for public consultation. This followed on from the level of concern that was being raised over the continual falling of branches from the old trees at this location, resulting in issues relating to public safety.

The water levels in the Recreation Zone of the Lake continue to be monitored, as per the *Operational Plan - Water Allocation Lake Dulverton Oatlands*. The Midlands Water Scheme winter water take to November 2017 saw Council place 153.9 ML of water into the lake.

## Natural (cont).

This was matched with the same allocation by the Inland Fisheries Service. Council's full allocation of 215 ML was not taken as the SMC and IFS combined totals saw the Lake reach the full level in the Recreation Zone, before spilling over the large bund wall into the Natural Zone.

Council worked with the community over a number of months to prepare a *Management of Trees on Council Land Policy*. The third draft of the policy was under active public review as at June 2018. It is expected to be endorsed early in the 18/19 year.

As part of Council's maintenance and risk mitigation practices, the historic Radiata pine on the Lake Dulverton foreshore beside the Esplanade, corner of Callington Park, was being monitored. The 150 plus year old tree, visible in historic photos had a major split in the trunk area causing a significant portion of the tree's major limbs to likely fall in the near future. An arboricultural assessment of the tree had been done, following on from an earlier assessment in 2013. In June 2018, Council endorsed a recommendation that the tree be felled. The tree was documented / photographed and subsequently removed soon after the decision to fall it had been taken.

The NRM Unit continues to provide best practice landcare information and assistance with weeds matters. Advice on native tree species suitable for varying locations continues to be sought by ratepayers. The Midlands Tree Committee was able to secure 2000 trees, which were made available to landholders that had expressed an interest in undertaking some native tree establishment works. Unfortunately there was no major State or Federal government landcare funding rounds available in the 17/18 year.

### **Chauncy Vale Wildlife Sanctuary**

The financial year 2017-18 was a period of structural review and implementation of significant changes at the Chauncy Vale Wildlife Sanctuary. These changes have included:

- Complete refit and renovation of the caretaker's house, including a new kitchen;
- Construction of a new sundeck at the caretaker's house;
- Removal of superfluous outbuildings at the Caretaker's House;
- Complete refit and renovation of the public shelter, including, a new deck, wheelchair access, installation of a wood heater and kitchenette;
- Significant spring clean of Day Dawn Cottage – inside and out.

## Natural (cont).

- Re-routing of the walking track to Brown's Caves;
- Removal of treated pine foot-bridge on the track to Brown's Caves, and replacement with a stone bridge;
- Construction of a walker registration booth;
- Upgrade of walking track signage throughout the Natural Zone;
- Track clearance and re-marking on the Guvy's Lagoon loop.
- Restructure of the Caretaker Program; it is now a program in partnership with Wildcare Tasmania;
- Development and launch of a new Chauncy Vale web site, inclusive of an online booking system;
- Communications Strategy and Risk Management Plan developed – enhanced community engagement and networking through the Caretaker;
- Erosion control works and rehabilitation along Browns Caves Rivulet (Visitor Precinct section);
- Removal of dangerous trees within the Visitor Precinct.

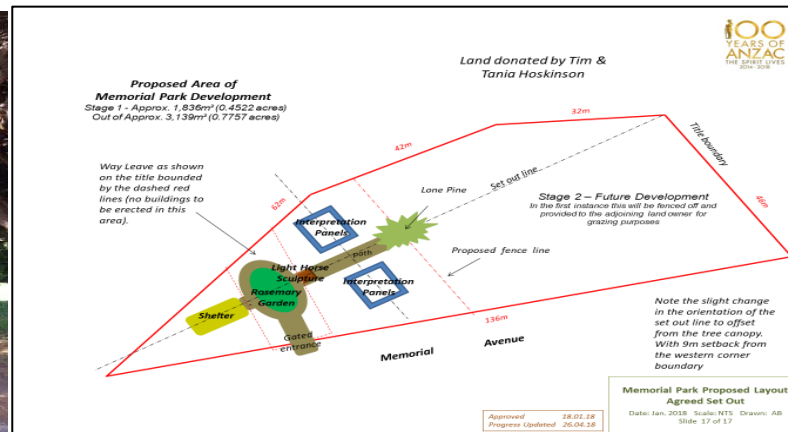


# Cultural

ENSURE THAT THE CULTURAL DIVERSITY OF THE SOUTHERN MIDLANDS IS MAXIMISED

## 2017-18 Achievements

### Memorial Trees Committee



At this time of the acknowledgement of the Centenary of ANZAC, Council is considering the condition, maintenance and enhancement of the local cultural heritage that emanates from the World War 1 period, namely the tree lined Memorial Avenues. Council have formed a Memorial Trees Committee which reports directly to Council, to progress the re-energising of Memorial Avenues across the Southern Midlands. The first project that the Committee are focusing on is the Memorial Trees in Memorial Avenue, Kempton.

Most of Tasmanian, and indeed Australian, Avenues were planted during or immediately after the World War 1, more were planted after the Second World War and these are often the only memorial to sacrifice and service in regional areas. The Avenues are a living link to those who served and the communities that honoured them through the planting of trees. War may be a collective experience on some levels, but the loss, grief and pain that war brings in its wake, is experienced by individual men and women: its heroism and examples of sacrifice come from the acts of individual men and women.

## Cultural (cont).

These special trees are reminder of the role of individuals from every small community across the country and the sacrifices they and their families made. The Avenues more than any other form of memorial remind us of these individuals in a personal way.

The gradual implementation of the Concept Plan developed by the Committee and endorsed by the Community is ensuring that the Memorial Avenue site at Kempton is shaping up for the Centenary of the Planting of the Trees in August 2018.

### **Southern Midlands Arts Advisory Committee**

The Committee has facilitated a range of activities during the years, one being the Festival of Small Halls. This one night performance showcased the talents of a local act, a National act and a very talented International act from Canada. The event was held at the Broadmarsh Community Hall, where the Broadmarsh & Elderslie Progress Association came together to plan and deliver this significant cultural event in the Hall. The Festival of Small Halls is underwritten by the Committee.

The Committee also supported the Artlands Exhibition held at Dysart House, which again drew an amazing crowd over the viewing time. The Exhibition celebrated the Tasmanian Southern Midlands and featured work by the late Stephen Walker AM.

The 'Cows in the Lake' installation in Lake Dulverton will take place in August 2018 just prior to the Heritage & Bullock Festival, and will be officially opened by the Mayor along with the artists Folko Kooper & Maureen Craig from Rural Designs. The event is eagerly awaited by the Committee.



## Cultural (cont).



What a spectacular day for Oatlands! The day dawned fair and bright, the sun shining on our visitors to the event with just a hint of a breeze early in the morning. With crowd numbers hovering around 1,500, the day was a wonderful mix of cuisine, cultural and colonial experiences which drew people from afar and in large numbers from our local community.

Mayor, Tony Bisdee O.A.M welcomed Mr Tojo Toshiki from the Japanese Consulate in Melbourne, and crowd heard from event visionary Mr Rick Shiratori of Shiratori Flour Mills in Japan as he spoke to the crowd of his joy at bringing the dedicated soba artisans from Japan. The precinct of the mill resounded to the beat of Taiko drummers and the sweet tones of Japanese opera singer Ms Mayuki, whilst visitors avidly viewed the soba noodle making demonstrations, dressed in kimonos, enjoyed the tea making ceremonies and learnt new skills in the art of origami and calligraphy. Plus a late afternoon addition to the entertainment by a visiting Japanese performer who delighted the crowd.





# Regulatory

---

A REGULATORY ENVIRONMENT THAT IS SUPPORTIVE OF AND ENABLES APPROPRIATE DEVELOPMENT

## 2017-18 Achievements

### Planning Reform

Council's Manager Development and Environmental Services, Senior Planning Officer, and Council's Special Projects Officer continue the preparation of the draft Local Provisions Schedule for the Tasmania Planning Scheme. This is a significant body of work that aims to ensure the application of new planning provisions declared by the State Government in February 2017 are correctly applied to the Southern Midlands together with ensuring local values and local strategic objectives are furthered through the process.

The Tasmanian Planning Scheme will consist of the State Planning Provisions (SPPs) and the Local Provisions Schedules (LPSs). The SPPs were prepared by the State Government and the LPS will need to be prepared by each Council. Some of the content of the LPS has already been prepared by the State Government, but will need to be refined by local government to suit the local area and suit local values.

The content of the LPS will consist of two parts:

- A. Preparation and refinement of zone maps and overlay maps; and
- B. Preparation of the written ordinance

The overlay maps and zone maps spatially define the application of the zones, specific area plans and the applications of certain planning scheme codes.

It is the responsibility of each Council to prepare these maps and written ordinance.

The preparation of the LPS, and a single statewide planning scheme (TPS) is an objective of the State Government's Planning Reform. This was enacted through amendments to the *Land Use Planning and Approvals Act 1993* in December 2015. The amendments lead to the preparation of the SPPs by the Planning Reform Taskforce and Planning Policy Unit. These were publicly exhibited in March 2016.

## Regulatory (cont).

Following exhibition public hearings were held by the Tasmanian Planning Commission in mid-2016. The Tasmanian Planning Commission then prepared recommendations on the SPPs in December 2016. The Minister for Planning and Local Government considered the recommendations and approved the SPPs in February 2017. The SPPs do not come into effect until the declaration of a Council's LPS.

Southern Midlands work to ensure the draft LPS aligns with Council's Strategic Plan, the Southern Regional Land Use Planning Strategy, Local Planning Objectives and Strategy and overall is consistent with the Resource Management and Planning System in Tasmania (and the statutory requirements of the *Land Use Planning and Approvals Act 1993*). The LPS contains local content that recognise the unique settlements, natural values, farming values and heritage values.

Southern Midlands project managed the preparation of further guidelines for the application of the new Rural and Agriculture Zones in the Southern Region. This was a resource sharing exercise implemented through the Southern Technical Reference Group of senior and strategic planners. The project was funded by the State Government and administered by the Southern Tasmanian Council Authority. The guidelines and professional support are essential procedures that have enabled Southern Councils, with rural and agricultural land, to progress their LPSs' and apply the SPPs to their rural land with integrity, confidence and consistency with other Councils. This is considered modern day best practice and a furthering of the award winning Agricultural Land Mapping Project commissioned by State Government in 2015-2017.

The draft LPS effectively implements many aspects of Council's Strategic Plan including but not limited to:

- Providing a range of housing and land types for residents
- Ensuring a long term supply of residential land
- Identifying future urban growth through the application of zoning
- Protect key infrastructure and community assets
- Implement the STLRUS settlement strategy (which in turn facilitates healthy communities, better services, better transport and orderly development)
- Protect agricultural land from adverse land use, subdivision and development
- Ensure land is dedicated to general business and light industrial activities in strategically identified areas
- Allows Council to forward plan capital works and community programs
- Recognise, protect and enhance heritage listed places, precincts and landscapes

Council staff continue the preparation of the LPS into 2017/2018 and work towards public exhibition and consultation in 2018.

## Regulatory (cont).

### **Strategic Planning and Key Development in the Southern Midlands**

The following list of key development and strategic planning was considered by Council in 2017/2018 – those developments and strategic planning changes directly and/or indirectly further the objectives and desired outcomes contained in Council's Strategic Plan:

#### **Aquatic Centre in Oatlands**

The Midlands Aquatic Centre in Oatlands was approved by Council in December 2017.

The decision to grant the permit was appealed at the Resource Management and Appeals Tribunal (RMAPT) by a part of five (5) members of the Oatlands community. This led to a five (5) month mediation process between Council, the Planning Authority, and the Appellants.

The appeal was resolved by way of a mediated agreement between the parties which included a number of design changes to the aquatic centre building and the provision of additional heritage impact assessments by Council.

The RMPAT were satisfied the design changes did not require a new Development Application and directed the Planning Authority to issue a permit in June 2018.

#### **Greyhound Rehoming Facility and Rezoning of Land in Pontville**

A Development Application and a request to rezone land at 466 Brighton Road Pontville was approved by Council at the November 2017 meeting. The Application and request to rezone the land was considered as a “combined application” under Section 43A of the *Land Use Planning and Approvals Act 1993* (former provisions). The application was made by GHD on behalf of Tasracing Pty Ltd. The \$1.6 million facility will support retraining and rehoming of greyhounds that are surplus to the requirements of the racing industry. The facility is the first in Tasmania and will house greyhounds while they are being retrained and then ultimately offered for adoption as pets by members of the public.

The decision to approve the development and initiate the request to rezone enabled the public exhibition of the application and the commencement of hearings at the Tasmanian Planning Commission. The proposed rezoning was found to be consistent with Local Planning Objectives, the Southern Tasmanian Regional Land Use Strategy, Council's Strategic Plan and the objectives of the Resource Management Planning System in Tasmania (as defined under the *Land Use Planning and Approvals Act 1993*). The Planning Commission approved the rezoning and application in November 2018.

## Regulatory (cont).

### **Colebrook Water Supply**

A long term sustainable water supply (including pump station and reservoir) were approved under delegation by Council's Development Assessment Committee (DAC) in September 2017. The Development Applications were advertised for fourteen (14) days and no representations were received. In accordance with Council policy, the permit was approved with conditions by the DAC.

The Taswater Small Towns Water Supply Program aims to provide fully treated water to 12 Tasmanian townships that currently experience boiled water and public health alerts associated with the existing water supplies.

As part of this program of work Colebrook will be provided with a new water supply from the Greater Hobart Bulk Water Supply System via a new pipeline from the existing water reservoir in Campania. A new gravity pipeline will transfer treated water to a transfer pump station off Colebrook Road, from which water will be pumped along a new pipeline to a new reservoir on the existing Colebrook (Smarts Hill) reservoir site. Water will then be re-chlorinated at the reservoir site before entering the existing reticulation.

The Colebrook project includes a supply pipeline for the Yarlington area. Water will be transferred along this pipeline by a new a pump station at the Smarts Hill site to the proposed Yarlington Road Reservoir. A booster pump station on the Yarlington Road Reservoir site will then pressurise the section of pipeline above the reservoir.

The water supply should attract further development to Colebrook and overall improve the livability of the town and surrounding area.

### **99 High Street Outlands Rezoning**

A request to rezone land and amend the *Southern Midlands Interim Planning Scheme 2015* was approved by Council at the April 2018 meeting. The request was made by Emma Riley and Associates on behalf of Lake Frederick Inn Pty Ltd. The purpose of the planning scheme amendment was to facilitate the use and development of a new whisky distillery at 99 High Street. It is intended that the distillery development will be integrated with the adjoining Callington Mill site to provide an overall visitor experience combining the new elements with the history and heritage values of the precinct. This is subject to a separate Development Application.

## Regulatory (cont).

The distillery and associated development could not be considered under the provisions of the Scheme without an amendment as the applicable use class 'Resource processing' is not allowed in the General Residential or General Business zones that currently apply to the site.

As such, the proposal was in two parts, as follows:

- Rezone the rear section of 99 High Street from General Residential to General Business (the front section is already zoned General Business); and
- Amend Clause 21.2 Use Table of the General Business Zone to introduce Resource processing as a Discretionary use class with a qualification.

The decision to approve the development and initiate the request to rezone enabled the public exhibition of the application and the commencement of hearings at the Tasmanian Planning Commission.

The proposed rezoning was found to be consistent with Local Planning Objectives, the Southern Tasmanian Regional Land Use Strategy, Council's Strategic Plan, Oatlands Integrated Development Strategy and the objectives of the Resource Management Planning System in Tasmania (as defined under the *Land Use Planning and Approvals Act 1993*).

The rezoning of land, adjoining the Callington Mill, to General Business will strategically enhance and strengthen the business hub of the Oatlands Township. The rezoning and interest in the land demonstrates the ongoing influence of the Callington Mill complex in the Southern Midlands.

