

SOUTHERN  
MIDLANDS  
COUNCIL



# ANNUAL REPORT

## 2015/2016







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*All photos in this publication are courtesy of Andrew Benson*

## **Our Vision**

The following vision for the Southern Midlands municipal area was developed by Councillors on the basis of the information and advice provided at community meetings.

- 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 towns/service centres;
- Development based on the proper management of local resources and the physical environment;
- A range and standard of services within the Southern Midlands which meet local needs and are affordable and efficient.

## **Our Mission**

The Mission for the corporation of Council identifies the roles and purpose of the Council. The mission was developed by Councillors and senior staff.

The Council in partnership with the community will:

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

## **Our Guiding Principles**

The following principles or philosophies represent the beliefs and values which will guide the culture of the organisation and underpin its work towards achieving the vision and mission. Council and staff will:

- 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;
- 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 staff;
- Operate in accordance with the "Code of Conduct" adopted by Council.

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# INTRODUCTION

## THE YEAR IN REVIEW

I am again pleased to report that the Southern Midlands Council has had a positive and progressive 2015/2016 financial year.

A highlight of the year has been the extensive level of private investment in projects within the Southern Midlands municipal area, the most significant being the establishment of a cherry orchard by Reid Fruits at Jericho at a total cost of approximately \$4.5 million. This investment will have major flow-on benefits to the southern midlands community. The operation will require 15-20 permanent staff, most of whom have already been employed, plus 300-400 fruit pickers in the harvest season.

It should certainly be acknowledged that this development would not have been possible without the surety of water that is provided via Tasmania Irrigation's Midlands Water Scheme.

Southern Midlands has also seen significant investment in the whiskey distillery industry. A major whiskey distillery was established at the historic 'Shene' property at Mangalore and we welcome the relocation of the Redlands Distillery from the Derwent Valley to 'Dysart House' at Kempton.

Each of these operations are already employing local residents, and have the potential to further increase local employment opportunities when fully developed.

In terms of financial sustainability, I am also pleased to report that our current financial position is consistent with Council's Long-Term Financial Management Plan. Asset renewal continues to be a high priority for Council and this is reflected in our long-term strategies and plans.

Several major infrastructure projects were completed during the financial year, which formed part of an overall capital spend in excess of \$5 million. These included total Roads Program capital expenditure of approximately \$1.86 million; replacement of the Bridge at Swanston (\$402K); replacement of the bridge over the Coal River on the Wattle Tree Road (\$223K); and eight other bridge/culvert structures totaling \$565K. Completion of these projects has resulted in very few remaining bridges and culverts to be replaced over the next ten-year timeframe. I wish to acknowledge the successful management of these bridge renewal projects by the Manager - Works & Technical Services Manager (Mr Jack Lyall) and the Deputy General Manager (Mr Andrew Benson) which has seen extremely competitive tenders being received.

Council continues to benefit from participation in the Common Services Joint Venture, which has six partner Councils situated in Southern Tasmania. There has been a combined saving estimated at over \$1.2 million which is achieved through sharing of our resources within the participating Councils. The Common Services Joint Venture continues to investigate and explore ways to further increase savings.

Unfortunately, drought conditions existed throughout most of the Southern Midlands region during the past year. Some extremely low rainfalls were recorded and these conditions impacted greatly on our farming community. We are indeed fortunate that the Midlands Water

Scheme was fully operational and allowed many crops to be grown and harvested in one of the driest periods experienced for many years.

I wish to acknowledge and thank my fellow Councillors; the General Manager (Mr Tim Kirkwood) and all employees of the Southern Midlands Council for their professional approach and involvement in the ongoing management of Council. In particular, I thank my fellow Councillors for their dedication and commitment, which through their decisions demonstrate their firm commitment to the southern midlands community.

We look forward to the year ahead, which includes the prospect of being able to facilitate and promote more economic development opportunities, all of which are aimed at providing much needed local employment within our community - especially our youth.

*Anthony E Bisdee*

**Clr Tony Bisdee OAM  
MAYOR**



*General Manager (Tim Kirkwood), Deputy Mayor (Alex Green), Prime Minister Malcolm Turnbull and Mayor Bisdee OAM during the PM's visit*



*Eric Hutchinson, the Hon Julie Bishop MP and Mayor Bisdee OAM during a visit to Oatlands in June making a \$1.5M contribution to the Midlands Aquatic Centre*

# OVERVIEW

## 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 2015/16 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.

It would come as no surprise that there are a number of reforms presently occurring within the local government sector. These include, but are not limited to:

- Planning Reform (i.e. the introduction of the new Tasmanian Planning Scheme)
- Building Reform – A new Act will commence 1 January 2017;
- Review of the *Local Government Act 1993*; and finally
- Structural Reform (i.e. amalgamation).

Each of these requires preliminary and ongoing consideration in terms of our ability to ensure future compliance; our resourcing requirements and numerous other factors, either from a management or risk perspective. Whilst I acknowledge that ongoing reform and change is necessary, it does come at a significant cost – whether it simply be a distraction from normal operational activities or the time it takes away from being able to spend planning for the future development of the Council area. There is however a saying “*Progress is impossible without change, and those who cannot change their minds cannot change anything*”.



In reference to the content of this Annual Report, it is pleasing to report and note the numerous actions that have been undertaken, consistent with the overall objectives of Council's Strategic Plan and vision for the municipal area. I encourage readers to review and if necessary, seek any additional information or clarification.

In terms of financial management, the 2015/16 'Consolidated Statement of Profit or Loss and Other Comprehensive Income' reported a profit of \$1.329 million, however the following should be noted:

- The profit includes 'other comprehensive income' of \$1.222 million which relates to revaluation of Assets (non-cash items);
- Capital income of \$1.068 million which relates to the recognition of new Stormwater Assets (non-cash items); and
- Actual Operating grant income of \$1,807 million compared to budget of \$3.201 million. The difference being that the Australian Government elected to pay \$1.597 million in advance on 30/6/15 (which was required to be recognised as income in the 2014/15 financial year although it related to 2015/16).

Overall, it was an extremely pleasing result, particularly when compared to the Council's Long Term Financial Management Strategy.

I would like to express my sincere appreciation to the Mayor and Councillors for their assistance and support during the year.

I extend my thanks to all employees for their excellent efforts, commitment and dedication and recognise the contribution that they make to the development and well-being of the Southern Midlands Council area.



Tim Kirkwood  
**GENERAL MANAGER**

# COUNCIL COMMITTEE STRUCTURE

THE COUNCILLORS	COUNCIL & COMMITTEE MEMBERSHIP
 <p><b>Mayor Anthony (Tony) Bisdee OAM</b></p>	<ul style="list-style-type: none"> <li>◆ Council</li> <li>◆ Australia Day Awards (Chair)</li> <li>◆ Enterprise Bargaining/Award Consultative Committee (Chair)</li> <li>◆ Southern Tasmania Council Association (Deputy Chairman)</li> <li>◆ TasWater Corporation – Owners Representatives Committee and Board Selection Committee</li> <li>◆ Southern Waste Strategy Authority (Proxy)</li> <li>◆ Midlands Multi-Purpose Health Centre – Community Advisory Committee</li> <li>◆ Tunnack Recreation Ground Management Committee (Chair)</li> <li>◆ New Pool Project Steering Committee (Chair)</li> </ul>
 <p><b>Deputy Mayor Alex Green</b></p>	<ul style="list-style-type: none"> <li>◆ Council</li> <li>◆ Southern Midlands Audit and Risk Committee</li> <li>◆ Midlands Economic Development and Land Use Strategy (MEDaLS) - Implementation Committee</li> <li>◆ Southern Waste Strategy Authority</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 (Proxy)</li> <li>◆ Enterprise Bargaining / Award Consultative Committee (Proxy)</li> <li>◆ TasWater Corporation – Owners Representatives (Proxy)</li> </ul>



**Councillor  
Anthony (Tony) Bantick**

- ◆ Council
- ◆ Southern Midlands Facilities & Recreation Committee
- ◆ Municipal Disaster Management Committee (Emergency Management Planning Committee)
- ◆ Chauncy Vale Management Committee
- ◆ Mangalore Recreation Management Committee (Chair)



**Councillor  
Robert (Bob) Campbell**

- ◆ Council
- ◆ Arts Advisory Committee (Proxy)
- ◆ New Pool Project Steering Committee (Proxy)
- ◆ Little Swanport Catchment Committee (Proxy)
- ◆ Chauncy Vale Management Committee (Proxy)
- ◆ Lake Dulverton / Callington Park Management Committee (Proxy)
- ◆ Levendale Community Centre Management Committee
- ◆ Oatlands Community Hall Management Committee (Proxy)
- ◆ Parattah Progress Association (Proxy)
- ◆ Parattah Railway Restoration Management Committee (Proxy)
- ◆ Tunnack Recreation Ground Management Committee (Proxy)
- ◆ Woodsdale Hall Management Committee (Proxy)



**Councillor  
Donald Fish**

- ◆ Council
- ◆ Southern Midlands Facilities & Recreation Management Committee (Chair)
- ◆ Lake Dulverton / Callington Park Management Committee (Chair)
- ◆ Oatlands Community Shed (Chair)
- ◆ Little Swanport Catchment Committee
- ◆ Municipal Disaster Management Committee (Emergency Management Planning Committee) (Proxy)
- ◆ Colebrook Hall Management Committee (Proxy)
- ◆ Oatlands Community Hall Management Committee
- ◆ Oatlands Recreation Ground Management Committee
- ◆ Parattah Progress Association
- ◆ Parattah Railway Restoration Management Committee



**Councillor  
Edwin Batt**

- ◆ Council
- ◆ Southern Midlands Audit and Risk Committee
- ◆ Southern Midlands Facilities & Recreation Committee
- ◆ Arts Advisory Committee (Chair)
- ◆ Midlands Economic Development and Land Use Strategy (MEDaLS) - Implementation Committee