The Planning Commission approved the rezoning in September 2018.

## Regulatory (cont).

### Building, Plumbing and Development Applications

The following table provides an overview of the number and type of Building, Plumbing and Development Applications (including Subdivision Applications and any certificates or amendments to sealed plans under the *Local Government Building and Miscellaneous Provisions Act 1993*).

The table provides data from the 2017/2018 year measured against the previous four (4) financial years to provide a succinct five (5) year comparison.

Application Type	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
<b>Building Applications</b> <i>This is inclusive of all applications for permits, Certificates or notifiable works under the Building Act 2016</i>	99	72	104	146	111
<b>Plumbing Applications</b> <i>This is inclusive of all applications for permits or notifiable works under the Building Act 2016.</i>  <i>The figures are inclusive of the former "Special Plumbing permits" under the former Building Act 2000 (now just Permit works).</i>	52	46	91	86	92
<b>Development Applications</b> <i>This is inclusive of all Development Applications under the Land Use Planning and Approvals Act 1993 and a small number of certificates or amendments to sealed plans under the Local Government Building and Miscellaneous Provisions Act 1993</i>	126*	130*	126	121	126
	*includes 12 Development Applications for Subdivision certificates and	*includes 16 Development Applications for Subdivision and certificates	*includes 16 Development Applications for Subdivision and certificates	*includes 15 Development Applications for Subdivision and certificates	*includes 15 Development Applications for Subdivision and certificates

Table: Five (5) year comparison of Building, Plumbing and Development Applications Received

## Regulatory (cont).

A total of \$19.63 million worth of development was approved in the Southern Midlands during the 2017/2018 reporting period. This figure is based on the estimated cost of development as submitted at the time of the Development Application. The figure does not include the cost of subdivision works (as accurate data is not provided by the applicant).

Council continues to remain at the forefront of modern day best practice in the processing of building, plumbing and planning applications through the electronic submission and assessment of applications for permits. Council Officers use a type of software that allows Officers to apply stamps, signatures and mark-ups of approved documents without the need to print any paperwork. This allows for the email delivery of permits and approved plans. This has been well received by the community and developers alike. Of course, Officers will always provide a printed (hardcopy) of any permits and approved plans where-ever requested.

# Climate Change

---

IMPLEMENT STRATEGIES TO ADDRESS THE ISSUES OF CLIMATE CHANGE IN RELATION TO ITS IMPACT ON COUNCIL'S CORPORATE FUNCTIONS AND ON THE COMMUNITY.

## 2017-18 Achievements

Council continues to monitor its energy usage and fuel consumption, with every opportunity being taken to implement any efficiencies or costs savings.

Council implemented energy saving initiatives at the Kempton Council Chambers through the installation of solar panels on the building and draft proofing the reception and administration area. The works were in response to both energy audits undertaken by Council's Special Projects Officer and in furthering actions and recommendations of Council's *Climate Change Action Plan*.

A Council officer continues to attend regional meetings coordinated by the Southern Tasmanian Council's Authority (STCA) and Council continue to engage with the Regional Climate Change Initiative. Meetings are held for the purpose of monitoring climate change related activities on a statewide and national basis, and any grant opportunities that may arise for new initiatives.

Council now has access to the latest regional climate change and energy consumption data which in turn provides Council with the potential to apply for grant funding, update the *Climate Change Action Plan* or commence further strategic planning initiatives.

A Home Energy Assessment Toolkit (HEAT toolkit) is still available as a take-home kit enabling residents to undertake their own home energy use appraisals.



# LIFESTYLE

THE NEED TO INCREASE THE OPPORTUNITIES FOR IMPROVED HEALTH AND WELL-BEING OF THOSE THAT LIVE IN THE SOUTHERN MIDLANDS



Oatlands Community Shed

# Community Health & Wellbeing

---

SUPPORT AND IMPROVE THE INDEPENDENCE, HEALTH AND WELLBEING OF THE COMMUNITY

## *2017-18 Achievements*

### **Kempton Healthcare Facility**

Council has been working with the local community to identify a potential facility that could be upgraded / converted for use as a community medical facility. This led to discussions with the Kempton Primary School (i.e. Education Department) who has given consent to enter into a lease arrangement for the existing 'School House'. This building was previously referred to as the Principal's residence and use is now limited to accommodating special needs students on an occasional basis. The building, subject to modifications, is capable of joint use. This project has a total cost of \$200,000 with Council committing a direct financial contribution of \$25,000. In addition to the above, the Liberal State Government have committed to providing \$75,000 as a contribution to the establishment of this small-scale Community Health Facility at Kempton. The balance of funds will be secured through a loan which will be financed from future operations.

### **Rural Alive & Well**

Council continued to support Rural Alive & Well Inc. (RAW), through a subsidised rental arrangement the establishment of Rural Alive & Well Inc. (RAW) in its new home at Roche Hall in Oatlands, which seems highly appropriate as RAW started off as a project in Southern Midlands Council back in 2008.

### **Community Gym**

Council has supported the ongoing development of a Community Gym in partnership with Andrew Dean from Bridgewater PCYC and it continues to enjoy tremendous success.

### **Better Health Project**

Council has continued work on the Better Health Program, a partnership between the Tasmanian Health Service & Southern Midlands Council, specifically set up to look at health and wellbeing strategies to improve the health of our communities. We have been working with LGAT to formalise a Health & Wellbeing Plan for the Southern Midlands.

# Community Health & Wellbeing (cont).

## Rural Primary Health Providers

We have continued building relationships with Corumbene Care, who are the funded Rural Primary Health Providers for the Region to provide regular health activities & health promotion activities in the community.

## Healthy Activities

Council have committed to the monthly Community Walks which continue to have high participation rates.

## Networking of Health & Wellbeing Providers

The Combined Central Highlands & Southern Midlands Network Group has continued to meet every two months, alternating between the regions. It has about 20 partner organisations who attend & be responsive to community needs, providing outreach services & increase health & wellbeing capacity for the Southern Midlands.



*Student Doctors from UTAS in Oatlands*

# Youth

---

INCREASE THE RETENTION OF YOUNG PEOPLE IN THE MUNICIPALITY

## *2017-18 Achievements*

The very successful Southern Midlands School Holiday Program has continued with renewed 2 year funding through Communities for Children & partnering with Hobart City Mission. A total of 7 separate days of activities covering the four term breaks period were held, with activities designed to increase physical activity, be educational & provide new & challenging experiences. The children were all aged between 9-16 years & came from 13 towns within the Southern Midlands. 268 children participated in total. Activities included Rockit Indoor Climbing Centre, Inflatable World, Hobart PCYC, Cataract Gorge, Port Arthur Historic Site, Woddy's Skate & Play, Mt Field National Park & Launceston Aquatic Centre.

Regional Community Learning & Development Centre – Levendale in conjunction with the Edmund Rice Foundation continues to prosper & make a difference to young peoples' lives by providing camp experiences with one on one mentoring support.

Reclink continued again with a strong commitment from Bothwell, Campania, Bothwell, Triabunna & Tasman Peninsula making up the football league over the winter months culminating on a Gala Day celebration in August at Hutchins School.

Council continued to be a supporting member of the Youth Network of Tasmania which is instrumental in advising Governments on policy relating to all youth related matters.

Council has continued its support to the ongoing development of the Colebrook Youth Group. It is a peer run Youth group with up to 20 participants aged 10-17 with 4 'adult' peer leaders & supported by the Colebrook Progress Association. The group meets twice per month at the Colebrook Community Hub. Council has assisted with the development of the Policy & Procedure Manual & supported them through a SMC Community Small Grant to provide additional excursion activities for their group.

Council continued to support the mentoring program between students at Oatlands District High School & the Ladies Day at Oatlands Community Shed. Every fortnight 3-4 students who are disengaged with school attend the Community Shed for one to one mentoring & support for wood working projects. The involvement in this program has led 3 of the participants on to further education & employment.

## Youth (cont).

In partnership with the Royal Life Saving & MAST (Marine & Safety Tasmania), Council conducted a Water Safety Day for 80 Primary School students from Oatlands, Campania & Bothwell Schools at the Oatlands Pool. Students had a go at learning the basics of CPR, junior lifeguard challenges, a rope throw rescue MAST boat safety & Dam safety.

In partnership with Hobart City Mission & grant funds from Building Better Regions, Council participated in the Southern Midlands Employment Project. The project aimed at mapping the needs of young people in the Region for employment pathways & identifying gaps & identifying existing & prospective employers in the region.

# Seniors

---

INCREASE THE ABILITY OF SENIORS TO STAY IN THEIR COMMUNITY

## *2017-18 Achievements*

The Community Shed at Oatlands continues to be a facility used by Seniors. It is been a place to come & learn new skills, engage Seniors in the Community who may become isolated & a wonderful outlet for their mental health in being a part of a group, keeping active & socialising. The Shed held a number of workshops in Pyrography & Mosaics for Seniors in response to community feedback to share skills with each other.

Council supported Seniors by engaging them in specific activities for Seniors Week by attending the COTA (Council of the Aged) activities at Mt Field National Park, and regular 'Community Walks' were held in partnership with Tasmanian Health Service staff, combining with Seniors from the Central Highlands.

Council supported the education workshops with COTA (Council of the Aged) in the Southern Midlands. Regular workshops are held to keep Seniors informed of changes to the 'My Aged Care' system and link Seniors into nearby programs.

# Children & Families

---

ENSURE THAT APPROPRIATE CHILDCARE SERVICES, AS WELL AS OTHER FAMILY RELATED SERVICES, ARE FACILITATED WITHIN THE COMMUNITY

## *2017-18 Achievements*

The Council contributes to the Brighton Family Day-Care for managing the family day care service that caters for the Southern Midlands local government area.

The old Oatlands pool (circa 1954) continues to be a focal point of activities for children and families during the summer months when it is open.

The Green Ponds Progress Association, supported by Council through a \$5,000 contribution and the State Government, has been successful in a Tas Community Funds Grant to purchase a small Community Bus. This will be tremendous assistance to families' to assist their greater engagement with Community activities throughout the Southern Midlands and beyond.

# Volunteers

ENCOURAGE COMMUNITY MEMBERS TO VOLUNTEER

## 2017-18 Achievements

Once again, Council conducted its annual Community Small Grants program in September 2017. This program commenced in 2008 and each year applications for funding have been much sought after and very competitive. These grants are predominantly aimed at volunteer for not for profit] organisations who are looking to improve facilities, services or increase participation in their relevant field – all within the Southern Midlands area.

Successful applicants in this year's grant round are as follows:-

Group/Club	Project	Project Cost	Grant Sought	SMC Grant Approved
Brighton & Green Ponds RSL	Installing service hatch at the RSL / Hall	\$ 3,513.00	\$ 3,000.00	\$ 3,000.00
Broadmarsh Elderslie Progress Assn	Heating for the Broadmarsh Hall	\$ 3,350.00	\$ 3,000.00	\$ 3,000.00
Colebrook Progress Assn	Youth Group Activites	\$ 2,929.00	\$ 2,800.00	\$ 2,000.00
Colebrook Progress Assn	Coffee machine for the Colebrook Hall	\$ 2,673.00	\$ 2,673.00	\$ 2,673.00
Elderslie Golf Club	Pump and associated equipment	\$ 4,745.00	\$ 3,000.00	\$ 2,727.00
Elderslie Golf Club	Automated External Defibrillator (AED)	\$ 2,850.00	\$ 2,850.00	\$ 2,850.00
Oatlands Community Assn	Website portal development	\$ 5,683.00	\$ 2,693.00	\$ 2,693.00
Oatlands District Historical Society	Replacment of the front windows	\$ 3,250.00	\$ 3,000.00	\$ 2,727.00
Oatlands Ex Service & Community Club	New floor coverings	\$ 3,575.00	\$ 3,000.00	\$ 3,000.00
Oatlands Golf Club	Club house repairs	\$ 4,430.00	\$ 3,000.00	\$ 3,000.00
Stepping Stone Equine Hoof Care	Horse care workshop	\$ 5,020.00	\$ 3,000.00	\$ 1,000.00
<b>Totals</b>		<b>\$ 42,018.00</b>	<b>\$ 32,016.00</b>	<b>\$ 28,670.00</b>



# Access

---

CONTINUE TO EXPLORE TRANSPORT OPTIONS FOR THE SOUTHERN MIDLANDS COMMUNITY; CONTINUE TO MEET THE REQUIREMENTS OF THE DISABILITY DISCRIMINATION ACT (DDA).

## *2017-18 Achievements*

The Facilities & Recreation Committee has responsibility for the Disability Discrimination Act (DDA) requirements across Council. The policy position was reviewed and a revised policy titled the “Disability Access and Inclusion Policy” was adopted by Council along with a draft Disability Access and Inclusion Plan and a DAIP Checklist. Council officers worked through a series of conversations with the Community as well as Council Hall Committees. After in-depth discussions the following Council budget consideration was adopted.

1. Have a budget item for the next five years to address DDA matters in our Council buildings, i.e. \$50,000 pa which equated to \$250,000 over the next five years and that should go a long way towards making a difference.
2. In line with the aforementioned commitment Council's Building Surveyor will be asked to consult with and inspect one sporting club, or Community organisation per quarter as a complementary service by Council and provide a report including an action plan for the club / organisation to move forward with its respective responsibilities under the DDA.

In line with this allocation, the Colebrook Memorial Hall has undergone an extensive upgrade to comply with the DDA, as well as the Colebrook Recreation Ground.

# Public Health

---

MONITOR AND MAINTAIN A SAFE AND HEALTHY PUBLIC ENVIRONMENT

## 2017-18 Achievements

Council performed its functions under the *Public Health Act 1997* and associated regulations, the *Food Act 2003* and *Food Regulations 2012* and the *Environmental Management and Pollution Control Act 1994* and associated Regulations.

Council employs a part-time Environmental Health Officer (EHO).

Council continues to work with the community to investigate the feasibility / sustainability of providing medical and associated services from a facility located within the Kempton area.

Immunisation Programs conducted for school students at Oatlands and Campania District High Schools in association with Council's Medical Officer of Health.

Oatlands Swimming Pool water quality tested in accordance with the Public Health Act – Water Quality Guidelines during the summer season.

Food premises were monitored and licensed in accordance with statutory requirements.

Relevant legislative requirements are specified in:

- *Food Act 2003*
- *Food Safety Standards*
- *Public Health Act 1997* and associated Guidelines.