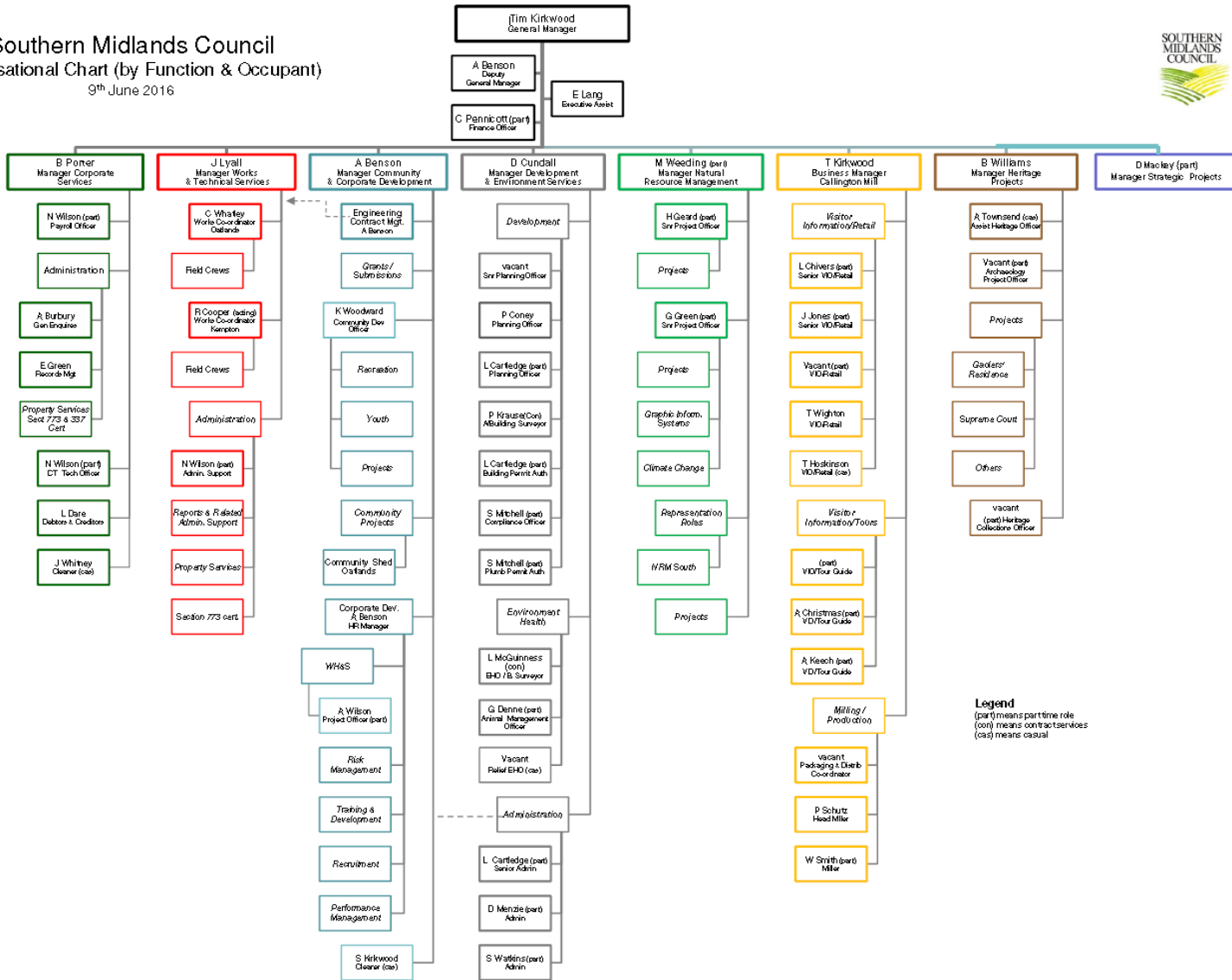
**Councillor  
David Marshall**

- ◆ Council
- ◆ Southern Midlands Audit and Risk Committee (Proxy)
- ◆ Campania Structure Plan Committee
- ◆ Campania Halls Management Committee (Proxy)
- ◆ Campania Recreation Ground Management Committee (Proxy)

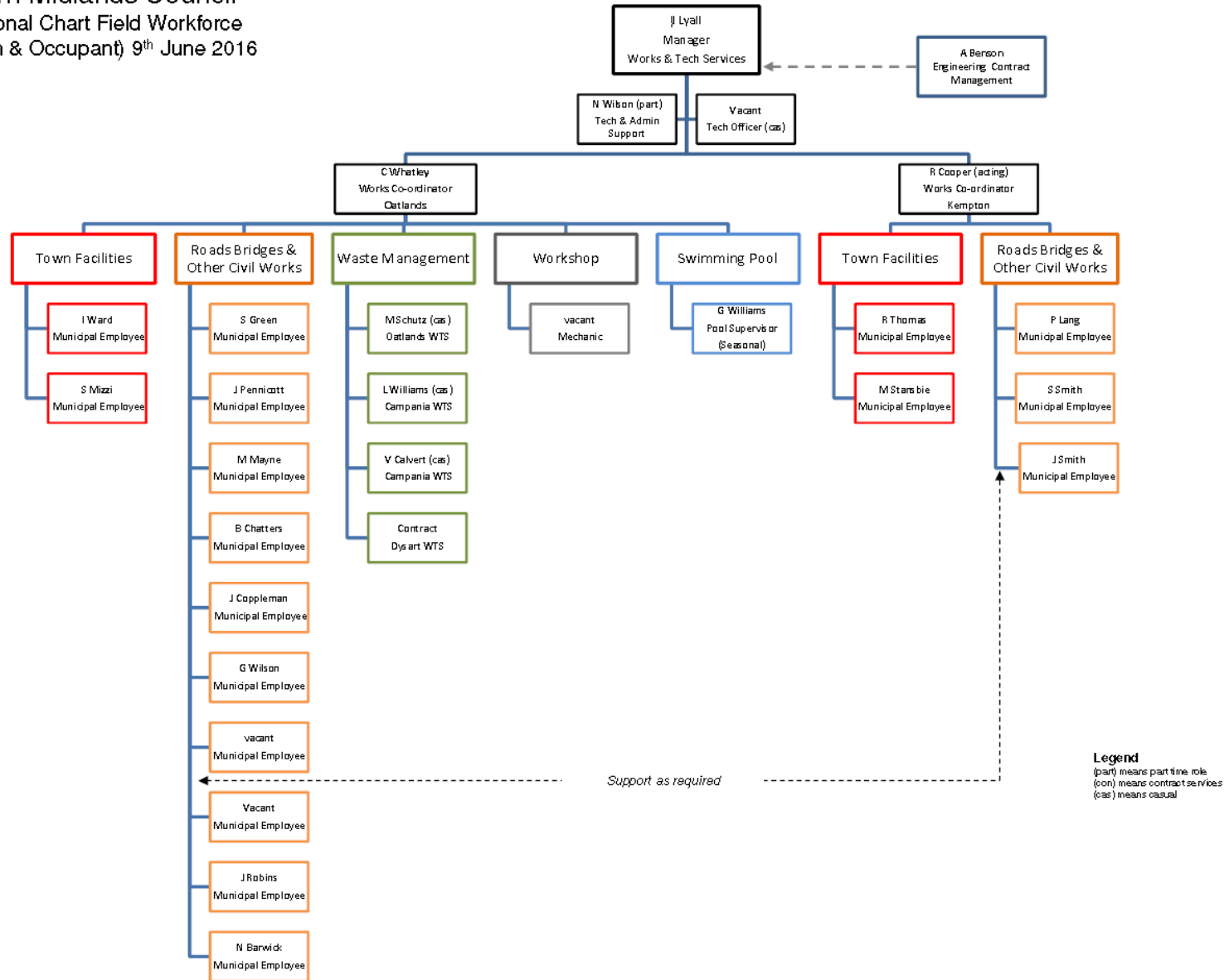


# ORGANISATIONAL CHARTS

Southern Midlands Council  
Organisational Chart (by Function & Occupant)  
9th June 2016

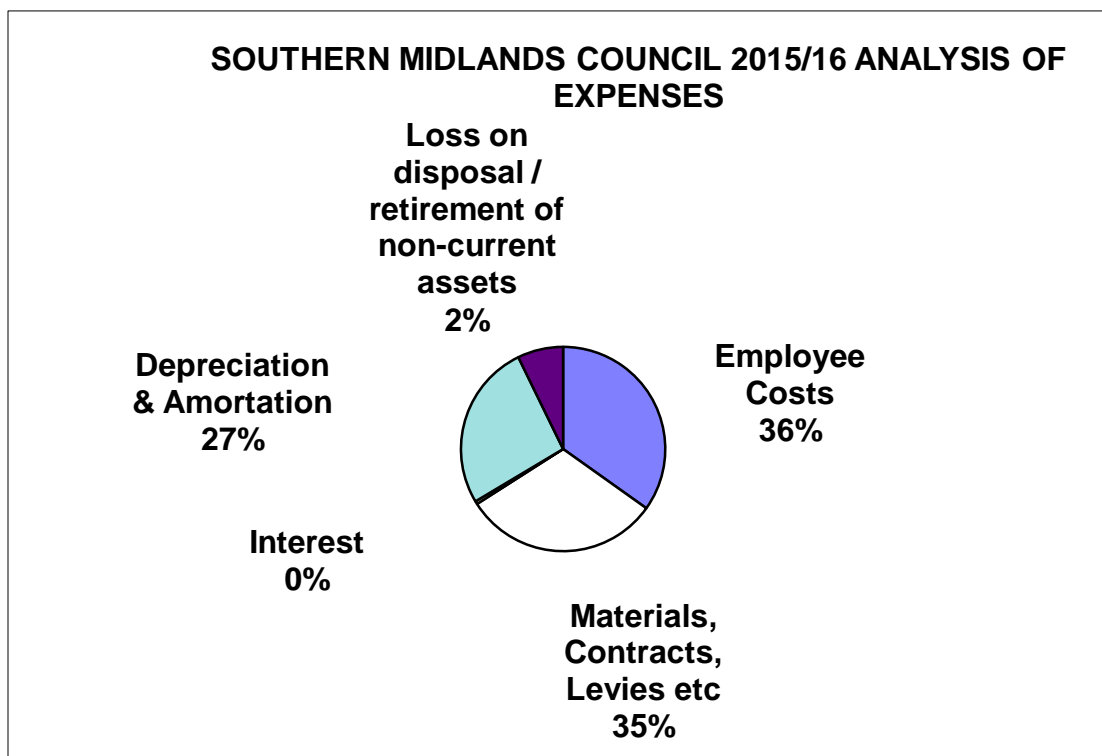
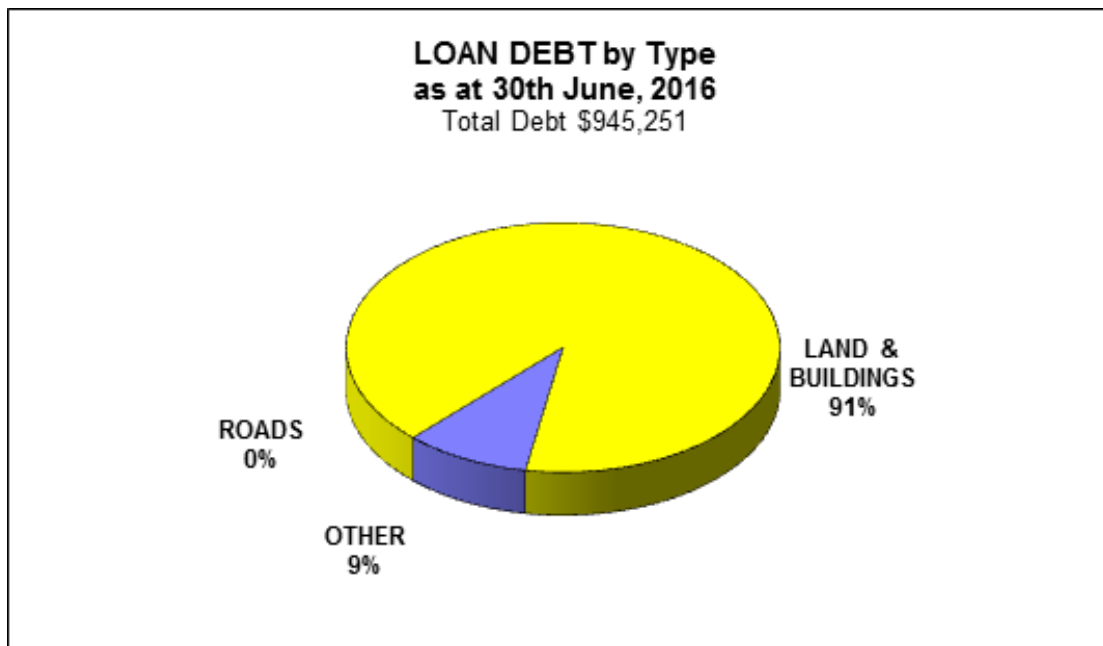


Southern Midlands Council  
 Organisational Chart Field Workforce  
 (by Function & Occupant) 9<sup>th</sup> June 2016

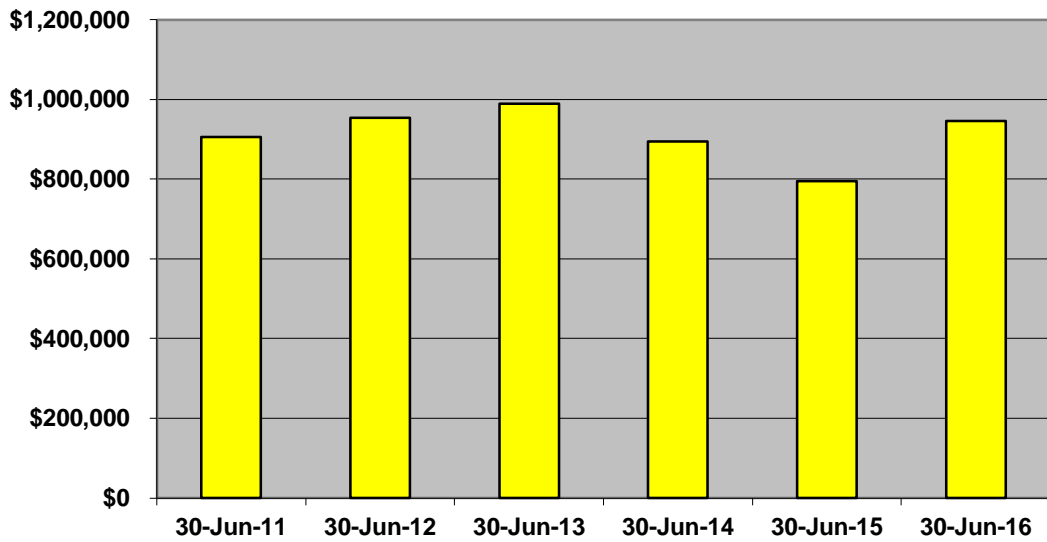


**Legend**  
 (part) means part time role  
 (con) means contract services  
 (cas) means casual

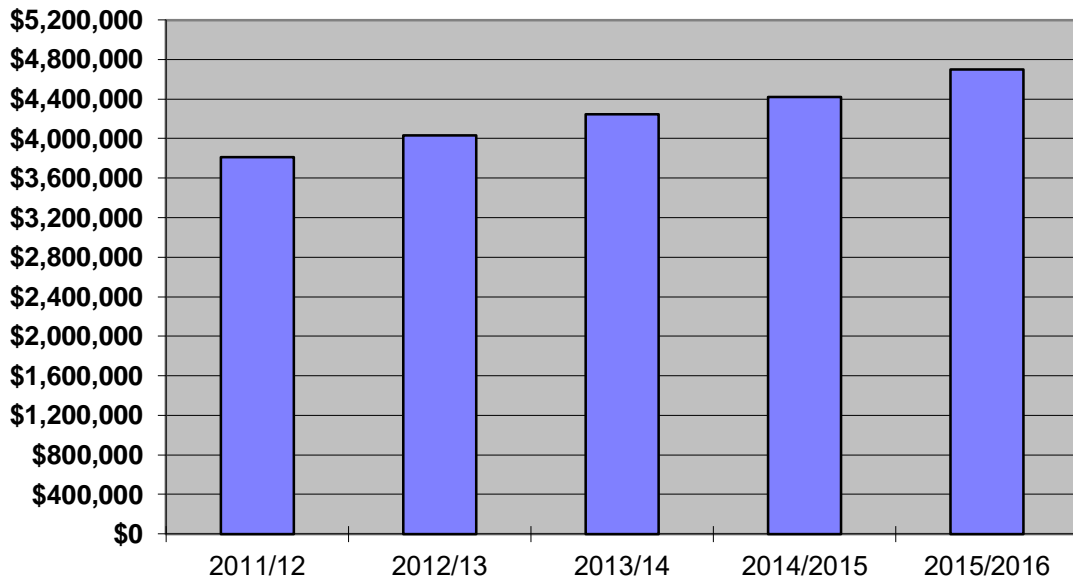
# STATISTICS



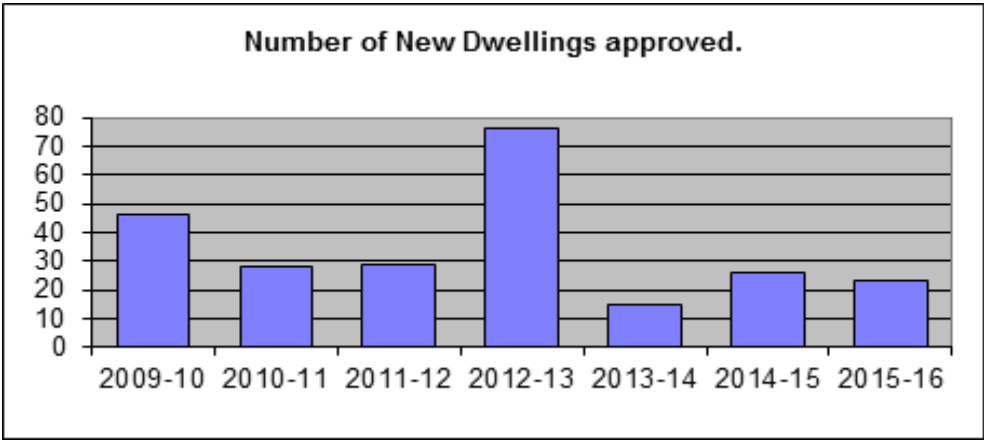
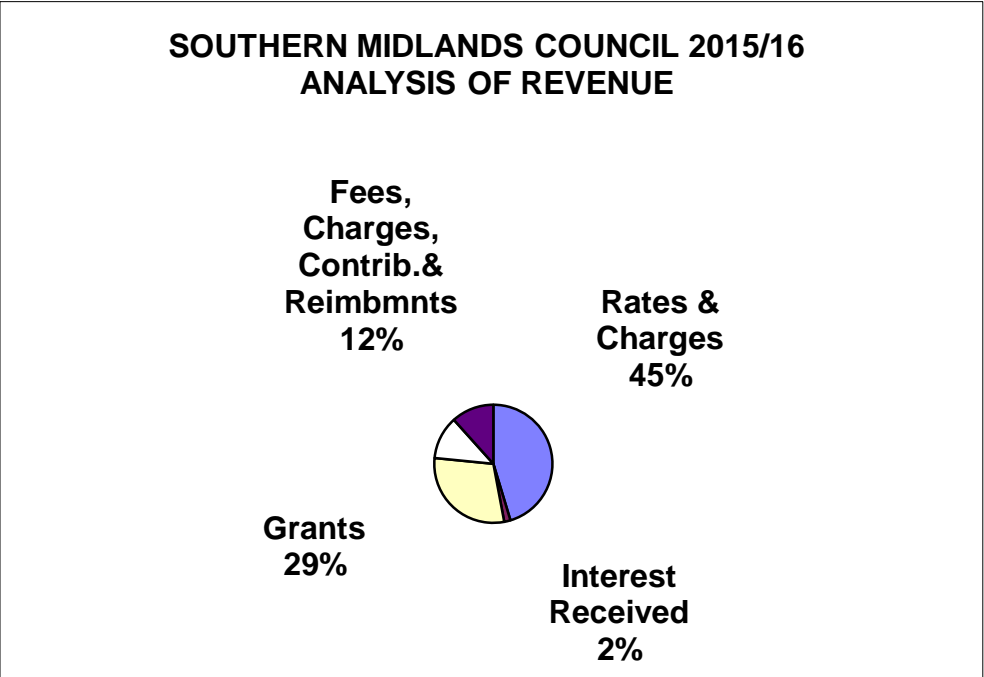
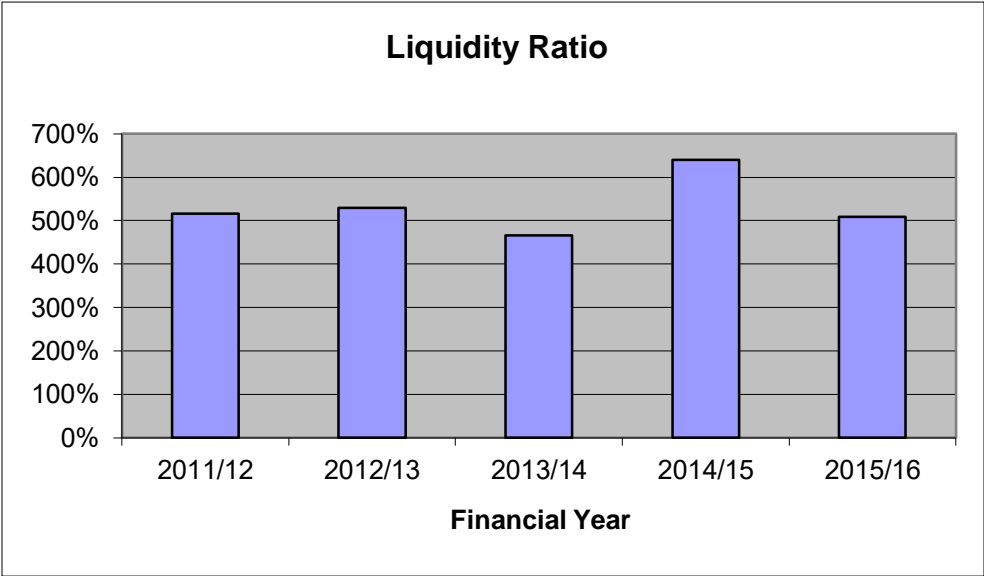
### TOTAL LOAN DEBT - TREND



### TOTAL RATES LEVIED - TREND







# INFRASTRUCTURE

## ROADS

### **What are we aiming to achieve over the ten year period?**

Maintenance and improvement of the standard and safety of roads in the municipal area

#### **Key actions:**

- Continue to seek opportunities to increase funding for road maintenance and construction from Commonwealth and State Governments.
- Seek new, cost effective sources of road materials suitable for road maintenance.
- Continue to work with the Department of Infrastructure, Energy and Resources to improve the safety and standard of the Midland Highway and other State Roads along with road junctions.
- Continue to focus on road drainage and road improvements as key elements of road maintenance.
- Ensure that appropriate sight distances are maintained for key transport routes, through effective roadside vegetation management / road realignment.
- Continue a program of regular safety audits of roads in conjunction with DIER.
- In partnership with the State Government examine the issue of reserved roads and their impact on fire and weed management.
- In partnership with the Community and the State Government, undertake highway beautification works, noise attenuation mounding and the development of a walkway path, for the township of Kempton.
- Actively pursue property owners to embrace Council's Unmade Street Policy.
- Review existing streetscape plans

## 2015-16 ACHIEVEMENTS

The total road length for the municipal area is 803 kilometres, which are classified as the following:

- 30 kilometres – Urban Sealed
- 13 kilometres – Urban Unsealed
- 153 kilometres – Rural Sealed
- 607 kilometres – Rural Unsealed

Capital expenditure totaled \$1,863,902 which included:

- \$556K on re-sheeting unsealed roads;
- \$917K on reconstruction and resealing roads – *Inglewood Road, Andover; Woodsdale Road, Woodsdale; Green Valley Road, Bagdad; Cliftonvale Road, Dysart; Oatlands and Kempton Townships; Rhyndaston Road, Rhyndaston; Eldon Road, Colebrook; East Bagdad Road, Bagdad; Brown Mountain Road, Campania; and*
- \$47K on other road safety improvements, including corner widening, realignments and installation of guard rails.