Statutory licences issued for:

- Food Premises – 59
- Water Carriers – 4
- Special Event Licences ("temporary" Places of Assembly) – 3
- Private Water Licences – 19

# Recreation

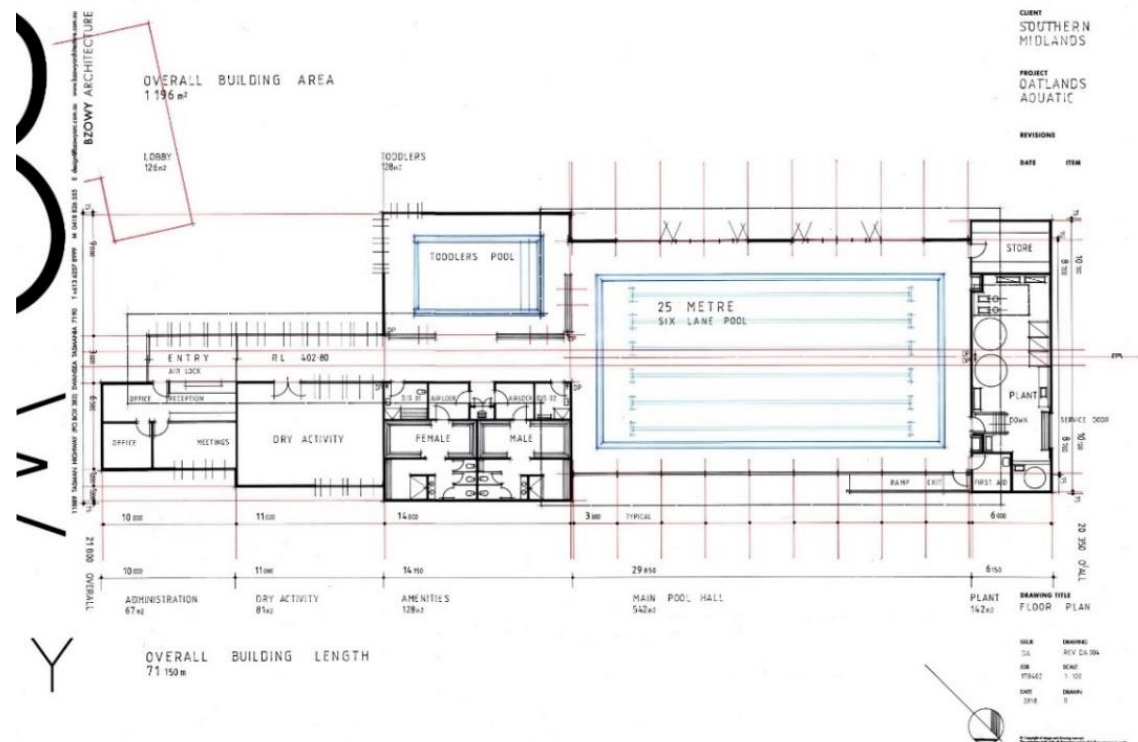
PROVIDE A RANGE OF RECREATIONAL ACTIVITIES AND SERVICES THAT MEET THE REASONABLE NEEDS OF THE COMMUNITY

## 2017-18 Achievements

From a recreational perspective, construction of the Oatlands Aquatic Centre has been highest priority for Council.

During the reporting period, it is extremely pleasing to confirm the allocation of funding from both the Federal (\$1.50 million) and State Governments (\$2.0 million) has been secured. This has enabled Council to progress with the engagement of a project consultant team (led by Architect Rick Bzowy) who prepared the revised plans and specifications for development approval.

Development Approval (DA) was gained in December 2017. There were six representations to the DA and those Representatives lodged an appeal through the Resource Management Planning Appeals Tribunal (RMPAT). The appeal was determined by RMPAT with a revised Planning Permit being issued in June 2018 after lengthy negotiations and a redesign of the structure.



# Animals

---

CREATE AN ENVIRONMENT WHERE ANIMALS ARE TREATED WITH RESPECT AND DO NOT CREATE A NUISANCE FOR THE COMMUNITY

## *2017-18 Achievements*

Council continues an effective dog and animal control service to the community and maintains a pro-active and hands on approach to managing animals in a respectful and professional manner. Council provides animal management services to the Central Highlands Council and at times Brighton Council through resource sharing initiatives.

Southern Midlands Animal Management and Compliance Officer is a member of the Tasmanian Cat Management Project (TCMP) regional Working Group. The TCMP has set out to improve responsible cat ownership in Tasmania and facilitate a collaborative approach to cat management across all levels of government, industry and community stakeholders. Southern Midlands will provide knowledge of:

- Invasive species management – particularly animal management
- Domestic animal management
- Council policy and by-laws for cat management
- Natural resource management
- Compliance and animal welfare
- Represent Southern Midlands in working group meetings

In the 2017-18 financial year, 1747 dogs were registered and 41 kennels licenced.

# Education

---

INCREASE THE EDUCATIONAL AND EMPLOYMENT OPPORTUNITIES AVAILABLE WITHIN THE SOUTHERN MIDLANDS

## 2017-18 Achievements

### **Bridgewater Trade Training Centre**

The Deputy General Manager has relinquished his Membership of the Advisory Board of the Trade Training Centre after being a driving influence in the development of the Centre's strategic direction. He had prepared presentations and delivered them with the Chairman and the Principal to the various Tasmanian forums, with a view to creating work experience and employment for the students of the Centre. The Oatlands District High School and the Campania District School both have students that attend the Trade Training Centre.

Council Officers embrace every opportunity possible to interact and add value to the four schools across the Southern Midlands.

### **Bagdad Primary School – Car Park**

Council has prepared an engineering design to construct an off-street car park adjacent to the Bagdad Primary School. This car park is planned to be located on private land that the owner(s) are prepared to donate on the basis that a car park is constructed. An estimated cost of construction has been prepared and referred to the Department of Education for consideration.

This project is aimed at resolving significant safety issues that are associated with the present car parking arrangements and the traffic congestion within the school precinct.





# COMMUNITY

THE NEED TO RETAIN AND BUILD ON THE STRONG SENSE OF COMMUNITY THAT EXISTS WITHIN THE SOUTHERN MIDLANDS



2018 Kempton Festival

# Capacity

BUILD THE CAPACITY OF THE COMMUNITY TO HELP ITSELF AND EMBRACE THE FRAMEWORK AND STRATEGIES ARTICULATED THROUGH SOCIAL INCLUSION TO ACHIEVE SUSTAINABILITY

## 2017-18 Achievements

Council works very effectively with Community groups and organisation to assist in building their capacity in delivering a wide range of service / support throughout the Southern Midlands.

The Keep Australia Beautiful Awards were judged in the Southern Midlands with many Community Groups providing sustainable benefits in their respective Communities.

During the Council meeting held at the Bagdad Community Club, the Awards were presented to the successful Members of the Community by Mayor Tony Bisdee OAM.



*TasShep Dog Club for the training of Assistance Dogs for Veterans*



*Mayor Tony Bisdee OAM addressing the Gallery, including Members of the Community who were the recipients of the Keep Australia Beautiful (KAB) Community Awards at the Bagdad Council meeting*

## Capacity (cont).

### **Australia Day Awards**

Congratulations to our very worthy Australia Day Award recipients who make such a positive contribution to the Southern Midlands. The Awards were presented at the Oatlands RSL Club by the Mayor on the 26th January 2018.

- Citizen of the Year: Mrs Karen Dudgeon
- Young Citizen of the Year: Miss Rebekah Iles
- Community Event of the Year: Oatlands Golf Club 'B Grade Championships'

The Colebrook Streetscape Project has been an engaging project with the very active participation of the Colebrook Progress Association Inc. This was initiated by a Community engagement activity facilitated by Deputy General Manager, Andrew Benson, called *Creative Colebrook*. The design plans prepared by Council went through an exhaustive Community Consultation process and tree planting was undertaken during this last year.



# Safety

---

INCREASE THE LEVEL OF SAFETY OF THE COMMUNITY AND THOSE VISITING OR PASSING THROUGH THE MUNICIPALITY

## 2017-18 Achievements

The Southern Midlands Road Rescue Unit had 32 call-outs (33 in 2016/17) involving 165 operational hours (209.25 in 2016/17) during the 2017/18 period. The 32 call-outs were road crash rescue incidents. In addition to this, a total of 259 hours were spent on training and events.

The Unit, which has three rescue vehicles, continues to operate from both Oatlands and Kempton.

The Southern Midlands Emergency Management Committee commenced a review of the Southern Midlands Municipal Emergency Management Plan in the latter part of the financial year. It is a requirement of the *Emergency Management Act 2006* that each Municipal Committee prepare a plan for emergency management for its municipal area and that it be reviewed at least once every two years. The last Plan was reviewed and formally signed off in 2016.

Following a decision by the State Government to base a full-time paramedic at Oatlands, this service commenced in November 2015. Recruitment and retention of Volunteer Ambulance Officers remains a concern, and every opportunity is taken to promote the need for additional volunteers.

Council has continued to work in conjunction with local Tasmania Police and Department of State Growth officers on various road safety matters. The Variable Message Board roadside trailer is used regularly to promote road safety messages on the Midland Highway and surrounding major roads. The trailer is also used as part of a cohesive program of highway signage during major events that attract large traffic numbers e.g. Symons Plains V8 car racing, Launceston Cup or festive season Food Festivals. Together with DIER's "Real Mates" program, this program is part of Council's Community Road Safety Partnership.

# Consultation & Communication

---

IMPROVE THE EFFECTIVENESS OF CONSULTATION AND COMMUNICATION WITH THE COMMUNITY

## *2017-18 Achievements*

Four (4) Ordinary Meetings of Council were held in the following areas within the municipality during 2017/18.

Colebrook, Tunbridge, Tunnack and Bagdad

The Southern Midlands Council's website [www.southernmidlands.tas.gov.au](http://www.southernmidlands.tas.gov.au) and the Southern Midlands Council Facebook page are regularly updated with current news items, events, Council meetings and the like. It is proving to be a tremendous resource for the Community.

The Community & Corporate Development business unit, as well as other business units, have worked with Mid FM Community Radio in providing content and interviews on topical matters of interest to the community

# ORGANISATION

---

THE NEED TO MONITOR AND CONTINUOUSLY IMPROVE THE EFFICIENCY AND EFFECTIVENESS OF THE WAY THE COUNCIL PROVIDES SERVICES TO THE COMMUNITY



# Improvement

---

IMPROVE THE LEVEL OF RESPONSIVENESS TO COMMUNITY NEEDS; IMPROVE COMMUNICATION WITHIN COUNCIL; IMPROVE THE ACCURACY, COMPREHENSIVENESS AND USER FRIENDLINESS OF THE COUNCIL ASSET MANAGEMENT SYSTEM; INCREASE THE EFFECTIVENESS, EFFICIENCY AND USE-ABILITY OF COUNCIL ICT SYSTEMS; DEVELOP AN OVERALL CONTINUOUS IMPROVEMENT STRATEGY AND FRAMEWORK

## 2017-18 Achievements

A range of policies were either reviewed or developed during the reporting period.

Council introduced audio recording of Council Meetings during the reporting period to enhance accountability and transparency. Recorded meetings increases the ability of interested persons to gain an understanding of Council and its operations. Following the decision to introduce audio recording of meetings, Council developed an associated policy consistent with the requirements of the *Local Government (Meeting Procedures) Regulations 2015* and the *Local Government Act 1993*.

Review of other Policy & Strategy Documents included:

- Erection of Signage – Limited to Suburbs/Localities (as listed in schedules 5 & 6 – rules for place names in Tasmania (Nomenclature Board of Tasmania)
- Southern Midlands Artist in Residence Policy
- Rates and Charges Policy
- Code for Tenders & Contracts
- Payment of Councillors Expenses and Provision of Facilities
- Dust Suppressant (Application of a Road Seal)
- Human Resource Management – Recruitment Policy & Procedures and Selection Policy & Procedures
- Recruitment (consolidation of the Recruitment and Casual Employment Policies)
- Selection Policy
- Casual Employment Policy
- Management of Trees on Council Land (still in development stage).
- Business Continuity Management Policy

A consolidated Risk Register was finalized and submitted to a meeting of the Southern Midlands Council's Annual Panel.

Council officers participated in a Fraud & Cyber Awareness session run by Gavin Dyche, Manager Risk, Public Sector – Victoria & Tasmania from Jardine Lloyd Thompson Pty Ltd.

An online induction system has been implemented for Contractors. This forms part of Council's Business Process Improvement Program. This was undertaken as a joint exercise with some of our neighbouring Councils. This will allow contractors to submit their Insurance Certificates of Currency/ Employee training information & updates, e.g. Safety at Roadworks to be lodged into the system and that information will be available to each of the participating Councils. The system will flag when the Contractor's information requires updating/expires and it will prompt the appropriate officer to contact the Contractor. There are many more advantages to the system and as such will serve to minimise Council's exposure to risks associated with Contractor engagement.

The Audit Panel conducted a review of Council's existing computer systems, with a focus on security systems; security measures to prevent 'cyber-attack' and the suitability and reliability of back-up procedures.

The Audit Panel also considered a process relating to *Long-Term Investment Decision Making*. It was recognised that the introduction of a Net Present Value (NPV) assessment for certain long-term investment decisions was an area for improvement. The Audit Panel will periodically review Council's decisions on investments which have a life span of more than 5 years; a value greater than \$250,000; and where there was more than one alternative investment (i.e. not a simple Yes or No decision) to ensure they were made on a sound basis.

# Sustainability

RETAIN CORPORATE AND OPERATIONAL KNOWLEDGE WITHIN COUNCIL; PROVIDE A SAFE AND HEALTHY WORKING ENVIRONMENT; ENSURE THAT STAFF AND ELECTED MEMBERS HAVE THE TRAINING AND SKILLS THEY NEED TO UNDERTAKE THEIR ROLES; INCREASE THE COST EFFECTIVENESS OF COUNCIL OPERATIONS THROUGH RESOURCE SHARING WITH OTHER ORGANISATIONS; CONTINUE TO MAINTAIN AND IMPROVE THE LEVEL OF STATUTORY COMPLIANCE OF COUNCIL OPERATIONS; ENSURE THAT SUITABLY QUALIFIED AND SUFFICIENT STAFF ARE AVAILABLE TO MEET THE COMMUNITIES NEED; WORK CO-OPERATIVELY WITH STATE AND REGIONAL ORGANISATIONS; MINIMISE COUNCILS EXPOSURE TO RISK

## 2017-18 Achievements

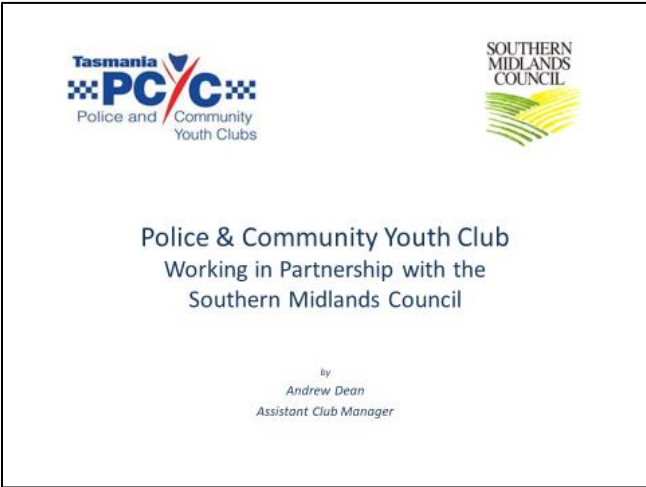
Since its inception the SMC Community Grants Program alone has provided in excess of \$270,000 for very worthwhile projects in the Southern Midlands. The presentations of cheques are made at the Australia Day ceremony each year.

The on-going support of the Oatlands Community Shed is one practical example of this Community capacity building approach. Council is also part of the State Men's Shed Association and support a volunteer from our shed to be an office bearer on the Association. A number of local Politicians have joined the Shed participants and Coordinators on a number of occasions during the year to catch up and offer support.

PCYC Bridgewater is a very strong supporter of the area and has conducted many activities over the years and is still achieving an amazing connection through the "Fitness Boot Camp" run by Andrew Dean and his team.



*During the State Government Cabinet Meeting in Oatlands, the Premier congratulated the Council on the achievement of successful grants under the Community Infrastructure Program.*





# Sustainability (cont).

## Community Infrastructure Grants Program

Four projects under the Community Infrastructure Grants Program have been completed during 2017/18.