Increased capital expenditure has been possible due to the increase in 'Roads to Recovery Program' grant funding provided by the Australian Government. The objective of Roads to Recovery is to contribute to the Infrastructure Investment Programme 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 programme 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 programme.

From 2014-15 to 2018-19 the Southern Midlands Council will receive a total of \$4,019,596, of which \$1.254 million was received in 2015-16.

In relation to the Midland Highway, Council has had regular communications with the Department of State Growth (State Roads) concerning the Midland Highway 10 Year Action Plan. This Plan sets out the Australian and Tasmanian governments' key priorities for investing \$500 million over 10 years to upgrade the highway and improve road safety and save lives on Tasmania's key north-south freight route. The objective of the 10 year investment in the Midland Highway is to deliver a minimum 3 star rating for the highway's entire length.

## BRIDGES

### **What are we aiming to achieve over the ten year period?**

Maintenance and improvement of the standard and safety of bridges in the municipal area.

### **Key actions:**

- Continue the current program of bridge maintenance, including the monitoring and consideration of new construction methods for the replacement of timber bridges, including Council's desire to replace timber bridges with concrete bridges, where affordable

## 2015-16 ACHIEVEMENTS

There are 152 bridges and major culverts within the municipal area, with a total deck area of 8,214 m<sup>2</sup>.

\$38,500 (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.

A total of \$1,191,010 was spent on capital projects in 2015/16, which included:

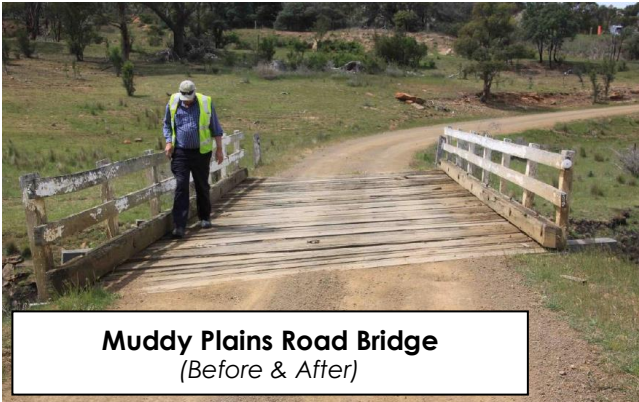
- Sandy Lane Bridge at Oatlands - \$31,221
- Wattle Hill Road Bridge at Stonor – \$223,241
- Swanston Road Bridge at Swanston – \$402,774
- Jones Road Bridge at Elderslie – \$88,655
- Kheme Road Bridge – \$102,300
- Muddy Plains Road Bridge at Melton Mowbray – \$73,694
- Inglewood Road Bridge at Andover- \$89,164
- Nala Road Bridge – \$60,607
- Old Tier Road Bridge at Woodbury – \$87,595
- Stratford Road Bridge - \$22,128

During the 2014/15 year, investigations were undertaken for the replacement of the Swanston Bridge over the Little Swanport River at Swanston. The investigation took into account the very large catchment upstream from the bridge and the low number of permanent residents on the Eastern side of the Little Swanport River. A report was provided to Council to consider lowering the Annual Recurrent Interval (ARI) (flood level) design criteria to facilitate a more cost effective structural response to the replacement of the old bridge. Tenders were sought in the 2015/16 financial year for alternative construction methods and ARI capacities. The tender was extremely competitive and the design facilitated a 100 year ARI which is the normal design criteria required by Council. This was a tremendous result for the Community and for Council.

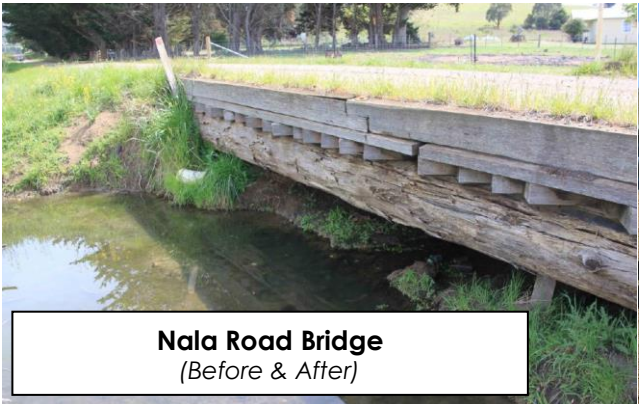
The Southern Midlands Council continues to engage AusSpan to undertake six-monthly inspections of all its bridge assets on an ongoing basis. These inspections provide Council with forward maintenance and capital works programs on a priority basis.

The net value of Council's bridges as at 30 June 2016 was \$17.045 million.

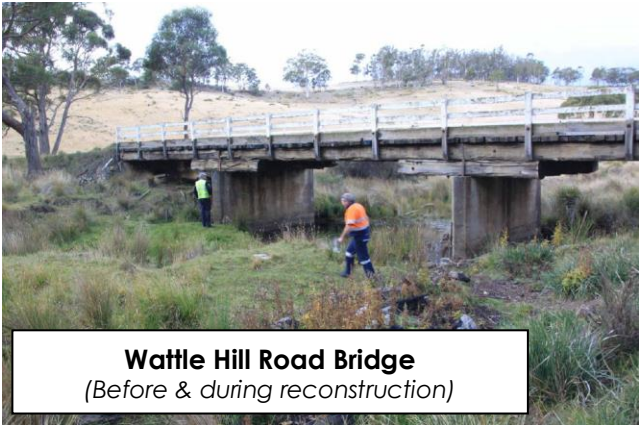




**Muddy Plains Road Bridge**  
*(Before & After)*



**Nala Road Bridge**  
*(Before & After)*



**Wattle Hill Road Bridge**  
*(Before & during reconstruction)*



**Swanston Road Bridge**  
*(Before & After)*



## WALKWAYS, CYCLE WAYS & TRAILS

***What are we aiming to achieve over the ten year period?***

Maintenance and improvement of the standard and safety of walkways, cycle ways and pedestrian areas to provide consistent accessibility.

***Key actions:***

- Prepare a forward capital upgrade program for existing walkways and pedestrian areas
- Determine priorities for extensions to existing walkways and pedestrian areas
- Identify and develop new cycleways, walkways and pedestrian areas based on identified need

### 2015-16 ACHIEVEMENTS

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

A total of \$67,995 was spent on capital projects in 2015/16, which included:

- Main Street, Kempton \$14,302
- Church Street, Oatlands \$53,653

In addition to the capital expenditure, \$158,700 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area.

Construction of the new footpath in Reeve Street, Campania was deferred due to the need to complete other related infrastructure works which were necessary prior to commencement of this project.



## LIGHTING

### **What are we aiming to achieve over the ten year period?**

Ensure adequate lighting based on demonstrated need and contestability of energy supply.

### **Key actions:**

- Develop a program for upgrading lighting in areas of community need in accordance with the Australian Lighting Standard.
- Continue the underground of power and the establishment of heritage street lighting in the High Street in Oatlands.
- Incorporate/monitor cost effective energy solutions for street lighting.
- Progress the next stages of the Oatlands Underground Power Project.

## 2015-16 ACHIEVEMENTS

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

An amount of \$96,000 was paid to Aurora Energy in 2015/16 for street lighting.

Council participated in a joint initiative through the Local Government Association of Tasmania to tender for the supply of energy for unmetered public lighting. Whilst the successful retailer was the incumbent provider, Aurora Energy, substantial savings have been achieved as a result of this process.

A major investment was undertaken by Council in respect of sports ground lighting at the Oatlands and the Campania Recreation Grounds. An amount of \$80,000 was received from the State Government to support these projects.

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



## BUILDINGS

### ***What are we aiming to achieve over the ten year period?***

Maintenance and improvement of the standard and safety of public buildings in the Municipality.

### ***Key actions:***

- Develop a program for building management and maintenance across the municipality.
- Develop and maintain public amenities to meet Community and visitor needs.
- Ensure sustainable use of buildings is maximised.

## 2015-16 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 \$19.483 million, with a current written down value of \$11.364 million.

A total of \$909,056 was spent on Capital Projects in 2015/16, which included:

- Levendale Community Centre - \$33,745
- Mt Pleasant Recreation Ground U/G Water - \$17,680
- Oatlands Recreation Ground Lighting - \$282,717
- Campania Recreation Ground Lighting - \$388,463
- Barrack Street Property Purchase - \$127,320
- Parattah Recreation Ground Portable Grandstand - \$6,398
- Parks & Reserves infrastructure – other minor capital works - \$52,733

During 2015/16 Council has been working towards finalising the transfer of ownership of the former Levendale Primary School from the Department of Education to Council. Council will then proceed to negotiate an agreement with Regional Community Learning & Development Centre – Levendale Inc. linking into its association with the Edmund Rice Foundation.

Council continues to monitor its energy consumption in all buildings, with the aim of identifying any energy cost savings. Regular reports are received from Planet Ark who provide external monitoring and advice services to Council.

The SMC Arts Advisory Committee in its Southern Midlands Arts Strategy has a key strategy that identifies the sustainable use of Council buildings by Arts and related activities, e.g. Heritage Arts and Crafts in heritage buildings.

Council has embarked on a program to ensure that all building where ever possible comply with the Disability Discrimination Act requirements for building and spaces. This is a long term program with the budgetary implication of compliance with the Act being quite substantial when the Council has such a large stock of heritage assets in its property portfolio.





Demolition of the "condemned" Parattah Recreation Ground grandstand removes a dangerous structure from Council's building register

## SEWERS

***What are we aiming to achieve over the ten year period?***

Increase the number of properties that have access to reticulated sewerage services.