*Memorial Avenue Shelter – Kempton*



*Refurbishment of the Oatlands Toilets at the Esplanade*



*Storage Facility - Mangalore Recreation Ground clubs*



*Chauncy Vale building refurbishment*

# Finances

---

COMMUNITY'S FINANCES WILL BE MANAGED RESPONSIBLY TO ENHANCE THE WELLBEING OF RESIDENTS; COUNCIL WILL MAINTAIN COMMUNITY WEALTH TO ENSURE THAT THE WEALTH ENJOYED BY TODAY'S GENERATION MAY ALSO BE ENJOYED BY TOMORROW'S GENERATION; COUNCIL'S FINANCIAL POSITION WILL BE ROBUST ENOUGH TO RECOVER FROM UNANTICIPATED EVENTS, AND ABSORB THE VOLATILITY INHERENT IN REVENUES AND EXPENSES

## 2017-18 Achievements

The 2017-18 Financial Statements form part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity increased by \$2.37M. This includes a revaluation of non-current assets amounting to \$722K, and an increase of \$156K in the value of Council's investment in TasWater.

In early 2018, Council conducted a workshop to review its Long-Term Financial Management Plan (LTFMP) in order to incorporate:

- a) a preliminary draft Operating Budget for the Oatlands Aquatic Centre (based on design and information received to date); and
- b) other changes resulting from Council decisions made since the last review of the LTFMP in May 2017 (e.g. closure of the Callington Mill Visitor Centre).

The revised LTFMP and amended Financial Management Strategy was reviewed by the Audit Panel prior to it recommending to Council that the Financial Management Strategy 2018/19 to 206/27, and the Long-Term Financial Manager Plan 2017-18 to 2026-27 (including the underlying assumptions), were in a form suitable for adoption by Council. Council subsequently endorsed the Strategy and Plan at its meeting held in April 2018.



# Reporting on Legislative Requirements

Following are the reports that Council is required to provide under various legislation for the 2017/2018 financial year:

## Allowances and Expenses Statement

(Under the *Local Government Act 1993*)

In 2017/18 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances       \$ 107,808.46

Expenses         \$ 16,644.40

## Attendance at Council and Council Committee Meetings Statement

(Under the *Local Government Act 1993*)

- Twelve (12) ordinary Council meetings were held during the year.
- The Annual General Meeting was held on the 13<sup>th</sup> December 2017.
- Two (2) Special Meetings were held on the 13<sup>th</sup> October 2017 & 13<sup>th</sup> June 2018.
- One (1) Southern Midlands Facilities & Recreation Committee meeting was held on the 14<sup>th</sup> September 2017.

COUNCILLOR	Ordinary Council Meetings Attended	Special Meetings Attended	Annual General Meeting Attended	Southern Midlands Recreation Committee Meetings Attended
Mayor AE Bisdee OAM	12	2	1	N/A
Deputy Mayor A Green	11	2	1	N/A
Clr A Bantick	12	2	1	1
Clr E Batt	12	2	1	1
Clr R Campbell	10	2	0	N/A
Clr D Fish	11	2	1	1
Clr D Marshall	12	2	1	N/A

## Code of Conduct Complaints Statement

(Under the *Local Government Act 1993*)

Section 72 (ba) requires a council to report in its annual report the number of code of conduct complaints that were upheld either wholly or in part during the preceding financial year.

It is reported that no code of conduct complaints were upheld in the 2017-18 period.

Section 72 (bb) requires council to report the total costs met by the council during the preceding financial year in respect of all code of conduct complaints. It is reported that no costs were incurred as there were no code of conduct complaints made in the 2017-18 period.

## Public Interest Disclosure

(Under the *Public Interest Disclosure Act 2002*)

There were no public interest disclosures made during the year. Guidelines and Standards published by the Ombudsman under s 38(1)(c) of the Act are available on the Ombudsman's website at [www.ombudsman.tas.gov.au](http://www.ombudsman.tas.gov.au)

## Donation of Land Statement

(Under the *Local Government Act 1993*)

Section 72 (1) (da) requires Council to report on details of any land donated by Council during the year. Council made no such donations of land.

## Remuneration Statement

(Under the *Local Government Act 1993*)

The following table provides the remuneration for those positions designated by Council as senior positions, as required under the *Local Government Act 1993*. The positions of General Manager, Deputy General Manager, Manager – Development and Environmental Services, Manager – Infrastructure & Works and Manager – Corporate Services have been defined as senior positions by the Southern Midlands Council.

Remuneration Band	No. of Positions
\$80,001 -+ \$100,000	1
\$100,001 - \$120,000	2
\$160,001 - \$180,000	1
\$180,000 - \$200,000	1

## **Public Health Statement**

(Under the *Local Government Act 1993*)

Section 72 (ab) requires the council to include a statement of its goals and objectives in relation to public health for the preceding year in its annual report.

The statement is to detail the extent to which Council has carried out its functions under the *Public Health Act 1997* and *Food Act 2003*, the resources allocated to public health, the extent to which its goals and objectives, policies and programs for public health met the needs of people within its municipal area, and the completion of any strategies.

Key actions identified under Council's Public Health Program are:

- Continue to provide school immunisation programs;
- Continue to register and monitor food premises
- Continue to ensure wastewater is effectively disposed of
- Encourage health professionals, including doctors and nurses, to move to southern midlands
- Provide continuing support to the Midlands Multi-Purpose Health Centre (MMPHC)
- Continually raise the awareness of Notifiable Diseases in the community
- Maintain an Emergency Management Plan for the Southern Midlands local government area that will provide safeguards for the health and safety of the community; and
- Ensure that the cemetery services continue to be provided.

Achievements for the 2017/18 period are detailed under the Public Health Program.

## Contracts

(Local Government (General) Regulations 2015)

In accordance with Section 23(5) of the *Local Government (General) Regulations 2015*, Council is required to report on contracts for the supply or provision of goods and services in excess of \$250,000 (excl. GST) entered into during the year to 30<sup>th</sup> June 2018.

Council's Code for Tenders & Contracts was reviewed and updated as at 25<sup>th</sup> October 2017. Prior to that date the SMC Code for Tenders & Contracts required that Public Tenders be held for contracts of \$100,000.00 (excl GST) or greater. The October 2017 review adopted the prescribed amount under the *Local Government (General) Regulations 2015* of \$250,000.00 (excl GST). Whilst this limit is provided as a benchmark for Tenders, some projects are Tendered that would never reach that amount, this is done for special projects to provide fair and open access to all suppliers rather than just determining three bidders in accordance with the Code.

<b>Contact Name &amp; Address</b>	<b>Description of Contract</b>	<b>Value of Contract</b> <i>(excl. GST)</i>	<b>Period of Contract</b> <i>(plus extension options if applicable)</i>
Andrew Walters Construction 2 Whitestone Drive, Granton	Road reconstruction / road stabilisation	\$418,712.00	N/A
Roadways Pty Ltd 28 Jackson Street, Glenorchy	Road sealing Program	\$299,804.00	N/A

## Advertising of Annual Report

(Under the *Local Government Act 1993*)

Section 72 (2) requires the General Manager to advertise in a daily newspaper circulating in the municipal area the availability of the report, together with an invitation to electors to lodge submissions on the report with the council for discussion at its annual general meeting.

The Annual General Meeting was advertised in 'The Mercury' newspaper on the 24<sup>th</sup> November 2018; this included an invitation for electors to lodge submissions in relation to the Annual Report.

## **Enterprise Power Statement**

(Under the *Local Government Act 1993*)

Section 72 (1) (ca) requires Council to provide a statement of activities and performance of the Council in relation to any activity undertaken pursuant to section 21 of the *Local Government Act 1993* 'Enterprise Powers'.

In 2010/11, the Southern Midlands Council established two separate entities associated with the creation of the Centre for Colonial Heritage Conservation and Restoration:

- a) a proprietary company which will operate under the 'Services Arm' – Heritage Building Solutions Pty Ltd – commenced operation 19/7/10; and
- b) a company limited by guarantee to operate under the 'Education Arm' – Heritage Education and Skills Centre Ltd – commenced operation 28/7/2010.

The purpose of the respective Companies is as follows:

### *Heritage Building Solutions Pty Ltd*

To commercially provide building services, primarily to the heritage property sector and to conserve and renovate heritage property for re-use.

This includes:

- Conservation & Restoration Building Works;
- Professional Services Brokering;
- Heritage Building Redevelopment;
- Building services to Southern Midlands Council;
- Commercial building services;
- Production of architectural fittings; and
- Joinery workshop production items.

### *Heritage Education and Skills Centre Ltd*

To promote and facilitate the conservation and restoration of heritage properties and the development and the application of associated knowledge and skills.

This includes:

- Education and training - Apprentice and post trade training; Field work and structured experience; Property owner training; Professional training; and Visitor education.
- Research into - Conservation & Restoration Techniques; Building re-use technologies and best practice; Heritage/Archaeology; and Interpretation.
- Funding Heritage conservation and restoration activities – sourcing external funds and gifts”

The financial performance of these entities is reported in the set of Financial Statements.

## Grants & Donations

Name	Description	Amount \$
Brighton Family Day Care	Annual Child Care Grant 2017/18	\$ 5000.00
Bagdad Community Club	Contribution Public Liability Insurance	\$ 5000.00
Tasmania's Heritage Highway	Annual Grant 2017/18	\$ 12,000.00
Green Ponds Progress Association	Kempton Festival Donation	\$ 1500.00
Woodfordia Inc	Festival of Small Halls 2017 – Broadmarsh Hall	\$ 2050.00
Bagdad Community Club	MOU Balance of 17/18 Funding	\$ 2,756.70
Colebrook Progress Association	Community Small Grant – Colebrook Hall	\$ 2673.00
Colebrook Progress Association	Community Small Grant – Colebrook Youth Group	\$ 2800.00
Oatlands District Historical Society	Community Small Grant	\$ 2727.00
Elderslie Golf Club	Community Small Grant	\$ 2850.00
Elderslie Golf Club	Community Small Grant	\$ 2727.00
Oatlands Ex-Services & Community Club	Community Small Grant	\$ 2727.00
Oatlands Community Association	Community Small Grant	\$ 2693.00
Brighton Green Ponds RSL Sub-Branch	Community Small Grant	\$ 3000.00
Broadmarsh Elderslie Progress Association	Community Small Grant	\$ 3000.00
Levendale Hall Committee	Community Small Grant	\$ 1500.00
Oatlands Golf Club	Community Small Grants	\$ 3000.00
Oatlands Community Association	Community Small Grant (auspicing Stepping Stone Equine Hoof Care)	\$ 1000.00

## Grants & Donations

Name	Description	Amount \$
Runnymede Cricket Club	Annual Contribution Ground Maintenance	\$ 1000.00
Oatlands District Football Association	Donation ODFA Best & Fairest	\$ 140.00
Bagdad Primary School	Donation End of Year Awards	\$ 60.00
Kempton Primary School	Donation End of Year Awards	\$ 60.00
Campania District School	Donation End of Year Awards (Primary & High)	\$ 160.00
Oatlands District High School	Donation End of Year Awards (Primary & High)	\$ 160.00
Levendale Hall Committee	Contribution Public Liability Insurance	\$ 283.50
Oatlands Christmas Pageant	Donation	\$ 60.00
Broadmarsh Elderslie Progress Association	Contribution Public Liability Insurance	\$ 350.00
Levendale Cricket Club	Donation 2017/18 season	\$ 1000.00
<b>TOTAL</b>		<b>\$ 62,277.20</b>



# 2017 / 2018 Financial Statements

---

# SOUTHERN MIDLANDS COUNCIL



## **COMPLETE SET OF FINANCIAL STATEMENTS**

**2017 | 18 FINANCIAL YEAR**

---

Prepared in pursuance of the provisions of the Local Government Act 1993 (as amended), the Statements of Accounting Concepts and applicable Accounting Standards, including the accrual basis of accounting.

## Contents

	<b>Page</b>
General Manager's Declaration	2
Financial Statements	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Notes to the Financial Report	
1 About the Financial Statements	7
2 Financial Performance	9
3 Asset Base	22
4 People	33
5 Debt and Risk Management	42
6 Other Information	49
Independent Audit Report	54

## General Manager's Declaration

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



T F Kirkwood  
**General Manager**

Dated: 10 August 2018



## **Independent Auditor's Report**

**To the Councillors of Southern Midlands Council**

**Report on the Audit of the Consolidated Financial Report**

### **Opinion**

I have audited the financial report of Southern Midlands Council (Council) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018 and consolidated statements of profit or loss and other 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, the Group's financial position as at 30 June 2018 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

### **Basis for Opinion**

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group 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 statement of comprehensive income and the asset renewal funding ratio disclosed in note 2.6f to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

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

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

In preparing the financial report, the General Manager is responsible for assessing the Group'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 the 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 the Group'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 Group'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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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



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

**Tasmanian Audit Office**

21 September 2018  
Hobart

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2018

(Amounts shown in \$000)	Note	Budget 2018	Actual 2018	Actual 2017
<b>Income from continuing operations</b>				
<b>Recurrent Income</b>				
Rates and charges	2.2a	5,175	5,214	4,925
User fees	2.2b	834	842	1,162
Grants - Recurrent	2.2c	1,664	3,359	5,038
Interest	2.2d	157	200	125
Contract income	2.2e	765	652	360
Other income	2.2f	186	159	39
Investment revenue from water corporation	2.2g	-	228	228
		<b>8,781</b>	<b>10,654</b>	<b>11,877</b>
<b>Net Capital Income</b>				
Grants - capital	2.2h	3,218	1,949	1,187
Contributions	2.2i	-	-	629
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	2.2j	484	(241)	(121)
		<b>3,702</b>	<b>1,708</b>	<b>1,695</b>
<b>Total income from continuing operations</b>		<b>12,483</b>	<b>12,362</b>	<b>13,572</b>
<b>Expenses from continuing operations</b>				
Employee benefits	2.3a	(4,301)	(3,986)	(3,714)
Materials and contracts	2.3b	(3,577)	(3,206)	(2,829)
Depreciation and amortisation	2.3c	(2,720)	(3,075)	(2,952)
Contributions	2.3d	(210)	(210)	(199)
Finance costs	2.3e	(49)	(34)	(45)
Other expenses	2.3f	(160)	(359)	(351)
<b>Total expenses from continuing operations</b>		<b>(11,017)</b>	<b>(10,870)</b>	<b>(10,090)</b>
<b>Result from continuing operations</b>		<b>1,466</b>	<b>1,492</b>	<b>3,482</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net asset revaluation increment/(decrement)	3.6	-	722	1,426
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Financial assets available for sale reserve				
- Fair Value adjustment on Available for Sale Assets	3.5	-	156	79
<b>Total other comprehensive income</b>		<b>-</b>	<b>878</b>	<b>1,505</b>
<b>Total Comprehensive Result</b>		<b>1,466</b>	<b>2,370</b>	<b>4,987</b>

The above statement should be read in conjunction with the accompanying notes.