***Key actions:***

- Monitor the future demand for sewerage services in areas zoned for future residential, commercial and industrial development in partnership with the Water Authority.
- Advocate for Developers and the Community to the Water Authority in respect of service level equity.

## 2015-16 ACHIEVEMENTS

At 30 June 2016, 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 \$200,305 to \$11.968 million.

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

## **WATER**

***What are we aiming to achieve over the ten year period?***

Increase the capacity and ability to access water to satisfy development and Community to have access to reticulated water.

***Key actions:***

- Investigate the future demand for water services in areas zoned for future residential, commercial and industrial development in partnership with the Water Authority.
- Advocate for Developers and the Community to the Water Authority in respect of service level equity.

### **2015-16 ACHIEVEMENTS**

Refer above comments – Sewers Program.

## IRRIGATION

### ***What are we aiming to achieve over the ten year period?***

Increase access to irrigation water within the municipality.

### ***Key actions:***

- Encourage and promote, development plus production opportunities associated with the new Irrigation Scheme.
- Support the implementation of irrigation schemes that service locations in the local government area.
- Support the State Governments Economic Development Plan in the growth of services to support the irrigation schemes.

## 2015-16 ACHIEVEMENTS

In 2014, the Tasmanian Irrigation (TI) Midlands Water Scheme became operational following construction of the 110 kilometer pipeline which delivers 38,500 ML of irrigation water from Arthurs Lake to the Midlands.

Council continues to be active in supporting the scheme with one staff officer available for all Midlands Water Scheme matters / meetings as they arise.

Substantial capital investment throughout the municipal area has occurred followed commissioning of the Scheme. This includes the establishment of a Reid Fruits orchard at Jericho which will generate significant local employment opportunities.

The full allocation of water from the Midlands Water Scheme was delivered into Lake Dulverton over the 2015/16 year.

The availability of a water allocation for the Mt Pleasant Recreation Ground also enabled Council to secure a grant of \$10,000 from the Department of Premier and Cabinet – Communities Sport and Recreation Tasmania to install an underground watering system at the ground. The system, installed in September/ November 2015 will provide a safer surface for sporting activities.

## DRAINAGE

### **What are we aiming to achieve over the ten year period?**

Maintenance and improvement of the town storm-water drainage systems.

#### **Key actions:**

- Continue to program capital works that improve the effectiveness of the storm-water drainage systems in the towns in the municipality.
- Research best-practice methods for the disposal of stormwater, that is applicable to country towns and rural living.
- Encourage the adoption of water conservation practices.
- Adopt 'Water Sensitive Urban Design Principles' where appropriate.
- Assess the requirements of the Urban Drainage Act and its implications of the local government area.

## 2015-16 ACHIEVEMENTS

A total of \$59,204 was spent on capital projects in 2015/16, which included:

- East Bagdad Road, Bagdad - \$53,362
- Reeve Street, Campania - \$5,842

### **Best Practice Design**

Council continues to appraise, implement and monitor 'Water Sensitive Urban Design' (WSUD), which provides more opportunity for rain water to soak into the local water table. This has been implemented through subdivision design which complements the village character of the Southern Midlands townships. Council Officers work closely with developers to achieve modern engineering and aesthetic design outcomes that are both practical and pleasing to the community. This is evident in the first stages of the new "Coal River Valley Estate" in Campania (and other smaller subdivisions) with the construction of grassed swale drains. This allows for ease of maintenance and allows water to be returned to the local environment (and not discharged/directed away from the towns).

### **Urban Drainage Plan and Stormwater Strategy**

Southern Midlands Council manages stormwater infrastructure in the towns of: Oatlands, Kempton, Campania, Bagdad, Mangalore, Colebrook, Tunbridge and Dysart. Some of the earliest infrastructure (i.e. sandstone culverts) dates back to the early 1800's.

A Stormwater Management Plan and Urban Drainage Plan was developed during the financial year in order to fulfil Council's obligation under the *Urban Drainage Act 2013*. The Act states:

- 1) a Council must develop a stormwater system management plan for the urban area of its municipal area within 6 years after the day on which this Act commences.
- 2) a stormwater system management plan is to specify –
  - a. plans for the management of any assets used for the delivery of a stormwater service;
  - b. the level of risk from flooding for each urban stormwater catchment in the public stormwater system.

Of particular relevance to the content of the stormwater management plan are the following 'Obligations of Stormwater Service Providers' as set out in Part 2 of the Act:

- 1) a Council must, in accordance with the objects of this Act, provide for such public stormwater systems as may be necessary to effectively drain the urban area of the Council's municipal area;
- 2) a Council must keep the public stormwater systems owned and operated by it in good working order;
- 3) a council that provides stormwater services must maintain and make publically available maps showing all public stormwater systems within the urban area of its municipal area, including those portions of waterways that have a primary role in transporting stormwater.

The Stormwater Management Plan and Urban Drainage Plan details the size, design and location of all existing systems. This data has been fed into Council's asset register and mapping which will be later uploaded to TheList.tas.gov.au. This will be made freely available to the public. This is a positive step in actively promoting development in the area.

The Management Plan also details any known issues, the age and life of infrastructure and outlines a set of recommendations for future upgrades and maintenance regimes.

## WASTE

***What are we aiming to achieve over the ten year period?***

Maintenance and improvement of the provision of waste management services to the Community.

***Key actions:***

- Continue to be an active participant in the Southern Waste Strategy.
- Continue to review the on-going operational arrangements for waste management including cooperation with other local government authorities.
- In conjunction with the Waste Advisory Council seek to identify suitable markets for recyclable products.
- Undertake a review of the whole waste management service delivery system.

## 2015-16 ACHIEVEMENTS

Council operates three waste transfer stations, as well as providing a kerbside garbage collection (using mobile garbage bins), and kerbside recycling service, throughout the municipality.

A strategic review of all Council's waste management operations and activities was initiated during 2015/16. This review will be finalised in the forthcoming months.

Council continued to be represented on the Southern Waste Strategy Authority (SWSA), which includes representatives from all 12 southern Tasmanian Councils, with Deputy Mayor Alex Green being chair of the Authority. The SWSA will cease to operate from July 2016. From that date, regional waste management activities and reform will be the responsibility of a special purpose committee under the auspices of the Southern Tasmanian Councils Authority (STCA).



## INFORMATION, COMMUNICATION TECHNOLOGY

***What are we aiming to achieve over the ten year period?***

Improve access to modern communications infrastructure.

***Key actions:***

Seek opportunities to facilitate the provision of cost effective broadband and mobile telecommunications access across the municipality.

### 2015-16 ACHIEVEMENTS

Council continues to monitor NBN's Australia-wide three-year construction plan and participate in community information sessions for the proposed Fixed Wireless Towers. Fixed Wireless NBN Towers have now been completed and are now live in the Oatlands and Campania Area. Construction of Fixed Wireless NBN Towers at Kempton is complete with a go live date approximately mid November 2016. The tower for the Bagdad/Mangalore area is still to be constructed.

Council and its Officers have made representations in respect of mobile and broadband reception on a number of occasions to State and Federal politicians. Additional communication towers have been erected throughout the municipal area to address 'black-spot' areas with further towers to be built. Monitoring of this situation will continue.

# GROWTH

## RESIDENTIAL

### **What are we aiming to achieve over the ten year period?**

Increase the resident, rate paying population in the municipality.

### **Key actions:**

- Seek opportunities to increase the number of subdivisions providing affordable land in areas that can utilise the existing water, sewer and road infrastructure within the framework of the Planning Scheme.
- Investigate the potential of under-utilised Commonwealth, State and Local Government owned land for use and/or development.
- Investigate and pursue innovative responses to residential developments whilst maintaining 'village character'.

## 2015-16 ACHIEVEMENTS

### ***Southern Midlands Interim Planning Scheme 2015***

The *Southern Midlands Interim Planning Scheme 2015* came into effect on the 2<sup>nd</sup> September 2015. The Interim Scheme provides a clearer pathway for a multitude of residential and rural developments that meet the basic standards of the planning scheme (i.e. height, size and location). This has included:

- Exemptions from requiring a permit for outbuildings and associated works in the Rural Zones\*.
- No Permit Required for dwellings, outbuildings and home business in the General Residential Zone\*
- No Permit required for dwellings, outbuildings and home business in the Rural Living Zones\*

*\*permits not required where the proposed development meets the prescribed use and development standards*

The Interim Scheme is based on the State Template for Planning Schemes in Tasmania and the Southern Regional Model Planning Scheme and a number of unique local provisions relating to heritage and other local characteristics and objectives. The scheme has provided a consistency between Schemes (particularly in the South) and gives developers the ability to prepare plans and undertake background checks with better certainty.

Council Officers have noted a more confident and informed approach to building and development in the Southern Midlands through the implementation of the Interim Scheme. This is consistent across the region. It is also attributable to the online availability and accessibility of planning schemes through the [iplan.tas.gov.au](http://iplan.tas.gov.au) website and the up-to-date availability of planning scheme mapping through [thelist.tas.gov.au](http://thelist.tas.gov.au)

## **Campania Structure Plan**

Council endorsed the *Campania Structure Plan* in October 2015. The plan is a blueprint for future development of the town based on professional advice and expectations of the community. The document captures:

- current and trending land use patterns and development,
- the built and natural values of the township,
- the existing services and infrastructure, and
- the social services and community group and facilities.



Essentially the plan is a strategic document that outlines a series of actions and priorities that should be undertaken by Council and stakeholders to ensure that future decision making is based on an agreed strategic basis in line with community expectations. The plan identifies land for future residential growth and steers development, service providers and developers in the right direction.

Based on current zoning and building trends there is sufficient land available in Campania for at least the next 10-15 years. There is also land identified for future growth that will likely require rezoning at the appropriate time. The Campania Structure Plan will assist in streamlining any future rezoning processes.

## TOURISM

### **What are we aiming to achieve over the ten year period?**

Increase the number of tourists visiting and spending money in the Municipality.

#### **Key actions:**

- Seek opportunities to support the development and growth of a wide range of Tourism in the Southern Midlands.
- Seek opportunities to further develop the Callington Mill Precinct as well as the Oatlands Military Precinct.
- Support the development of tourism products.
- Work in partnership with other State, Regional and local organisations including Destination Southern Tasmania and the Heritage Highway Tourism Region Association.
- Develop a new Southern Midlands Tourism Plan in light of recent tourism development.
- Support and monitor the ongoing delivery of services by the Callington Mill Visitor Information Centre.
- Work with Heritage Tasmania and Tourism Tasmania to progress the recommendations of the Tasmanian Historic Heritage Tourism Strategy at the local level.
- Investigate and encourage the development of a four start accommodation facility (min 30 beds).
- Support and maintain the relationship with the Heritage Highway Touring Region.

## 2015-16 ACHIEVEMENTS

A review of the Tasmanian Visitor Survey Data Reports for the 2015/16 period provides the following statistics:

- An overall increase in visitation of 1.50% (compares to a statewide average increase of 2%);
- An increase in the number of visitors that passed through of 2.8%, but a decline in the number of visitors that actually stopped and looked;
- A substantial increase of 36% in the number of overnight stays (possibly due to the level of construction activity occurring within the southern midlands). The average stay was constant at 1.7 nights.