## Consolidated Statement of Financial Position

as at 30 June 2018

(Amounts shown in \$000)	Note	Actual 2018	Actual 2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3.1	11,878	11,825
Trade and other receivables	3.2	1,690	970
Assets held for sale	3.3	-	83
Other assets	3.4	402	480
<b>Total current assets</b>		<b>13,970</b>	<b>13,358</b>
<b>Non-current assets</b>			
Investment in water corporation	3.5	12,203	12,047
Property, plant, equipment, infrastructure and intangibles	3.6	90,026	88,705
<b>Total non-current assets</b>		<b>102,229</b>	<b>100,752</b>
<b>Total assets</b>		<b>116,199</b>	<b>114,110</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3.7	470	619
Trust funds and deposits	3.8	161	161
Employee provisions	4.1	1,274	1,260
Interest-bearing loans and borrowings	5.1	77	73
<b>Total current liabilities</b>		<b>1,982</b>	<b>2,113</b>
<b>Non-current liabilities</b>			
Employee provisions	4.1	75	148
Interest-bearing loans and borrowings	5.1	604	681
<b>Total non-current liabilities</b>		<b>679</b>	<b>829</b>
<b>Total liabilities</b>		<b>2,661</b>	<b>2,942</b>
<b>Net Assets</b>		<b>113,538</b>	<b>111,168</b>
<b>Equity</b>			
Accumulated surplus		51,018	49,526
Reserves	6.1	62,520	61,642
<b>Total Equity</b>		<b>113,538</b>	<b>111,168</b>

The above statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

for the year ended 30 June 2018

(Amounts shown in \$000)	Note	Total	Accumulated	Asset	Fair Value	Other
			Surplus	Revaluation	Reserve	Reserves
				Reserve		
<b>Balance as at 30 June 2016</b>		106,181	46,044	58,256	(1,770)	3,651
Result from continuing operations		3,482	3,482	-	-	-
Other comprehensive income	3.5	79	-	-	79	-
Net revaluation reserve increment/(decrement)	3.6	1,426	-	1,426	-	-
Transfers between reserves		-	-	-	-	-
<b>Balance as at 30 June 2017</b>		<b>111,168</b>	<b>49,526</b>	<b>59,682</b>	<b>(1,691)</b>	<b>3,651</b>
Result from continuing operations		1,492	1,492	-	-	-
Other comprehensive income	3.5	156	-	-	156	-
Net revaluation reserve increment/(decrement)	3.6	722	-	722	-	-
Transfers between reserves		-	-	-	-	-
<b>Balance as at 30 June 2018</b>		<b>113,538</b>	<b>51,018</b>	<b>60,404</b>	<b>(1,535)</b>	<b>3,651</b>

The above statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

for the year ended 30 June 2018

(Amounts shown in \$000)	Note	Actual 2018	Actual 2017
<b>Cash flows from operating activities</b>			
Rates and charges		5,265	4,944
User fees		950	1,053
Grants - Recurrent		3,359	5,038
Interest		200	125
Investment revenue from water corporation		228	228
Other receipts		851	479
Net GST refund/payment		406	406
Payments to suppliers		(4,371)	(4,011)
Payments to employees		(4,045)	(3,592)
Finance costs		(34)	(45)
<b>Net cash from (used in) operating activities</b>	2.4	<b>2,809</b>	<b>4,625</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant, equipment, infrastructure and intangibles		(4,167)	(2,870)
Proceeds from sale of property, plant, equipment, infrastructure and intangibles		335	202
Capital grants		1,149	1,187
<b>Net cash from (used in) investing activities</b>		<b>(2,683)</b>	<b>(1,481)</b>
<b>Cash flows from financing activities</b>			
Trust funds and deposits		-	59
Proceeds from interest bearing loans and borrowings		-	-
Repayment of interest bearing loans and borrowings		(73)	(191)
<b>Net cash from (used in) financing activities</b>	2.5	<b>(73)</b>	<b>(132)</b>
Net increase (decrease) in cash and cash equivalents		53	3,012
Cash and cash equivalents at the beginning of the financial year		11,825	8,813
<b>Cash and cash equivalents at the end of the financial year</b>	3.1	<b>11,878</b>	<b>11,825</b>

The above statement should be read in conjunction with the accompanying notes.

# Notes to the Financial Report

## for the year ended 30 June 2018

### 1 About the financial statements

This section outlines the basis on which the Council's financial statements have been prepared including key judgements and estimates and any events which occurred subsequent to balance date that required reporting.

#### 1.1 Reporting entity

(a) Southern Midlands Council is a body corporate with perpetual succession and a common seal. Council's main office is located at 71 High Street, Oatlands.

(b) The purpose of the Council is to:

- provide for health, safety and welfare of the community;
- to improve the overall quality of life of people in the local community;
- promote appropriate business and employment opportunities

#### 1.2 Basis of accounting

These financial statements are a general purpose financial report that consists of a Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Financial Position, Consolidated Statement of Changes in Equity, Consolidated 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, and the Local Government Act 1993 (LGA1993) (as amended). Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities. As a result this financial report does not comply with International Financial Reporting Standards.

This financial report has been prepared on the accrual and going concern basis.

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

This financial report has been prepared under the historical cost convention, except where specifically stated.

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.

Special Committees of Council have been included in this financial report. Transactions between these committees and Council have been eliminated in full.

The financial report has been prepared as a consolidated report to include all the external transactions for the subsidiary entities disclosed at note 3.10. Council has elected not to present separate financial statements (Parent) in accordance with AASB 127 Separate Financial Statements as the amounts involved are not considered material.

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 1.3 Use of judgements and estimates

In the application of Australian Accounting Standards, Council 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 circumstances, 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:

##### ***Employee entitlements***

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 4.1.

##### ***Defined benefit superannuation fund obligations***

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 4.3.

##### ***Fair value of property, plant & equipment***

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 3.6.

##### ***Investment in water corporation***

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 3.5.

#### 1.4 Events occurring after balance date

No significant events occurred after balance date that require reporting.

## Notes to the Financial Report

for the year ended 30 June 2018

### 2 Financial performance

This section outlines the financial performance of Council including its functions/activities. Details of operating income, expenses, cash flow information, management indicators compared with benchmarks and significant business activities are disclosed in the notes.

#### 2.1 Functions/Activities of the Council

2.1a Revenue, expenses and assets attributable to each function as categorised in Note 2.1c below:

(Amounts shown in \$000)	Income from continuing operations		Expenses from continuing operations		Result from continuing operations		Assets	
	2018	2017	2018	2017	2018	2017	2018	2017
Roads and bridges	970	1,166	4,528	4,279	(3,558)	(3,113)	66,757	66,485
Stormwater	-	-	96	113	(96)	(113)	3,769	3,820
Waste management	721	630	914	764	(193)	(134)	269	278
Economic development	1,870	1,477	1,932	1,797	(62)	(320)	6,367	6,160
Environmental management	19	80	398	319	(379)	(239)	392	373
Development services	192	219	910	1,026	(718)	(807)	672	684
Community services	89	19	354	208	(265)	(189)	2,306	2,028
Recreational facilities	62	71	1,014	810	(952)	(739)	7,256	6,476
Governance and administration	167	158	358	419	(191)	(261)	2,429	2,464
Other - non attributable	8,273	9,752	367	355	7,906	9,397	25,982	25,342
	<b>12,363</b>	<b>13,572</b>	<b>10,871</b>	<b>10,090</b>	<b>1,492</b>	<b>3,482</b>	<b>116,199</b>	<b>114,110</b>

#### Grants included in Income from continuing operations:

	2018	2017
Roads and bridges	950	1,146
Stormwater	-	-
Waste management	-	-
Economic development	127	141
Environmental management	19	80
Development services	-	-
Community services	75	8
Recreational facilities	800	-
Governance and administration	-	-
Other - non attributable	3,337	4,850
	<b>5,308</b>	<b>6,225</b>

2.1b Reconciliation of Assets with the Statement of Financial Position at 30 June:

	2018	2017
Current assets	13,970	13,358
Non- current assets	102,229	100,752
	<b>116,199</b>	<b>114,110</b>

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 2.1 Functions/Activities of the Council (continued)

##### 2.1c Nature and objective of functions/activities

###### *Roads, streets and bridges*

Construction, maintenance and cleaning of roads, footpaths, bridges, kerb and gutter and street lighting.

###### *Stormwater*

Maintenance and provision of stormwater reticulation systems.

###### *Waste management*

Collection, handling, processing and disposal of waste materials, operation of refuse disposal sites, waste transfer stations and recycling facilities.

###### *Environmental management*

Protection and enhancement of the environment, maintenance of amenity through control of statutory nuisances, environmental health and control of animal nuisances.

###### *Economic development*

Facilitation and development of local employment and economic initiatives, including streetscape improvements. Development and promotion of tourism and economic services within the municipal area.

###### *Development services*

Planning and development control, building control and related regulatory and statutory matters.

###### *Community services*

Provision of facilities and services focussed on improving the lifestyle of those that live in the Southern Midlands; assistance provided to volunteers and community based organisations; operation of youth employment and development programs and emergency services.

###### *Recreation facilities*

Provision and maintenance of recreation and sport facilities, including public halls and swimming pool. Included in this activity are parks and reserves, town beautification and associated facilities.

###### *Governance and administration*

Support for the Council and operational branches, including secretarial, computer, financial, personnel and general administrative services.

###### *Other - not attributable*

All revenues, expense and assets that cannot be attributed directly to one of the other listed functions. Includes carrying amount of non-current assets sold, State Government levies and contributions and Councillors emoluments.

## Notes to the Financial Report

for the year ended 30 June 2018

### 2.2 Income from continuing operations

(Amounts shown in \$000)	2018	2017
<b>Recurrent income</b>		
<b>2.2a Rates and charges</b>		
General	4,206	4,020
Fire levy	211	199
Waste & garbage management	707	621
Interest and penalties	90	85
<i>Total rates and charges</i>	<b>5,214</b>	<b>4,925</b>
<b>2.2b User fees</b>		
Community safety	7	9
Growth tourism	171	319
Growth business	222	349
Landscapes heritage	-	-
Landscapes regulatory	149	172
Landscapes natural	5	10
Lifestyle recreation	52	60
Lifestyle animals	43	47
Organisation sustainability	153	158
Organisation finances	22	17
Other fees and charges	18	21
<i>Total user fees</i>	<b>842</b>	<b>1,162</b>
<b>2.2c Grants - Recurrent</b>		
Australian Government Financial Assistance Grants	1,641	3,203
Australian Government Financial Assistance Grants (in advance)	1,696	1,644
Growth tourism	16	-
Landscapes heritage	-	93
Landscapes natural	-	80
Lifestyle youth	-	3
Other	6	15
<i>Total recurrent grants</i>	<b>3,359</b>	<b>5,038</b>
<b>2.2d Interest</b>		
Interest on financial assets	13	19
Interest on cash and cash equivalents	187	106
<i>Total interest</i>	<b>200</b>	<b>125</b>
<b>2.2e Contract income</b>		
Contracted works	652	360
<i>Total contract income</i>	<b>652</b>	<b>360</b>
<b>2.2f Other income</b>		
Government subsidies	12	12
Sundry	147	27
<i>Total other income</i>	<b>159</b>	<b>39</b>



## Notes to the Financial Report

### for the year ended 30 June 2018

#### 2.2 Income from continuing operations (continued)

(Amounts shown in \$000)

	2018	2017
<b>2.2g Investment revenue from water corporation</b>		
Dividends, tax equivalent and guarantee fees received	228	228
<i>Total investment revenue from water corporation</i>	<b>228</b>	<b>228</b>
<b>Total recurrent income</b>	<b>10,654</b>	<b>11,877</b>
<b>2.2h Net capital income</b>		
<b>Grants - capital</b>		
Australian Government - Roads	878	1,146
Tasmanian Government - Oatlands Aquatic	800	-
Other	271	41
<i>Total grants - capital</i>	<b>1,949</b>	<b>1,187</b>
<b>2.2i Contributions</b>		
Former Levensdale Primary School buildings	-	347
Roche Hall buildings	-	282
<i>Total contributions</i>	<b>-</b>	<b>629</b>
<b>2.2j Net gain/(loss) on disposal of property, plant, equipment and infrastructure</b>		
Proceeds of sale of assets held for sale	82	-
Assets held for sale disposed	(83)	-
	(1)	-
Proceeds of sale of non-current assets	253	202
Written down value of non-current assets disposed	(493)	(323)
	(240)	(121)
<i>Total gain/(loss)</i>	<b>(241)</b>	<b>(121)</b>
<b>Total net capital income</b>	<b>1,708</b>	<b>1,695</b>
<b>Total income from continuing operations</b>	<b>12,362</b>	<b>13,572</b>

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 2.2 Income from continuing operations (continued)

(Amounts shown in \$000)

2018 2017

#### 2.2k Grants received by funding source and conditions attached

##### *Funding source*

Australian Government	4,215	5,993
Other	1,093	232
<i>Total</i>	<b>5,308</b>	<b>6,225</b>

The Australian Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2016-17 the Australian Government made early payment of the two quarterly instalments for the following 2017-18 year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. In the 2017-18 year the Australian Government again made an early payment of two instalments for the following 2018-19 year. This has impacted the Statement of Profit or Loss and Other Comprehensive Income resulting in the Surplus/(deficit) being lower in 2017-18 by \$52,000 (2016-17 higher by \$1,644,000).

#### 2.2m Recognition and measurement

##### *Rates and charges*

Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. A provision for impairment of rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

##### *User fees*

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

##### *Grants - recurrent and capital*

Grant income is recognised as revenue when Council obtains control over the assets comprising the receipt. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer. Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant is also disclosed. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year. A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants. Unreceived contributions over which Council has control are recognised as receivables.

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 2.2 Income from continuing operations (continued)

##### **Interest**

Interest is recognised progressively as it is earned.

##### **Contract income**

As soon as the outcome of construction contracts can be estimated reliably, contract revenue and expenses are recognised in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Any expected loss on a contract is recognised immediately.

##### **Other income**

###### **Rental income**

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

###### **Operating leases as lessor**

Council is a lessor and enters into agreements with a number of lessees. These include only 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.

###### **Investment revenue from water corporation**

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

##### **Contributions**

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt. Revenue is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer. Where contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused contribution is also disclosed. The note also discloses the amount of unused contribution from prior years that was expended on Council's operations during the current year. Unreceived contributions over which Council has control are recognised as receivables. 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.

##### **Net gain/(loss) on disposal of property, plant, equipment and infrastructure**

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

## Notes to the Financial Report

for the year ended 30 June 2018

### 2.3 Expenses from continuing operations

(Amounts shown in \$000)	2018	2017
<b>2.3a Employee benefits</b>		
Wages and salaries	3,011	2,867
Other employee costs	1,212	1,150
	<b>4,223</b>	<b>4,017</b>
Less amounts capitalised	(237)	(303)
<i>Total employee benefits</i>	<b>3,986</b>	<b>3,714</b>
<b>2.3b Materials and contracts</b>		
Advertising	48	33
Bank charges and commissions	14	14
Callington Mill	91	144
Computer system operation	118	107
Consultancies	222	160
Contractor labour and services	359	323
Council plant & machinery	303	246
Donations and grants	66	82
Gravel purchases	45	25
Household garbage and recycling collection contract	228	224
Insurance premiums	75	73
Landcare materials	1	-
Legal expenses	47	31
Office expenses	112	106
Plant and machinery hire (external)	217	257
Power costs (including street lighting)	184	190
Repairs and maintenance	173	177
Subscriptions and publications	70	63
Telecommunications	40	43
Waste transfer, transport and disposal contracts	279	254
Valuation fees (supplementary valuations)	15	10
Water purchases	36	37
Other materials and contracts	463	230
<i>Total materials and services</i>	<b>3,206</b>	<b>2,829</b>
<b>2.3c Depreciation and amortisation</b>		
Property		
Buildings	422	365
Plant and equipment		
Plant and machinery	287	286
Furniture and fixtures	25	20
Minor plant	11	10
Infrastructure		
Roads	1,853	1,815
Bridges	348	336
Stormwater	52	51
Waste management	9	9
<i>Total depreciation</i>	<b>3,007</b>	<b>2,892</b>
Amortisation of intangibles	68	60
<i>Total depreciation and amortisation</i>	<b>3,075</b>	<b>2,952</b>

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 2.3 Expenses from continuing operations (continued)

(Amounts shown in \$000)	2018	2017
<b>2.3d Contributions</b>		
Fire service levy	210	199
<i>Total contributions</i>	<b>210</b>	<b>199</b>
<b>2.3e Finance costs</b>		
Interest - Borrowings	34	45
<i>Total finance costs</i>	<b>34</b>	<b>45</b>
<b>2.3f Other expenses</b>		
Councillors allowances	133	121
External auditors' remuneration	28	31
Other	198	199
<i>Total other expenses</i>	<b>359</b>	<b>351</b>
<b>Total expenses from continuing operations</b>	<b>10,870</b>	<b>10,090</b>

#### 2.3g Recognition and measurement

Expenses are recognised in the Consolidated Statement of Profit or Loss and Other 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. Further details of the nature and method of recognition and measurement of each expense item are set out below.