Approximately 37,000 visitors were recorded through the Callington Mill Visitor Centre during 2015/16 which represents an approximate 6% decrease. However, income received through the Visitor Centre, including sale of flour product, increased by 4%.

The Southern Midlands Arts Advisory Committee has sought to enhance the visitor experience at Callington Mill through the development of a heritage Vegetable Garden in the Mill Precinct, as well as a Community Blacksmith (complete with forge and anvils in the stables area).

Council continues to be a member of the regional body 'Destination South' and participates in the direction and activities of this organisation.

In relation to 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, Council were successful in obtaining a \$20,000 grant from the State Government's Tourism Infrastructure Development Fund. This enabled Council to engage a consultant to assess the viability / sustainability of such a facility. The intent is to prepare a prospectus which can be used for marketing and investment attraction purposes.



Council continues to support the Heritage Highway Tourism Region Association and provided a contribution of \$12,000 in 2015-16.

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.



*The whiskey experience adds to the tourism offerings in the Southern Midlands*

## BUSINESS

### **What are we aiming to achieve over the ten year period?**

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).

### **Key actions:**

- Continue to facilitate and be actively involved in the development of new business opportunities.
- Continue to provide support to businesses within the municipality to help ensure their long-term viability and to support them to actively work cooperatively together.
- Investigate the development and economic opportunities of equine & services in respect of the former Oatlands racecourse.
- Seek opportunities to support the development of affordable temporary accommodation for seasonal and other workers.
- Pursue the establishment of regional or statewide facilities that can take advantage of the municipality's central location and the accessibility of road and rail facilities.
- Pursue the establishment of regional or statewide facilities that can take advantage of the municipality's central location, accessibility to the State's major road and rail facilities and/or the presence of very large titles affording opportunities for industries requiring large attenuation distances.
- Develop and provide incentives to businesses to establish and expand in the Southern Midlands.
- Develop and maintain infrastructure critical for the establishment and retention of business.
- Develop opportunities and participate in a range of business activities centred on the unique competitive advantage of assets in the Southern Midlands.
- Maintain support for viable Council business operations such as Callington Mill Business Precinct, Heritage Building Solutions and Heritage Education & Skills Centre.
- Pursue opportunities for external revenue

## 2015-16 ACHIEVEMENTS

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.

Council continues to look at opportunities associated with use of the former Oatlands Racecourse property. The number of users has increased during the past twelve months and Council is now seeking to implement long-term management arrangements.





*Redlands Estate established at Dysart House, Kempton*

Consistent with the overall objective of attracting new business, the relocation of the Redlands Estate Distillery to Dysart House at Kempton; the Shene Estate and Distillery at Mangalore; and Reid Fruits at Jericho are all significant developments that will substantially increase the number of local employment opportunities.



*Shene Estate and Distillery at Mangalore*



## INDUSTRY

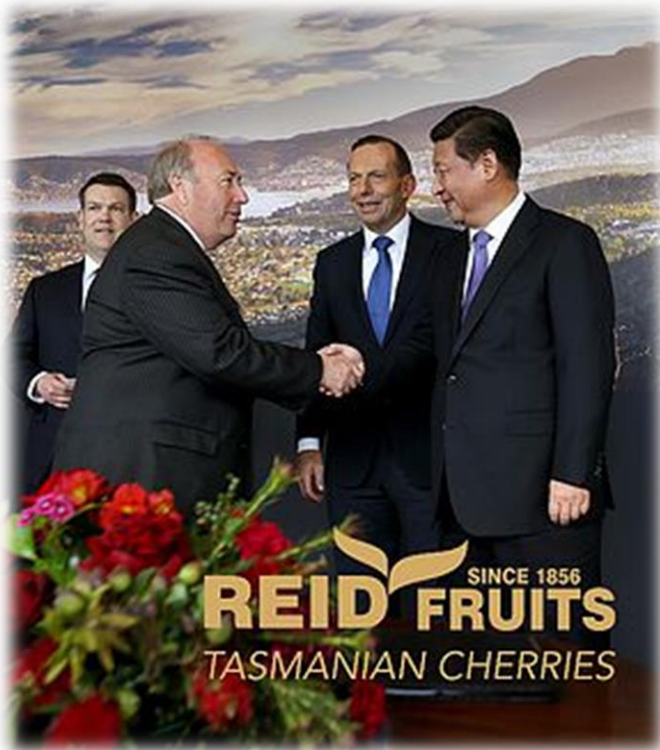
### **What are we aiming to achieve over the ten year period?**

Retain and enhance the development of the rural sector as a key economic driver in the Southern Midlands.

### **Key actions:**

- Develop opportunities that enhance Southern Midlands role as a focal point for rural activity.
- Support the development of activities in association with servicing the irrigation schemes developments.
- Continue implementation of the Southern Midlands Weed Management Strategy as it relates to agricultural land.
- Facilitate the development of 'value adding' opportunities in the rural sector through high production agriculture.
- Encourage and facilitate innovation in the rural sector.

## 2015-16 ACHIEVEMENTS



World exporter 'Reid Fruits' established at Jericho



See comments provided under "Irrigation" Program.

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.

## INTEGRATION

### ***What are we aiming to achieve over the ten year period?***

The integrated development of towns and villages in the Southern Midlands; The Bagdad Bypass and the integration of development.

### ***Key actions:***

- Continue to review the Oatlands Development Strategy.
- Expand the concept of the Oatlands Integrated Development Strategy to provide for a municipality wide integrated development strategy.
- Finalise and implement the new Planning Scheme.
- Ensure that, through effective strategic planning, community benefit from development of the Bagdad-Mangalore Bypass is maximised.

## 2015-16 ACHIEVEMENTS

### ***Oatlands Integrated Development Strategy 2008***

This strategic document is designed to provide a framework for the Council and the Oatlands Community to work together in a systematic and efficient way to ensure the prosperity and sustainability of the Oatlands Township and district.

The strategy outlines a number of initiatives that were furthered during the 2015/2016 year, particularly through the implementation of the Interim Planning Scheme, they are:

- The Scheme re-enforces the heritage character and precincts of Oatlands by regulating development that may impact on their values, features and characteristics (these are the tangible strengths of the Oatlands Township).
- Encouragement of adaptive re-use and use of heritage buildings by providing permitted pathways for changes in land use for heritage listed places; and
- Providing opportunities for heritage listed places to be developed and used for purposes otherwise prohibited under the planning scheme by providing a discretionary pathway for new land use and development.
- Clearer pathways for subdivision of residential land in Oatlands by providing clearer standards and requirements for lot design and services.
- The inclusion of an equestrian special area around land in the vicinity of the former Oatlands racecourse to promote and encourage land to be used for horse training and stabling.

### ***Midlands Economic Development and Land Use Strategy (MEDaLS)***

The aim of the Midlands Economic Development & Land use Strategy is to capitalise on the more unique strengths and opportunities present in the region such as wide open spaces, state roads, railways, gas pipeline and other built and natural values of the area.

In particular, the strategy identifies ways to leverage and promote economic development associated with the construction of the Midland Water Scheme and the South East Irrigation Scheme.

The 2015/2016 year saw an increase in development and land use associated with the irrigation schemes. Of notable interest was the construction of a \$2.5 Million, four hectare retractable greenhouse for cherry growing at Jericho. This was part of the overall \$4.5 million operation. As an add-on to this industry, a nearby landowner was given planning permission to develop land for camping and seasonal workers accommodation. These types of development are all attributable to the construction and take-up of irrigation waters in the Southern Midlands.

# LANDSCAPES

## HERITAGE

### **What are we aiming to achieve over the ten year period?**

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

### **Key actions:**

- Manage the heritage values of Council owned heritage buildings according to best practice.
- Work in Partnership with the State Government to ensure the strategic long-term management of publicly owned heritage sites.
- Urgently seek to accelerate the process of relocating the swimming pool from the historic Oatlands gaol site.
- Seek to establish the Oatlands gaol site as an historic/archaeological education centre.
- Support and monitor the ongoing development of the Heritage Skills Centre in Oatlands.
- Facilitate and investigate opportunities for assisting heritage property owners in conserving heritage places alongside sustainable ongoing usage.
- Undertake and encourage research into the heritage values of the Southern Midlands
- Undertake the effective heritage interpretation, education and communication programs.
- Continue to manage and utilise Councils heritage resource and collections.
- Support the occupancy / use of Council owned heritage buildings and spaces by arts & crafts groups who specialise in heritage crafts.

## 2015-16 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.
- Finalisation of the *Oatlands Commissariat Conservation Management Plan*.
- Formulation of the business plan for the *Southern Midlands Integrated Heritage Skills Hub*, which will be a community-based cooperative centre for use by groups with an interest in heritage trades, skills and training, to be based at the Oatlands Commissariat/79 High Street.
- A grant of \$309,000 was received from the Australian Government's *National Stronger Regions Fund* for the full restoration and fit out of the Oatlands Commissariat and 79 High Street. Work to commence in August 2016 and expected opening date of early 2018.
- Continuing to seek funding opportunities for the Oatlands Swimming Pool relocation.
- Strong association with the Centre for Heritage at Oatlands.
- Staging of several public heritage events in conjunction with the National Trust Heritage Festival.
- Management of Council's heritage collections, including input of Southern Midlands data into the Tasmanian Decorated Interiors Database.
- Curation of artifacts recovered from the Victoria Hall Kempton, which will form a permanent exhibition in that building.
- Ongoing support of tourism programs including the Callington Mill Visitor Centre.
- Ongoing promotion of Southern Midlands heritage through talks, presentations and media events.
- Collaboration with key heritage agencies such as the National Trust of Australia (Tasmania) and Heritage Tasmania.
- Preliminary discussions and scoping with a UK university for a collaborative archaeological project on Southern Midlands Convict sites, to potentially commence in 2017.

- 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.

Undoubtedly, the most exciting achievement of Council's Heritage Projects Program for 2016-17 is the confirmation of funding from the Australian Government's *National Stronger Regions Fund* for the full restoration and fit out of the Oatlands Commissariat and 79 High Street.



Council purchased the property in 2012 with view of holding the building in public ownership so that it could be accessed and used by the community as part of the suite of publicly owned heritage buildings in Oatlands (including the Gaol, Court House and Callington Mill). The last three years has seen much conservation and strategic planning put in place for the future of the building – which apparently has paid off with this successful grant application. It is envisaged that the restoration and fit out will be complete by early 2018 and that the building will be used as the *Southern Midlands Integrated Heritage Skills Hub* – which is to be a community cooperative allowing groups with an interest in heritage trades and craft skills to utilize the building for meeting space, a training venue and a retail space. The commissariat itself will be the new home of the Heritage Education and Skills Centre, and the massive 1880s baker's oven will be restored as the *Oatlands Community Oven*, whereby the community can use the space for oven firings and gatherings.

2016-17 will see a focus on the increased accessibility to Council's heritage collection and buildings, with a new Heritage Officer position having been created with view of installing, curating and presenting the collection within our heritage buildings and developing strategic approaches to the accessibility of the buildings into the future.



## NATURAL

### ***What are we aiming to achieve over the ten year period?***

Identify and protect areas that are of high conservation value; encourage the adoption of “best practice” land care techniques.

### ***Key actions:***

- Continue implementation of the Southern Midlands Weed Management Strategy.
- Implement and monitor the Lake Dulverton Management Strategy and Operational Plan.
- Continue to work co-operatively with the Tasmanian Land Conservancy to add value to the Chauncy Vale Wildlife Sanctuary and to develop a new management document reflecting current best practice.
- Facilitate and encourage voluntary native vegetation conservation agreements to conserve and protect high priority native vegetation communities.
- Use a regulatory approach (through the planning scheme) to recognise and protect values on private land only where: (i) The land contains natural values Council has deemed to be of a high conservation value at the local level, (ii) Existing spatial information provides a reasonable level of surety as the presence of these values, (iii) The values are not already afforded a reasonable degree of protection by higher levels of government, and (iv) The patch size is sufficiently large to ensure long term environment sustainability.
- Actively pursue grant opportunities & projects in relation to preservation of bushland remnants, vegetation, and regenerative agricultural techniques
- Establish collaborative partnerships with NRM South, DPIPWE and other relevant organisations to deliver on-ground projects.

## 2015-16 ACHIEVEMENTS

There is an ongoing commitment to managing weeds on roadsides, quarries and public reserves, with a focus on gorse and broome. Other weed infestations are managed as required. Patterson Curse and a minor infestation of Boneseed continue to be monitored and removed off roadsides.

The 2002 Lake Dulverton Management Strategy assists with maintaining the long term sustainability of the Lake. The Lake Dulverton Action Plan 2013 details specific proposals and actions to improve the Lake and its surroundings and continues to be implemented. Water levels in the Lake have been monitored weekly, in accordance with the Water Operational Plan.

Inland Fisheries committed to placing 215 ML of Midlands Water Scheme water into the Recreation Zone of Lake Dulverton per year, for a total of three years. A Memorandum of Understanding between Southern Midlands Council and Inland Fisheries Service was signed by the Minister for Primary Industries and Water in September 2015 to formalise this arrangement. Under this memorandum, Council matches with the same allocation (215ML) of water into the lake.

Maintenance work and track improvement work continues to be undertaken on the Dulverton Walking Track. This included additional pockets of native vegetation being established. A Green Army team of 10 people planted along the trackside, placed mulch on existing planting sites and cleared woody debris on the track side to improve safety for track users. Other maintenance and track improvement continued throughout the year.

The same Green Army team assisted with works at Chauncey Vale Wildlife Sanctuary, doing track work, removal of weeds and general maintenance.

Council's Landcare Unit continue to work with organisations to deliver on-ground projects as opportunities arise.

Best Practice Landcare information continues to be promoted, with information and research literature being available and distributed to many landholders upon contact with the Landcare office, or through general information via the Council's Ratepayer Newsletter.

Council continues to support the Midlands Tree Committee in implementing Landcare works (revegetation and remnant bush conservation) as per the Southern Midlands Bushcare Strategy). The Midlands Tree Committee was able to supply 2400 native trees and associated materials to landholders in July 2015.



## CULTURAL

**What are we aiming to achieve over the ten year period?**

Ensure that the Cultural diversity of the Southern Midlands is maximised.

**Key actions:**

- Identify and promote the cultural heritage of the Southern Midlands through festivals and events.
- Continue to implement and update the Southern Midlands Arts Strategy.
- Develop and events and festivals strategy.
- Support the establishment and development of the Buddhist Cultural Park in an appropriate location in the Southern Midlands and encourage the State Government to declare the project to be a Project of Regional Significance recognising its scale, importance and the far reaching nature of its potential benefits and impacts.

### 2015-16 ACHIEVEMENTS

The Southern Midlands Arts Advisory Committee is made up of arts focused residents and Council elected members as well as Officers with a view to promoting all facets of the Arts in the Southern Midlands. It developed an Arts Strategy and is moving forward on a range of initiatives. A sub group of the Committee is called the Heritage Arts & Crafts Working Group; this group facilitated a major Heritage Arts forum in October 2014, which gave it the basis of growing a raft of ideas for course and experiences in the heritage arts arena.

Through the Southern Midlands Arts Advisory Committee, two significant projects have been established, one being the Community Heritage Vegetable Garden and the other being the Community Blacksmith, both at the Callington Mill precinct.

The Greater Green Ponds sub branch of the Tasmanian Regional Arts has conducted a number of excellent, well attended programs throughout the year which highlighted several forms of art including photography, painting, clay sculpturing, quilting and much more.



*The start of the Blacksmith Shop development at Callington Mill*



*The Heritage Vegetable Garden at Callington Mill is a project of the SM Arts Advisory Committee*

## Community Shed Oatlands

The Oatlands Community Shed continues to support the artists in the area by making easels and various other arts related materials that adds value to the broader Community effort in this Local Government area. Their contribution to the Farmer's Market events is significant with high quality furniture that has been crafted by the ladies in the Community Shed.

The Southern Midlands Advisory Council together with the Bagdad Community Club, the Bagdad Online Access Centre, the Bagdad Cricket Club and, the Bagdad Singers hosted the inaugural "Festival of Small Halls" folk music event. This one night performance showcased the talents of a local choir, a National act and a very talented International act from Canada. The event involved local community volunteers coming together to plan and deliver this significant cultural event to nearly 200 patrons, raising funds in the process for their respective organisations.



## REGULATORY

### ***What are we aiming to achieve over the ten year period?***

A regulatory environment that is supportive of and enables appropriate development.

#### ***Key actions:***

- Continue to support the State Government's Regional Planning Initiative and to work in corporately within the Southern Tasmanian region to finalise a new planning scheme.
- Encourage the State Government to provide more direction to the planning system through the introduction of more State planning policies, State Planning Directives and common statewide planning scheme provisions.
- Make use of the Joint Land Use Planning Initiative (JLUPI) outcomes to develop the local content for the new planning scheme.
- Process planning, building and plumbing applications in a timely manner and monitor compliance with the relevant legislation.
- Review systems and procedures to ensure that "best value" is being provided in the delivery of customer services.

## 2015-16 ACHIEVEMENTS

### ***Planning Reform***

As mentioned elsewhere in this year's Annual Report, the *Southern Midlands Interim Planning Scheme 2015* came into effect on the 2<sup>nd</sup> of September 2015. The Interim Scheme is the product of approximately 5 years of collaborative work with other Council's in the Southern Region. The Scheme is based on a framework developed by the State Government and the southern regional planning provisions that were developed in collaboration with other Councils in the South. Interim Schemes are currently in effect across Tasmania but will be replaced by the impending "Tasmanian Planning Scheme" currently being prepared. This is expected to be declared in 2017.

During the reporting period the State Government released the first draft of the "Tasmanian Planning Scheme" in the form of the draft State Planning Provisions. The document was exhibited to the public in March 2016 for a 60 day period and received over 300 submissions from across the state.

Council submitted comment and representation on the "Draft State Planning Provisions" and submitted a table of technical matters that were agreed as a high priority between the Southern regional Councils. Of particular importance to Council and indeed the region were the lack of state policies and direction in regard to management and regulation of threatened species and vegetation management. Council, alongside other regional Council's, wants a clear policy from the State Government on any additional expectations for Councils to manage natural values. Without clear direction or policy (or even legislative changes) Local Government will be unfairly blamed for imposing use and development restrictions on private land.

Council actively co-operated with other Councils in the region through resource sharing arrangements to prepare a submission that best represented Council's interest.

Council later presented these matters to the Tasmanian Planning Commission at the hearings into the Tasmania Scheme (held July 2016 – October 2016).

### ***Building, Plumbing and Planning Applications***

114 Development Applications including 16 Subdivision / Boundary Adjustment Applications, along with 104 Building Applications (dwellings and other buildings/additions) were processed / issued during the 2015/16 reporting period.

A total of \$35.3 million worth of development was approved in the Southern Midlands during the reporting period.

Council continues to remain at the forefront of modern 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 persons 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

### ***What are we aiming to achieve over the ten year period?***

Implement strategies to address the issues of Climate Change in relation to its impact on Council's corporate functions and on the Community.

### ***Key actions:***

- Implement priority actions defined in Council's corporate Climate Change Adaption Plan
- Continue implementation of Council's Climate Change Action Plan to continually improve energy efficiency and to assist the Community in energy efficiency initiatives
- Establish collaborative partnerships with other Councils, key stakeholders and other tiers of government that strengthen Council's responses to climate change.

## 2015-16 ACHIEVEMENTS

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

Whilst no new initiatives have been identified or implemented during the reporting period, a Council officer attends regional meetings coordinated by the Southern Tasmanian Council's Authority (STCA). These 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.

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.

### ***Waste to Energy initiative***

Options to efficiently utilise Council's 'green waste' to produce renewable energy products is still being considered in conjunction with the review of waste management operations and activities.



# LIFESTYLE

## COMMUNITY HEALTH & WELLBEING

**What are we aiming to achieve over the ten year period?**

Support and Improve the independence, health and wellbeing of the Community.

**Key actions:**

- Partner with Governments, adjoining Council's and non-government organisations to improve the health and well-being of the Community.
- Encapsulate the issue of safety in all aspects of Community health & well-being.

### 2015-16 ACHIEVEMENTS

The Healthy Communities Initiative program funded through the Australian Government's Department of Health & Ageing, and was a partnership between Southern Midlands Council, Central Highlands Council and the Northern Midlands Council. It was coordinated by Janet Monks and it completed its projects in the early part of the 2015/16 financial year. The project provided numerous healthy cooking programs in several villages; purchase of push bikes for use around Lake Dulverton and the Oatlands Village; as well as four of our local parks having outdoor exercise equipment installed during the project. These project initiatives have continued to add value to the health and wellbeing of the Community

Midlands Matters, the monthly community network forum known as "Midlands Matters" has again encouraged several charitable and health focused organisations to outreach to the southern midlands area and provide additional funding and resources to assist increase our health and wellbeing capacity.

Council has supported 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.

Council has supported the establishment and the ongoing development of two Community gardens in the past year, which has given rise to one Farmer's Market in the Southern Midlands.



Fitness equipment from Oatlands District School and provided to the Broadmarsh / Elderslie Progress Association Inc., at the Broadmarsh Community Hall – facilitated by Council officers



## YOUTH

### **What are we aiming to achieve over the ten year period?**

Increase the retention of young people in the municipality.

#### **Key actions:**

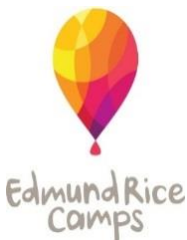
- Facilitate a mentoring and leadership program in partnership with the schools in the Southern Midlands.
- Develop youth programs that cover employment and training as well as being linked to social, recreational and entertainment activities.
- In Partnership with the State Government investigate ways to enhance the delivery of youth services in the Southern Midlands.
- Respond to and monitor the recreation needs of the young people of the Southern Midlands.
- Work with Community groups to facilitate meaningful youth engagement and support.