##### **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. See also note 4.1.

##### **Materials and contracts**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the 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.

##### **Depreciation and amortisation**

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

## Notes to the Financial Report

for the year ended 30 June 2018

### 2.3 Expenses from continuing operations (continued)

Land and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life. The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

Major depreciation and amortisation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Period
Buildings	10 - 50 years
Plant and equipment	
Plant and machinery	2 to 15 years
Furniture and fixtures	5 to 100 years
Minor plant	0 to 2 years
Infrastructure assets	10 to 150 years
Intangibles	5 years

#### **Finance costs**

Finance costs represent interest on interest-bearing loans and borrowings

#### **Contributions**

Contributions represents the remittance of amounts to the Tasmanian Fire Service for fire service levies collected through rates.

#### **Other expenses**

Other expenses represent items which individually are not material for separate disclosure on the Consolidated Statement or Profit or Loss and Other Comprehensive Income.

### 2.4 Reconciliation of cash flows from operating activities to surplus (deficit)

(Amounts shown in \$000)	2018	2017
Result from continuing operations	1,492	3,482
Depreciation and amortisation	3,075	2,952
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	241	121
Grants - capital	(1,149)	(1,187)
Contributions of non-monetary assets	-	(629)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(720)	(129)
Decrease/(increase) in other assets	78	(93)
Increase/(decrease) in trade and other payables	(149)	(14)
Increase/(decrease) in employee provisions	(59)	122
<i>Net cash provided by/(used in) operating activities</i>	<b>2,809</b>	<b>4,625</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents	11,878	11,825
<b>Total reconciliation of cash and cash equivalents</b>	<b>11,878</b>	<b>11,825</b>

## Notes to the Financial Report

for the year ended 30 June 2018

### 2.5 Reconciliation of liabilities arising from financing activities

(Amounts shown in \$000)

2018

Trust funds and deposits	
Balance at the beginning of the financial year	161
Net movements	-
Balance at the end of the financial year	<u>161</u>
Interest-bearing loans and borrowings	
Balance at the beginning of the financial year	754
Cash repayments	(73)
Balance at the end of the financial year	<u>681</u>

### 2.6 Management indicators

(Amounts shown in \$000)

Benchmark

2018

2017

2016

2015

#### 2.6a Underlying surplus or deficit

Recurrent income* less		10,361	10,112	9,645	10,083
recurrent expenditure		10,870	10,090	10,263	10,016
Underlying surplus/deficit	> \$0	<u>(509)</u>	<u>22</u>	<u>(618)</u>	<u>67</u>

\* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature as set out below:

Income from continuing operations	12,362	13,572
Less non-operating income		
Financial Assistance Grant in advance - prior year	1,644	-
Financial Assistance Grant in advance - current year	(1,696)	(1,644)
Grants - Capital	(1,949)	(1,187)
Contributions of non-monetary assets	-	(629)
Recurrent income	<u>10,361</u>	<u>10,112</u>

The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.

The underlying surplus assesses overall financial operating effectiveness. The negative results in 2016 and 2018 largely reflects the disposal of certain infrastructure and building assets during that year. The long term financial management plan aims to ensure a breakeven situation is maintained each financial year.

#### 2.6b Underlying surplus ratio

Underlying surplus or deficit		(509)	22	(618)	67
Recurrent income*		10,361	10,112	9,645	10,083
Underlying surplus ratio %	> 0%	<b>-4.9%</b>	<b>0.2%</b>	<b>-6.4%</b>	<b>0.7%</b>

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

## Notes to the Financial Report

for the year ended 30 June 2018

### 2.6 Management indicators (continued)

(Amounts shown in \$000)	Benchmark	2018	2017	2016	2015
<b>2.6c Net financial liabilities</b>					
Liquid assets less		13,568	12,795	9,654	11,205
total liabilities		2,661	2,942	2,966	2,691
Net financial liabilities	> \$0	<b>10,907</b>	<b>9,853</b>	<b>6,688</b>	<b>8,514</b>

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

### 2.6d Net financial liabilities ratio

Net financial liabilities		10,907	9,853	6,688	8,514
Recurrent income*		10,361	10,112	9,645	10,083
Net financial liabilities ratio %	0% - (50%)	<b>105.3%</b>	<b>97.4%</b>	<b>69.3%</b>	<b>84.4%</b>

This ratio indicates the net financial obligations of Council compared to its recurrent income. This ratio is well in excess of benchmark and indicates a strong liquidity position.

### 2.6e 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.

#### **Transport Infrastructure**

Depreciated replacement cost		62,026	60,980	60,164	59,575
Current replacement cost		116,701	114,666	111,533	110,382
Asset consumption ratio %	> 60%	<b>53.1%</b>	<b>53.2%</b>	<b>53.9%</b>	<b>54.0%</b>

#### **Buildings**

Depreciated replacement cost		12,086	12,259	11,365	10,771
Current replacement cost		21,952	22,405	19,484	18,580
Asset consumption ratio %	> 60%	<b>55.1%</b>	<b>54.7%</b>	<b>58.3%</b>	<b>58.0%</b>

#### **Stormwater**

Depreciated replacement cost		3,762	3,814	3,865	2,074
Current replacement cost		5,173	5,173	5,172	3,402
Asset consumption ratio %	> 60%	<b>72.7%</b>	<b>73.7%</b>	<b>74.7%</b>	<b>61.0%</b>

An asset consumption ratio has been calculated in relation to each asset class required to be included in council's long term strategic asset management plan.

The ratios assess the level of service potential in council's existing assets. The higher the percentage, the greater future service potential is available to provide service to ratepayers. The percentage results indicate that council must increase its investment in the renewal and replacement of existing assets. This is recognised in council's long term financial management strategy and plan.



## Notes to the Financial Report

for the year ended 30 June 2018

### 2.6 Management indicators (continued)

(Amounts shown in \$000)

Benchmark 2018 2017 2016 2015

#### 2.6f 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.

##### *Transport Infrastructure*

Projected capital funding outlays**		19,419	23,784	24,124	23,137
Projected capital expenditure funding***		19,790	17,000	16,814	26,887
Asset renewal funding ratio %	90-100%	<b>98.1%</b>	<b>139.9%</b>	<b>143.5%</b>	<b>86.1%</b>

##### *Buildings*

Projected capital funding outlays**		3,598	3,148	2,527	2,758
Projected capital expenditure funding***		2,750	3,148	2,527	2,758
Asset renewal funding ratio %	90-100%	<b>130.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

##### *Stormwater*

Projected capital funding outlays**		546	398	410	437
Projected capital expenditure funding***		520	398	410	169
Asset renewal funding ratio %	90-100%	<b>105.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>258.6%</b>

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

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

The asset renewal funding ratio is issued to assess council's capacity to fund future asset replacement requirements. The ratio for Transport Infrastructure in particular, indicates that additional funds are required in order to achieve the nominated benchmark of 90%. This issue is also addressed in council's long term financial management strategy and associated financial plan.

#### 2.6g Asset sustainability ratio

Capex on replacement/renewal of existing assets		2,995	1,933	3,666	2,076
Annual depreciation and amortisation expense		3,075	2,952	2,792	2,547
Asset sustainability ratio %	100.0%	<b>97.4%</b>	<b>65.5%</b>	<b>131.3%</b>	<b>81.5%</b>

The asset sustainability ratio assesses the extent to which council is maintaining operating capacity through renewal of its existing asset base. Whilst results may be below the nominated benchmark, it needs to be recognised that the actual need to expend funds on the renewal or replacement of assets can fluctuate substantially from year to year, whilst annual depreciation is fairly constant.

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 2.6 Management indicators (continued)

(Amounts shown in \$000)

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
<b>2018</b>			
By asset class (including work in progress)			
Land	-	-	-
Buildings	1,338	385	1,723
Plant and machinery	157	29	186
Furniture and fixtures	47	-	47
Minor plant	22	-	22
Roads	1,390	264	1,654
Bridges	-	494	494
Stormwater	-	-	-
Waste management	1	-	1
Intangibles	40	-	40
<b>Total</b>	<b>2,995</b>	<b>1,172</b>	<b>4,167</b>
<b>2017</b>			
By asset class (including work in progress)			
Land	-	-	-
Buildings	30	344	374
Plant and machinery	333	-	333
Furniture and fixtures	23	-	23
Minor plant	2	-	2
Roads	1,208	593	1,801
Bridges	268	-	268
Stormwater	-	-	-
Waste management	5	-	5
Intangibles	64	-	64
<b>Total</b>	<b>1,933</b>	<b>937</b>	<b>2,870</b>

#### 2.7 Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council has determined, based upon materiality that it does not have any significant business activities.

## Notes to the Financial Report

for the year ended 30 June 2018

### 3 Asset base

This section outlines the assets held by Council used to generate its financial performance and services for the community and operating liabilities incurred as a result, excluding employee provisions and interest bearing long term debts which are discussed in section 4 *People* and 5 *Debt and Risk Management* respectively.

#### 3.1 Cash and cash equivalents

(Amounts shown in \$000)

	2018	2017
Cash at bank and on hand	1,470	1,532
Term deposits	10,408	10,293
<i>Total cash and cash equivalents</i>	<b>11,878</b>	<b>11,825</b>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These following amounts represent the balance of restricted funds:

- Special committees of Council	56	49
- Trust funds and deposits (note 3.8)	161	161
- Heritage Building Solutions Pty Ltd (note 3.10)	227	101
- Heritage Education and Skills Centre Ltd (note 3.10)	83	87
- Capital grants not yet expended	875	-
- Australian Government - Financial Assistance Grant (in advance) (note 2.2c)	1,696	1,644
Restricted funds	<b>3,098</b>	<b>2,042</b>
Total unrestricted cash and cash equivalents	<b>8,780</b>	<b>9,783</b>

#### Recognition and measurement

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other liquid investments. See note 5 for significant terms and conditions.

#### 3.2 Trade and other receivables

(Amounts shown in \$000)

	2018	2017
Rates debtors	595	545
Other debtors	1,095	425
<i>Total trade and other receivables</i>	<b>1,690</b>	<b>970</b>

#### Recognition and measurement

Receivables are carried at amortised cost using the effective interest rate method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Uncollected rates are recorded as receivables. See note 5 for significant terms and conditions.

## Notes to the Financial Report

for the year ended 30 June 2018

### 3.3 Assets held for sale

(Amounts shown in \$000)	2018	2017
Internal transfer from Land	-	83
<i>Total assets held for sale</i>	<u>-</u>	<u>83</u>

#### Recognition and measurement

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

### 3.4 Other assets

(Amounts shown in \$000)	2018	2017
Stores and materials	285	334
Subsidiary work in progress	117	146
<i>Total other assets</i>	<u>402</u>	<u>480</u>

#### Recognition and measurement

Stores and materials are held for use by Council and are measured at cost. Subsidiary work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost. Cost includes all expenditure directly related to specific projects and an allocation of fixed and variable overhead incurred in the contract activities based on normal operating capacity.

### 3.5 Investment in water corporation

(Amounts shown in \$000)	2018	2017
Opening Balance	12,047	11,968
Change in fair value of investment	156	79
<i>Total investment in water corporation</i>	<u>12,203</u>	<u>12,047</u>

#### Recognition and measurement

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2018, Council held a 0.76% (2017: 0.76%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the council's voting rights. Any unrealised gains and losses are recognised through the Statement of Profit or Loss and Other Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 6.1). Council has classified this asset as an Available-for-Sale financial asset as defined in AASB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial report.

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

## Notes to the Financial Report

for the year ended 30 June 2018

### 3.6 Property, plant, equipment, infrastructure and intangibles

(Amounts shown in \$000)	Gross book value		Accumulated depreciation		Total	
	2018	2017	2018	2017	2018	2017
<b>Property</b>						
<b>At fair value</b>						
Land	4,607	4,643	-	-	4,607	4,643
Land under roads	3,051	3,051	-	-	3,051	3,051
Buildings	21,952	22,405	(9,866)	(10,146)	12,086	12,259
<b>Total property</b>	<b>29,610</b>	<b>30,099</b>	<b>(9,866)</b>	<b>(10,146)</b>	<b>19,744</b>	<b>19,953</b>
<b>Plant and equipment</b>						
<b>At cost</b>						
Plant and machinery	3,992	4,019	(1,781)	(1,591)	2,211	2,428
Furniture and fixtures	632	586	(446)	(422)	186	164
Minor plant	306	283	(240)	(228)	66	55
<b>Total plant and equipment</b>	<b>4,930</b>	<b>4,888</b>	<b>(2,467)</b>	<b>(2,241)</b>	<b>2,463</b>	<b>2,647</b>
<b>Infrastructure</b>						
<b>At fair value</b>						
Roads	89,911	88,585	(46,362)	(45,179)	43,549	43,406
Bridges	26,790	26,081	(8,313)	(8,507)	18,477	17,574
Stormwater	5,173	5,173	(1,411)	(1,359)	3,762	3,814
Waste management	250	248	(185)	(175)	65	73
<b>Total infrastructure</b>	<b>122,124</b>	<b>120,087</b>	<b>(56,271)</b>	<b>(55,220)</b>	<b>65,853</b>	<b>64,867</b>
<b>Work in progress</b>	<b>1,771</b>	<b>1,015</b>	<b>-</b>	<b>-</b>	<b>1,771</b>	<b>1,015</b>
<b>Intangibles</b>	<b>546</b>	<b>505</b>	<b>(351)</b>	<b>(282)</b>	<b>195</b>	<b>223</b>
<b>Total property, plant, equipment, infrastructure and intangibles</b>	<b>158,981</b>	<b>156,594</b>	<b>(68,955)</b>	<b>(67,889)</b>	<b>90,026</b>	<b>88,705</b>

## Notes to the Financial Report

for the year ended 30 June 2018

## 3.6 Property, plant, equipment, infrastructure and intangibles (continued)

(Amounts shown in \$000)	Balance at beginning of financial year	Acquisition of assets	Revaluation increase (decrease)	Depreciation and amortisation	Written down value of disposals	Assets initially recognised at fair value	Contribution of assets at fair value	Balance at end of financial year
<b>2018</b>								
<b>Property</b>								
Land	4,643	-	-	-	(36)	-	-	4,607
Land under roads	3,051	-	-	-	-	-	-	3,051
Buildings	12,259	377	-	(422)	(128)	-	-	12,086
<b>Total property</b>	<b>19,953</b>	<b>377</b>	<b>-</b>	<b>(422)</b>	<b>(164)</b>	<b>-</b>	<b>-</b>	<b>19,744</b>
<b>Plant and equipment</b>								
Plant and machinery	2,428	186	-	(287)	(116)	-	-	2,211
Furniture and fixtures	164	47	-	(25)	-	-	-	186
Minor plant	55	22	-	(11)	-	-	-	66
<b>Total plant and equipment</b>	<b>2,647</b>	<b>255</b>	<b>-</b>	<b>(323)</b>	<b>(116)</b>	<b>-</b>	<b>-</b>	<b>2,463</b>
<b>Infrastructure</b>								
Roads	43,406	2,028	-	(1,853)	(32)	-	-	43,549
Bridges	17,574	710	722	(348)	(181)	-	-	18,477
Stormwater	3,814	-	-	(52)	-	-	-	3,762
Waste management	73	1	-	(9)	-	-	-	65
<b>Total infrastructure</b>	<b>64,867</b>	<b>2,739</b>	<b>722</b>	<b>(2,262)</b>	<b>(213)</b>	<b>-</b>	<b>-</b>	<b>65,853</b>
<b>Work in progress</b>	1,015	756	-	-	-	-	-	1,771
<b>Intangibles</b>	223	40	-	(68)	-	-	-	195
<b>Total property, plant, equipment, infrastructure and intangibles</b>	<b>88,705</b>	<b>4,167</b>	<b>722</b>	<b>(3,075)</b>	<b>(493)</b>	<b>-</b>	<b>-</b>	<b>90,026</b>

## Notes to the Financial Report

for the year ended 30 June 2018

### 3.6 Property, plant, equipment, infrastructure and intangibles (continued)

(Amounts shown in \$000)	Balance at beginning of financial year	Acquisition of assets	Revaluation increase (decrease)	Depreciation and amortisation	Written down value of disposals	Assets initially recognised at fair value	Contribution of assets at fair value	Balance at end of financial year
<b>2017</b>								
<b>Property</b>								
Land	4,510	-	-	-	(5)	-	138	4,643
Land under roads	3,051	-	-	-	-	-	-	3,051
Buildings	11,364	181	615	(365)	(27)	-	491	12,259
<b>Total property</b>	<b>18,925</b>	<b>181</b>	<b>615</b>	<b>(365)</b>	<b>(32)</b>	-	<b>629</b>	<b>19,953</b>
<b>Plant and equipment</b>								
Plant and machinery	2,548	333	-	(286)	(167)	-	-	2,428
Furniture and fixtures	161	23	-	(20)	-	-	-	164
Minor plant	63	2	-	(10)	-	-	-	55
<b>Total plant and equipment</b>	<b>2,772</b>	<b>358</b>	-	<b>(316)</b>	<b>(167)</b>	-	-	<b>2,647</b>
<b>Infrastructure</b>								
Roads	43,824	1,521	-	(1,815)	(124)	-	-	43,406
Bridges	17,046	53	811	(336)	-	-	-	17,574
Stormwater	3,865	-	-	(51)	-	-	-	3,814
Waste management	77	5	-	(9)	-	-	-	73
<b>Total infrastructure</b>	<b>64,812</b>	<b>1,579</b>	<b>811</b>	<b>(2,211)</b>	<b>(124)</b>	-	-	<b>64,867</b>
<b>Work in progress</b>	327	688	-	-	-	-	-	1,015
<b>Intangibles</b>	219	64	-	(60)	-	-	-	223
<b>Total property, plant, equipment, infrastructure and intangibles</b>	<b>87,055</b>	<b>2,870</b>	<b>1,426</b>	<b>(2,952)</b>	<b>(323)</b>	-	<b>629</b>	<b>88,705</b>

#### Recognition and measurement

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. 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. Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

## Notes to the Financial Report

for the year ended 30 June 2018

### 3.6 Property, plant, equipment, infrastructure and intangibles (continued)

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

	Threshold	Valuation Bases
	\$	
<b>Property</b>		
Land	1	Fair value
Land under roads	1	Fair value
Buildings	1	Fair value
<b>Plant and equipment</b>		
Plant and machinery	1,000	Cost
Furniture and fixtures	500	Cost
Minor plant	1,000	Cost
<b>Infrastructure</b>		
Roads	1	Fair value
Bridges	5,000	Fair value
Stormwater	3,000	Fair value
Waste management	3,000	Cost
<b>Intangibles</b>		
	500	Cost

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

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

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



## Notes to the Financial Report

for the year ended 30 June 2018

### 3.7 Trade and other payables

(Amounts shown in \$000)	2018	2017
Payables and accruals	413	566
Payroll tax and workers compensation on employee entitlements	57	53
<i>Total trade and other payables</i>	<u>470</u>	<u>619</u>

#### Recognition and measurement

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. See note 5 for significant terms and conditions.

### 3.8 Trust funds and deposits

(Amounts shown in \$000)	2018	2017
Tender deposits and funds held on trust	161	161
<i>Total trust funds and deposits</i>	<u>161</u>	<u>161</u>

#### Recognition and measurement

Amounts received as tender deposits and retention amounts controlled by Council are recognised as trust funds until they are returned or forfeited.

### 3.9 Fair value measurements

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

- Investment in water corporation as disclosed at note 3.5
- Property and infrastructure as disclosed at note 3.6

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

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

#### (a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at balance date.

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.

## Notes to the Financial Report

for the year ended 30 June 2018

### 3.9 Fair value measurements (continued)

(Amounts shown in \$000)	Level 1		Level 2		Level 3			Total
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Fair value measurements</b>								
<b>Recurring</b>								
Property								
Land	-	-	4,607	4,643	-	-	4,607	4,643
Land under roads	-	-	3,051	3,051	-	-	3,051	3,051
Buildings	-	-	-	-	12,086	12,259	12,086	12,259
Infrastructure								
Roads	-	-	-	-	43,549	43,406	43,549	43,406
Bridges	-	-	-	-	18,477	17,574	18,477	17,574
Stormwater	-	-	-	-	3,762	3,814	3,762	3,814
Waste management	-	-	-	-	65	73	65	73
<b>Total recurring</b>	-	-	<b>7,658</b>	<b>7,694</b>	<b>77,939</b>	<b>77,126</b>	<b>85,597</b>	<b>84,820</b>
<b>Non-recurring</b>								
Assets held for sale	-	83	-	-	-	-	-	83
<b>Total non-recurring</b>	-	<b>83</b>	-	-	-	-	-	<b>83</b>

#### **Transfers between levels of the hierarchy**

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

#### **(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". Council considers that all assets in this note are being used for their highest and best use.

#### **(c) Valuation techniques and significant inputs used to derive fair values**

##### **Land**

Land fair values were determined by a qualified independent valuer. 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.

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 3.9 Fair value measurements (continued)

##### **Land held for sale**

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

##### **Land under roads**

Land under roads valuation is based on an average per square metre property rates supplied by the Tasmanian Valuer General.

##### **Buildings**

Council considers that all its buildings are of a specialist nature (eg heritage 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 determined by Council officers with reference to market data for recent projects and costing guides.

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

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3).

##### **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 2.3.

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**

Council categorises its road infrastructure into sealed and unsealed roads and then further sub-categorises these based on an assessment of vehicle movements and social and economic importance. Roads are managed in segments. 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.

## Notes to the Financial Report

for the year ended 30 June 2018

### 3.9 Fair value measurements (continued)

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 contract rates, supplier price lists and Council's labour wage rates. When construction is outsourced, CRC is based on the average of similar completed projects over the last few years.

#### **Bridges**

Council engaged an external expert to undertake valuation of bridges. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

#### **Stormwater**

Council engaged the Brighton Council Municipal Engineer to undertake the valuation of stormwater. Similar to roads, stormwater assets are managed in segments; pits and pipes being the major components. Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

#### **Other Infrastructure**

Other infrastructure is not deemed to be significant in terms of the Consolidated Statement of Financial Position.

#### **(d) Changes in recurring level 3 fair value measurements**

The changes in level 3 property and infrastructure assets with recurring fair value measurements are detailed in note 3.6 (Property, plant, equipment and infrastructure). Investment in water corporation, which is classified as level 3 has been separately disclosed in note 3.5.

There have been no transfers between level 1, 2 or 3 measurements during the year.

#### **(e) Valuation processes**

At the end of each year Council assess whether the carrying amount of its assets varies significantly from the fair value. This is done by consideration of changes in utilisation, obsolescence, assessment of unit rates, patterns of consumption, residual life, useful life, condition and remaining useful life.

Based on this assessment assets may need to be revalued and/or depreciation rates changed.

Non-recurring fair 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**

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 5.3 is provided by Tascorp (level 2).

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

## Notes to the Financial Report

for the year ended 30 June 2018

### 3.10 Investments in subsidiaries

Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd (HESC) are small proprietary companies controlled by Council and are not reporting entities.

The following transactions were recorded for the current and prior financial years. The balances disclosed have been consolidated into Council's balances. All inter-entity transactions and balances between Council and these subsidiary companies have been eliminated.

(Amounts shown in \$000)	2018	2017
<b>Heritage Building Solutions Pty Ltd</b>		
Statement of Comprehensive Income		
Revenue	1,059	599
Expenses	(1,007)	(572)
<b>Total Comprehensive Income for the year</b>	<b>52</b>	<b>27</b>
Statement of Financial Position		
Assets	468	384
Liabilities	(361)	(329)
<b>Total Equity</b>	<b>107</b>	<b>55</b>
<b>Heritage Education &amp; Skills Centre Pty Ltd</b>		
Statement of Comprehensive Income		
Revenue	77	8
Expenses	(94)	(55)
<b>Total Comprehensive Income for the year</b>	<b>(17)</b>	<b>(47)</b>
Statement of Financial Position		
Assets	98	111
Liabilities	(67)	(63)
<b>Total Equity</b>	<b>31</b>	<b>48</b>

## Notes to the Financial Report

for the year ended 30 June 2018

### 4 People

This section outlines the amounts provided for employee benefits during and post employment and related party transactions.

#### 4.1 Employee provisions

(Amounts shown in \$000)

	2018	2017
<b>Current</b>		
Annual leave	407	413
Long service leave	590	566
Personal	277	281
<b>Total current</b>	<b>1,274</b>	<b>1,260</b>
<b>Non-current</b>		
Long service leave	75	148
<b>Total non-current</b>	<b>75</b>	<b>148</b>
<b>Total employee provisions</b>	<b>1,349</b>	<b>1,408</b>
<b>Description of current and non-current components of employee provisions</b>		
<b>Current</b>		
All annual leave and the long service leave entitlements representing 10 or more years of continuous service:		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value.	684	694
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	590	566
	<b>1,274</b>	<b>1,260</b>
<b>Non-current</b>		
Long service leave representing less than 10 years of continuous service measured at present value.	75	148
	<b>75</b>	<b>148</b>
<b>Number of employees (full time equivalents)</b>	46	55

## Notes to the Financial Report

for the year ended 30 June 2018

### 4.1 Employee Provisions (continued)

#### *Movements in employee provisions during the financial year*

(Amounts shown in \$000)	Annual leave		Long service leave		Personal			Total
	2018	2017	2018	2017	2018	2017	2018	2017
Balance at beginning of the year	413	382	714	663	281	241	1,408	1,286
Additional provisions	268	236	17	83	117	111	402	430
Amounts used	(274)	(205)	(66)	(32)	(121)	(71)	(461)	(308)
Balance at end of the year	<b>407</b>	<b>413</b>	<b>665</b>	<b>714</b>	<b>277</b>	<b>281</b>	<b>1,349</b>	<b>1,408</b>

#### Recognition and measurement

##### *Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick 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.

##### *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.

##### *Personal leave*

Council's Enterprise Bargaining Agreement provides for employees who resign from their position with Council to be paid a percentage of their sick leave balance based on completed years of service, plus a gratuity amount.

## Notes to the Financial Report

for the year ended 30 June 2018

### 4.2 Related party transactions

#### Responsible Persons

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

<b>Councillors</b>	Mayor A E Bisdee OAM	1 July 2017	to	30 June 2018
	Deputy Mayor A O Green	1 July 2017	to	30 June 2018
	Councillor A R Bantick	1 July 2017	to	30 June 2018
	Councillor E C Batt	1 July 2017	to	30 June 2018
	Councillor R A Campbell	1 July 2017	to	30 June 2018
	Councillor D F Fish	1 July 2017	to	30 June 2018
	Councillor D E Marshall	1 July 2017	to	30 June 2018
<b>General Manager</b>	Mr T F Kirkwood	1 July 2017	to	30 June 2018

#### Councillor remuneration

(Amounts shown in \$)

	Allowances	Compensation AASB 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
<b>2018</b>						
Mayor A E Bisdee OAM	37,220	37,220	3,688	1,420	24	42,352
Deputy Mayor A O Green	20,613	20,613	2,666	1,100	24	24,403
Councillor A R Bantick	8,636	8,636	808	780	18	10,242
Councillor E C Batt	10,335	10,335	739	780	24	11,878
Councillor R A Campbell	10,335	10,335	1,111	780	24	12,250
Councillor D F Fish	10,335	10,335	-	780	24	11,139
Councillor D E Marshall	10,335	10,335	1,048	780	24	12,187
<b>Total</b>	<b>107,809</b>	<b>107,809</b>	<b>10,060</b>	<b>6,420</b>	<b>162</b>	<b>124,451</b>



## Notes to the Financial Report

for the year ended 30 June 2018

### 4.2 Related party transactions (continued)

(Amounts shown in \$)

	Allowances	Compensation AASB 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
<b>2017</b>						
Mayor A E Bisdee OAM	35,415	35,415	3,675	1,420	24	40,534
Deputy Mayor A O Green	20,182	20,182	3,500	1,100	24	24,806
Councillor A R Bantick	6,968	6,968	896	780	18	8,662
Councillor E C Batt	10,119	10,119	1,090	780	24	12,013
Councillor R A Campbell	10,119	10,119	1,002	780	24	11,925
Councillor D F Fish	10,119	10,119	-	780	24	10,923
Councillor D E Marshall	10,119	10,119	1,045	780	24	11,968
<i>Total</i>	<b>103,041</b>	<b>103,041</b>	<b>11,208</b>	<b>6,420</b>	<b>162</b>	<b>120,831</b>

**Allowances** - statutory allowances as paid in accordance with the Local Government Act 1993.

**Kilometre reimbursements** - reimbursement for kilometres travelled while on Council business at a rate per kilometre.

**Communications** - allowances paid to Councillors to reimburse telephone and internet usage costs.

**Other** - cost of electronic funds transfer.

### Key Management Personnel remuneration

		Short term benefits			Post employment benefits			Total
		Salary	Vehicles	Other benefits	Superannuation	Termination benefits	Other non-monetary benefits	
<b>2018</b>								
<b>Remuneration band</b>	<b>Employees</b>							
\$80 001 - \$100 000	1	81,506	-	300	10,188	-	2,878	94,872
\$100 001 - \$120 000	2	187,540	6,272	600	23,442	-	3,827	221,681
\$140 001 - \$160 000	1	123,684	4,721	300	15,461	-	5,527	149,693
\$180 001 - \$200 000	1	154,292	13,425	300	19,287	-	3,259	190,563
		<b>547,022</b>	<b>24,418</b>	<b>1,500</b>	<b>68,378</b>	<b>-</b>	<b>15,491</b>	<b>656,809</b>

## Notes to the Financial Report

for the year ended 30 June 2018

### 4.2 Related party transactions (continued)

(Amounts shown in \$)		Short term benefits			Post employment benefits			Total
		Salary	Vehicles	Other benefits	Superannuation	Termination benefits	Other non-monetary benefits	
<b>2017</b>								
<b>Remuneration band</b>	<b>Employees</b>							
\$80 001 - \$100 000	1	79,699	-	300	9,962	-	2,258	92,219
\$100 001 - \$120 000	2	182,967	1,471	600	22,871	-	10,912	218,821
\$160 001 - \$180 000	1	130,488	5,175	300	16,311	-	8,986	161,260
\$180 001 - \$200 000	1	149,310	7,259	300	18,664	-	5,830	181,363
		<b>542,464</b>	<b>13,905</b>	<b>1,500</b>	<b>67,808</b>	<b>-</b>	<b>27,986</b>	<b>653,663</b>

**Salary** - includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

**Vehicles** - Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

**Other benefits** - includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

**Superannuation** - means the contribution to the superannuation fund of the individual.

**Termination benefits** - include all forms of benefit paid or accrued as a consequence of termination.

**Other non-monetary benefits** - include annual and long service leave movements.

## Notes to the Financial Report

for the year ended 30 June 2018

### 4.2 Related party transactions (continued)

#### *Directors of subsidiary companies remuneration*

Two directors of Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd were paid directors and management fees in total of \$66,350 (2017: \$24,883)

#### *Remuneration Principles*

##### *Councillors*

Councillor allowances are paid in accordance with those set by Regulation 42 (2) of the Local Government General Regulations 2015. Council has further determined by policy that in order to carry out their functions as a Councillor, reimbursements will be paid to Councillors for travelling while on Council related business on a kilometre travelled basis, that stationery and consumables will be provided and that a communications allowance will be paid to offset the cost of telephone and internet charges.

##### *Senior management*

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe 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 manager, including the General Manager, is reviewed annually which includes a review of their remuneration package, which takes account of their performance against key indicators and of salary packages for similar roles in the region. Whilst not automatic, contracts can be extended.

##### *Directors of subsidiary companies*

Directors of Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd are remunerated in accordance with the terms and conditions of their appointment and may be varied in accordance with the constitution of each company and the Corporations Act 2001.

#### *Transactions with related parties*

During the period Council entered in transactions with entities that are controlled by members of key management personnel for contracted works and the provision of administrative services for \$3,350 (2017: \$5,200). All transactions were at arm's length and were in the normal course of Council operations.

In accordance with s84(2)(b) of the Local Government Act 1993, no interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

#### *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
- Dog registration

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.

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 4.3 Post employment benefits

##### Recognition and measurement

##### *Defined contribution funds*

Council contributes to defined contribution plans on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies, if any, that may occur in those schemes. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### *Defined benefit fund*

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

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

For the year ended 30 June 2018 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

- Net Investment Return 7.0% p.a.
- Salary Inflation 4.0% p.a.
- Price Inflation n/a

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 4.3 Post employment benefits (continued)

The actuarial review concluded that:

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

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2017/18 and 0% from 1 July 2018 to 30 June 2021.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2020 and is expected to be completed late in 2020.

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

- The 2017 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2014.  
  
Under the aggregate funding method of financing the benefits, the stability of the Councils’ contributions over time depends on how closely the Fund’s actual experience matches the expected experience. If the actual experience differs from that expected, the Councils’ contribution rate may need to be adjusted accordingly to ensure the Fund remains on
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 4.3 Post employment benefits (continued)

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2017, showed that the Fund had assets of \$58.9 million and members' Vested Benefits were \$51.2 million. These amounts represented 0.7% and 0.6% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2017 the fund had 134 members and the total employer contributions and member contributions for the year ending 30 June 2017 were \$1,777,084 and \$267,506 respectively.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$30,165 (2016-17, \$29,558), and the amount paid to accumulation schemes was \$353,337 (2016-17, \$312,801).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$7,272, and the amount to be paid to accumulation schemes is \$363,131.

## Notes to the Financial Report

for the year ended 30 June 2018

### 5 Debt and risk management

This section sets out the interest bearing debts of Council and outlines Council's exposure to financial risks and how these risks are managed.

#### 5.1 Interest-bearing loans and borrowings

(Amounts shown in \$000)	2018	2017
<b>Current</b>		
Borrowings - secured	77	73
<b>Non-current</b>		
Borrowings - secured	604	681
<b>Total borrowings</b>	<b>681</b>	<b>754</b>

Borrowings are secured over the rate income of Council.

The maturity profile for Council's borrowings is:

Not later than one year	77	73
Later than one year and not later than five years	427	436
Later than five years	177	245
<b>Total</b>	<b>681</b>	<b>754</b>

#### Recognition and measurement

The borrowing capacity of Council is limited by the Local Government Act 1993. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period of the liability using the effective interest method.

#### 5.2 Financing arrangements

(Amounts shown in \$000)	2018	2017
Bank overdraft limit	200	200
Direct debit facility	100	100
Business credit cards	50	50
Used facilities	(6)	(3)
<b>Unused facilities</b>	<b>344</b>	<b>347</b>

## Notes to the Financial Report

for the year ended 30 June 2018

### 5.3 Financial Instruments

#### *Accounting policy, terms and conditions*

Recognised financial instruments	Accounting policy	Terms and Conditions
<i>Financial assets</i>		
Cash and cash equivalents	See Note 3.1	On call deposits and cash returned a floating interest rate of 1.9% (1.3% in 2017). The interest rate at balance date was 1.9% (1.3% in 2017).
Trade and other receivables	See Note 3.2	<p>General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2017). Credit terms are based on 30 days.</p> <p>Rate debtors are paid either by four instalments or alternatively within 30 days (which provides a discount of 1.3%). The discount is shown as an expense of the Council. A penalty of 5% applies to any rate or charge that is not paid on or before the date it falls due and in addition to the penalty, interest under section 128 of the Local Government Act 1993 will be charged at the rate of 9.5% per annum.</p> <p>Should amounts remain unpaid outside the adopted payment options, Council will instigate collection proceedings in accordance with the provisions of the Local Government Act 1993 (as amended).</p>
Available for sale financial assets Investment in Water Corporation	See Note 3.5	
<i>Financial Liabilities</i>		
Trade and other payables	See Note 3.7	Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	See Note 5.1	<p>The loans of Council are secured by trust deed. In accordance with section 80 of the Local Government Act 1993, the borrowing capacity of Council is limited to:</p> <ul style="list-style-type: none"> <li>- Except with the approval of the Minister, a council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year.</li> <li>- Grants made to a council for a specific purpose are to be excluded in calculating 30% of the revenue of the council.</li> </ul> <p>The current annual payment of loans (principal and interest) by Council, based on the debenture loan schedules, equate to less than 2.5% of total revenue for the preceding year (2017: less than 2.5%).</p>



## Notes to the Financial Report

for the year ended 30 June 2018

### 5.3 Financial Instruments (continued)

#### Interest rate risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

(Amounts shown in \$000)	Floating interest rate	1 year or less	Fixed interest maturing in: Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total
<b>2018</b>						
<i>Financial assets</i>						
Cash and cash equivalents	1,470	10,408	-	-	-	11,878
Trade and other receivables	-	-	-	-	1,690	1,690
Investment in water corporation	-	-	-	-	12,203	12,203
<b>Total financial assets</b>	<b>1,470</b>	<b>10,408</b>	<b>-</b>	<b>-</b>	<b>13,893</b>	<b>25,771</b>
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	470	470
Trust funds and deposits	-	-	-	-	161	161
Interest-bearing loans and borrowings	-	77	427	177	-	681
<b>Total financial liabilities</b>	<b>-</b>	<b>77</b>	<b>427</b>	<b>177</b>	<b>631</b>	<b>1,312</b>
<b>Net financial assets (liabilities)</b>	<b>1,470</b>	<b>10,331</b>	<b>(427)</b>	<b>(177)</b>	<b>13,262</b>	<b>24,459</b>
<b>2017</b>						
<i>Financial assets</i>						
Cash and cash equivalents	1,532	10,293	-	-	-	11,825
Trade and other receivables	-	-	-	-	970	970
Investment in water corporation	-	-	-	-	12,047	12,047
<b>Total financial assets</b>	<b>1,532</b>	<b>10,293</b>	<b>-</b>	<b>-</b>	<b>13,017</b>	<b>24,842</b>
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	619	619
Trust funds and deposits	-	-	-	-	161	161
Interest-bearing loans and borrowings	-	73	436	245	-	754
<b>Total financial liabilities</b>	<b>-</b>	<b>73</b>	<b>436</b>	<b>245</b>	<b>780</b>	<b>1,534</b>
<b>Net financial assets (liabilities)</b>	<b>1,532</b>	<b>10,220</b>	<b>(436)</b>	<b>(245)</b>	<b>12,237</b>	<b>23,308</b>

## Notes to the Financial Report

for the year ended 30 June 2018

### 5.3 Financial Instruments (continued)

#### *Fair value*

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

(Amounts shown in \$000)	Total carrying amount		Net fair value	
	2018	2017	2018	2017
<i>Financial assets:</i>				
Cash and cash equivalents	11,878	11,825	11,878	11,825
Trade and other receivables	1,690	970	1,690	970
Investment in water corporation	12,203	12,047	12,203	12,047
<b>Total financial assets</b>	<b>25,771</b>	<b>24,842</b>	<b>25,771</b>	<b>24,842</b>
<i>Financial liabilities:</i>				
Trade and other payables	470	619	470	619
Trust funds and deposits	161	161	161	161
Interest-bearing loans and borrowings	681	754	681	754
<b>Total financial liabilities</b>	<b>1,312</b>	<b>1,534</b>	<b>1,312</b>	<b>1,534</b>

#### *Credit risk*

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

#### *Risks and mitigation*

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

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

#### *Interest rate risk*

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Treasury and Finance each year.

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 5.3 Financial Instruments (continued)

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1993. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

#### *Credit risk*

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in our Consolidated Statement of Financial Position. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

Credit risk arises from Council's financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable policy note. Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables.

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.

In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

#### *Ageing of Trade and Other Receivables*

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade and Other Receivables was:

(Amounts shown in \$000)	2018	2017
Current (not yet due)	994	238
Past due by up to 30 days	6	71
Past due between 31 and 60 days	-	-
Past due between 61 and 90 days	-	-
Past due by more than 90 days	95	116
<i>Total Trade &amp; Other Receivables</i>	<b>1,095</b>	<b>425</b>
Rates receivable	<b>595</b>	<b>545</b>
Total receivables	<b>1,690</b>	<b>970</b>

## Notes to the Financial Report

for the year ended 30 June 2018

### 5.3 Financial Instruments (continued)

#### Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent the discounted cash flow payments (ie principal only).

<b>2018</b> <b>(Amounts shown in \$000)</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Contracted cash flow</b>	<b>Carrying amount</b>
Trade and other payables	470	-	-	470	470
Trust funds and deposits	161	-	-	161	161
Interest-bearing loans and borrowings	77	427	177	681	681
<b>Total financial liabilities</b>	<b>708</b>	<b>427</b>	<b>177</b>	<b>1,312</b>	<b>1,312</b>
<b>2017</b> <b>(Amounts shown in \$000)</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Contracted cash flow</b>	<b>Carrying amount</b>
Trade and other payables	619	-	-	619	619
Trust funds and deposits	161	-	-	161	161
Interest-bearing loans and borrowings	73	436	245	754	754
<b>Total financial liabilities</b>	<b>853</b>	<b>436</b>	<b>245</b>	<b>1,534</b>	<b>1,534</b>

## Notes to the Financial Report

for the year ended 30 June 2018

### 5.3 Financial Instruments (continued)

#### Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of + 1% and -0.5% in market interest rates (AUD) from year-end rates.

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

2018		Interest rate risk			
		-0.5%		1%	
		-50 basis points		100 basis points	
(Amounts shown in \$000)		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	11,878	(59)	(59)	119	119
Trade and other receivables	1,690	(8)	(8)	17	17
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	681	3	3	(7)	(7)
2017		Interest rate risk			
		-0.5%		1%	
		-50 basis points		100 basis points	
(Amounts shown in \$000)		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	11,825	(59)	(59)	118	118
Trade and other receivables	970	(5)	(5)	10	10
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	754	4	4	(8)	(8)

## Notes to the Financial Report

for the year ended 30 June 2018

### 6 Other information

This section outlines additional financial information not included in other sections but required in accordance with accounting standards. Details of Council's reserves, commitments and contingencies are included in the notes together with other current accounting policies, changes to accounting standards adopted in the financial year and new or amended accounting standards not yet adopted.

#### 6.1 Reserves

(Amounts shown in \$000)	Balance as at 30 June 2016	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2017	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2018
<b>Asset revaluation reserve</b>	58,256	1,426	-	59,682	722	-	60,404
<b>Fair value reserve</b>							
<i>Available-for-sale assets</i>							
Investment in water corporation	(1,770)	-	79	(1,691)	-	156	(1,535)
<b>Total fair value reserve</b>	<b>(1,770)</b>	<b>-</b>	<b>79</b>	<b>(1,691)</b>	<b>-</b>	<b>156</b>	<b>(1,535)</b>
<b>Other reserves</b>							
Bridge maintenance reserve	1,666	-	-	1,666	-	-	1,666
Plant replacement reserve	686	-	-	686	-	-	686
Capital works reserve	1,239	-	-	1,239	-	-	1,239
Quarry reinstatement reserve	31	-	-	31	-	-	31
Public open space reserve	29	-	-	29	-	-	29
<b>Total other reserves</b>	<b>3,651</b>	<b>-</b>	<b>-</b>	<b>3,651</b>	<b>-</b>	<b>-</b>	<b>3,651</b>
<b>Total reserves</b>	<b>60,137</b>	<b>1,426</b>	<b>79</b>	<b>61,642</b>	<b>722</b>	<b>156</b>	<b>62,520</b>

#### Recognition and measurement

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.

The available-for-sale financial asset reserve was established to capture the fair value movements in Council's Water Corporation investment.

Other reserves have been created at the discretion of Council to capture allocations for specific purposes.

## Notes to the Financial Report

for the year ended 30 June 2018

### 6.2 Commitments

(Amounts shown in \$000)

2018 2017

#### **Capital expenditure contractual commitments**

Contractual commitments for capital expenditure at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:

159 645

#### **Other contractual commitments**

Other contractual commitments at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:

178 200

### 6.3 Contingent liabilities and contingent assets

#### *Contingent liabilities*

There are currently no claims against the Council, its Councillors or any officers which are likely to result in any material liability against Council.

#### **Recognition and measurement**

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

### 6.4 Other significant accounting policies and new accounting standards

#### **(a) Taxation**

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

#### *Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(b) Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being Council's operational cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

#### **(c) Budget**

The estimated revenue and expense amounts in the Consolidated Statement of Profit or Loss and Other Comprehensive Income represent revised budget amounts and are not audited.

## Notes to the Financial Report

### for the year ended 30 June 2018

#### 6.4 Other significant accounting policies and new accounting standards (continued)

##### (d) Adoption of new and amended accounting standards

In the current year, Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (effective from 1 January 2017)  
Amendments to AASB 107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities in the Statement of Cash Flows at note 2.5.

##### (e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below. (Note: standards are applicable to reporting periods beginning on or after to effective date referred to below).

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

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

Fair value is to be used for all other financial assets. Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or an irrevocable election has been made to present in other comprehensive income changes in the fair value of an equity instrument not held for trading.

When adopted, the standard will affect, in particular, Council's accounting for its investment in TasWater which is an available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Council is likely to make an irrevocable election for its investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

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



## Notes to the Financial Report

### for the year ended 30 June 2018

#### 6.4 Other significant accounting policies and new accounting standards (continued)

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

- AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers, and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities. AASB 2015-8 Amendments to Australian Accounting Standards arising from AASB 15 provides for an effective of application from 1 January 2018.

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council has analysed the new revenue recognition requirements under these standards and noted the future impacts identifiable at the date of this report include:

- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such Grants are recognised as revenue upfront
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. Council is yet to evaluate the existing grant arrangements as to whether revenue from those grants could be deferred under the new requirements.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). An example of this is rates received in advance, which is currently required to be recognised as revenue when received. Council is yet to full complete its analysis of existing arrangements for sale of its goods and services and the impact on revenue recognition has not yet been fully determined.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council's unexpended grant revenue at 30 June 2018 is disclosed at note 3.1. Council's assessment is that the majority of the amounts unexpended for the year, will be deferred as a liability 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.

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 (effective 1 January 2022)

The amendments address an acknowledged inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2015-10 has delayed the effective date of the amendments to 1 January 2022. There is likely to be no material impact on Council of the introduction of this standard.

## Notes to the Financial Report

for the year ended 30 June 2018

### 6.4 Other significant accounting policies and new accounting standards (continued)

#### ■ AASB 16 Leases (effective from 1 January 2019)

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

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

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption. Council did not have any lease commitments at balance date (refer note 6.2) and there is likely to be no material impact on Council of the introduction of this standard.

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