## 2015-16 ACHIEVEMENTS



The very successful Southern Midlands School Holiday Program has again continued with support from the Oatlands Rural Primary Health Service and the Communities for Children organisation. A total of 7 separate days of activities covering the four term breaks period were held, including interesting pursuits such as a Derwent River Cruise, laser fun at Zone 3, mini golf challenge at Barilla Putt 'n Play and an informative visit to the Groete Museum and UTAS Observatory in Cambridge.

Further activities included a physically challenging day at the Rokit Climbing Centre and Hobart PCYC, a trip to Launceston to Sliders and Launceston Aquatic Centre and a picnic at the Salmon Ponds and Tynwald Park in the Derwent Valley. Over the Easter break participants enjoyed a trip to the movies at the Village Cinemas in Glenorchy followed by a fun cartooning session with our resident Cartoonist at the Tolosa Dam Park. Outings were enjoyed by the 60 + children for the July activities and 40 + children for the remainder. Children who regularly attend these activities are aged 9-16 years.



Council are excited about their relationship with the Regional Community Learning & Development Centre – Levendale coupled with the Edmund Rice Foundation and the potential for the former Levendale Primary School to be created as a hub of the Edmund Rice activities in Tasmania. In particular, the Foundation supports education, health, and vocational training and community development projects in Africa, East Timor, Papua New Guinea and the Philippines.

Within Australia, the Foundation supports programs for socially and financially disadvantaged children, youth and families, including programs for indigenous Australians, refugees and asylum seekers. This will be assisted by The Regional Community Learning & Development Centre – Levendale Inc., a group chaired by Kerry Vincent, with Deputy Mayor Alex Green as the Deputy Chairman of that group. Lions Tasmania is also a very special partner in relation to this project as well, providing a fully operational Amenities Facility for use at Levendale.

The Reclink AFL Football League program was run again this year, with Campania District School (combined with Bothwell) again participating along with Oatlands District High as part of the four rural southern Tasmanian schools teams making up the football league. Roster matches are held in May, June, July and August with a spectacular Gala Day held at Dominic College in Sandy Bay in late September. The singing of the national anthem was performed by a talented local Southern Midlands resident and once again the game commentary was provided by HOFM's 'Water Boys' with special comments from the inimitable "Knocka Knowles" and Hayden Legro from Reclink Melbourne, made this yet again another Reclink Finals Day to remember for all those involved. This year the goal, field and boundary umpiring duties for the Gala Day were delivered by students of Dominic College. Participation and enjoyment are the main objectives of this league, and our young people (boys and girls) performed admirably throughout the year.

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

Council provided assistance to the Oatlands Rural Youth group to increase its members. Council liaised with Member Eric Hutchinson MP Liberal Member for Lyons and Rural Southern Midlands Rural Primary Health Services on behalf of Oatlands Rural Youth to seek funding to subsidise new members. Eric Hutchinson provided full membership for 3 members. Council and SMC then facilitated an excursion for 23 Grade 9/10 students from Oatlands District School to visit the Agfest site as volunteers of Rural Youth. The students were immersed for one day in the setting-up of the AGFEST show. 8 new members consequentially applied for membership as a result of this membership drive.



Brady Robins receiving his Southern Midlands Young Citizen of the Year Award from the Mayor at the Tunbridge Town Hall

## SENIORS

### **What are we aiming to achieve over the ten year period?**

Increase the retention of young people in the municipality.

### **Key actions:**

- Facilitate a mentoring and leadership program in partnership with the schools in the Southern Midlands.
- Develop youth programs that cover employment and training as well as being linked to social, recreational and entertainment activities.
- In Partnership with the State Government investigate ways to enhance the delivery of youth services in the Southern Midlands.
- Respond to and monitor the recreation needs of the young people of the Southern Midlands.
- Work with Community groups to facilitate meaningful youth engagement and support.

## 2015-16 ACHIEVEMENTS

Through participation in the monthly network meeting 'Midlands Matters', Council has supported organisations such as Commonwealth Respite and Carelink Centre, the Australian Red Cross' 'Social Circles' programs, and other likeminded service providers. The aim is to assist and support seniors and carers in promoting independent living.



Seniors Week Activities



## CHILDREN & FAMILIES

***What are we aiming to achieve over the ten year period?***

Ensure that appropriate childcare services, as well as other family related services, are facilitated within the Community.

***Key actions:***

- Monitor the adequacy of current childcare facilities (i.e. location, accessibility and number of placements).
- Take appropriate action to address any shortfalls identified in the provision of family related services across the Southern Midlands.

## 2015-16 ACHIEVEMENTS

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

A Family Support Service Expo was held in collaboration with Council, the Oatlands District School and the Southern Midlands Rural Primary Health Service. Approximately 20 family support services were in attendance providing information and referrals to approximately 200+ attendees, including both children and parents/grandparents. This event was developed to increase the awareness of the availability of such services for families living within the region and, concurrently, to provide opportunities for services to identify families for which they could provide support.



## VOLUNTEERS

### **What are we aiming to achieve over the ten year period?**

Encourage community members to volunteer.

#### **Key actions:**

- Ensure that there is support and encouragement for volunteering.
- Facilitate training programs aimed at providing volunteers with the necessary skills.
- Continue to support volunteers and their respective community groups through the Southern Midlands Community Small Grants Program.
- Work with Volunteering Tasmania to develop policies and frameworks that support volunteering throughout the Southern Midlands.

## 2015-16 ACHIEVEMENTS

Once again, Council conducted its annual Community Small Grants program in September 2015. 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 [or 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:-

Organisation	Project	Grant
Bagdad Volunteer Fire Brigade	Automated External Defibrillator	\$ 1,945.00
Bagdad Community Singers	Portable Choir Platforms	\$ 200.00
Broadmarsh Progress Assn	BBQ for the Hall/Community	\$ 2,500.00
Campania District School	Equipment for Community Programs	\$ 3,000.00
Community Shed Oatlands	Supply & Install Lighting for Safety/max. use	\$ 2,343.00
Edmund Rice Foundation Tas	Program for Young People in SM	\$ 1,800.00
Kempton Primary School	Repair Tennis Court to enable Community use	\$ 2,963.00
Melton Mowbray Comm Assn Inc	Build a permanent Committee Building	\$ 3,000.00
Oatlands District Historical Soc Inc	Upgrade of Museum's Electrical Switchboard	\$ 3,000.00
Southern Midlands News	Payout the Photocopier Lease	\$ 2,807.59

A total of 17 applications were received totalling \$64,730 in projects, with 10 applications funded for a total of \$23,559.

Coordination of an active volunteer program through council's Heritage Projects Program was also undertaken.

## ACCESS

### **What are we aiming to achieve over the ten year period?**

Continue to explore transport options for the Southern Midlands community; Continue to meet the requirements of the Disability Discrimination Act (DDA).

### **Key actions:**

- Be an advocate for improving transport services for those in need within the Community.
- Prepare and implement an access plan to meet the requirements of the DDA.
- Encourage organisations in the Southern Midlands to adopt the 'Access Card' system.

## 2015-16 ACHIEVEMENTS

Council continued to make available a bus to the Midlands Multi-Purpose Health Centre for client transport.

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 are working through a consultation process with the Community as well as Council Hall Committees.

Council has embarked on a program to ensure that all building where ever possible comply with the Disability Discrimination Act requirements for building and spaces. This is a long term program with the budgetary implication of compliance with the Act being quite substantial when the Council has such a large stock of heritage assets in its property portfolio.



## PUBLIC HEALTH

### ***What are we aiming to achieve over the ten year period?***

Monitor and maintain a safe and healthy public environment.

#### ***Key actions:***

- Continue to provide school immunisation programs.
- Continue to register and monitor food premises.
- Continue to ensure waste water is effectively disposed of.
- Encourage health professionals, including doctors and nurses, to move to the 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.
- Ensure that the cemetery services continue to be provided.

## 2015-16 ACHIEVEMENTS

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: note that due to legislative changes Council no longer has any “places of assembly” that require licensing.

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 – 63
- Water Carriers – 4
- Special Event Licences (“temporary” Places of Assembly) – 1
- Private Water Licences – 13

## RECREATION

### ***What are we aiming to achieve over the ten year period?***

Provide a range of recreational activities and services that meet the reasonable needs of the Community.

#### ***Key actions:***

- Review the Southern Midlands Recreation Plan.
- Identify opportunities to work in partnership with the Community and the State Government to improve recreational services and activities.
- Urgently seek opportunities to develop a Regional Aquatic Centre to replace the existing Oatlands Municipal Pool.

## 2015-16 ACHIEVEMENTS

Council continues to develop, refine and implement the various recommendations that were identified in the Southern Midlands Recreation Plan (SMRP) developed in 2006 and will undertake a review of the Recreation Plan during the next financial year.

The Memorandum of Understanding that Council entered into with the Bagdad Community Club, in recognition of the valuable services and resources provided to community members, continues to be a tangible manner in which Council can add value in the area.

Council received a grant of \$10,000 in the Department of Premier and Cabinet's minor grants round under the Communities Sport and Recreation Tasmania program. The funds will be used to install an underground irrigation system at the Mt Pleasant Recreation Ground late in 2015.

Sports Ground Flood Lighting is used for football training at both the Oatlands Recreation Ground as well as the Campania Recreation Ground. A number of the timber light poles were condemned and therefore had to be removed for safety reasons. The opportunity to expand sports and recreation activities on both grounds was possible through a new lighting regime. At Oatlands it is anticipated that the new lighting will make the training nights safer, given the previous low level lighting created many problems with insufficient lux levels to fully illuminate the training areas. The expansion to night football games starting with say four night games per year will provide added excitement in the district.

The same issues and opportunities apply with respect to Campania, with the additional benefit that night cricket starting with say four nights per year could become a reality.

In summary this initial problem with the condemning of the timber light poles provided an opportunity for the Southern Midlands to cater for greater usage of our recreational assets. Council gratefully acknowledges the Department of Premier & Cabinet (CS&RT) Grant of \$80,000 towards this project.

### ***Midlands Aquatic & Recreation Centre***

This is Council's number one strategic priority for our Community. A funding commitment of \$1.50 million has been secured from the Australian Government (through the federal election process), and Council is now actively lobbying the Tasmanian Government for an allocation through its budgetary processes. At the same time, the concept design is being reviewed with the aim of reducing the overall capital development cost.



Night Cricket at the launch of the Sports Ground Lighting at Campania Recreation Ground



The reconstruction of the cricket wicket at Mt Pleasant Recreation Ground



The Management Committee of the former Station Child Care Centre at Oatlands formally presenting the Mayor with a cheque for \$80,000 towards the construction of the Midlands Aquatic Centre



The Hon Julie Bishop MP, commits \$M1.5 to Southern Midlands Council for the Midlands Aquatic Centre from a re-elected Turnbull Government. The Minister is joined by Eric Hutchinson MP (Members for Lyons), The Senator Stephen Parry, (President of the Senate), Mayor Tony Bisdee OAM and an enthusiastic Community for the event

## ANIMALS

***What are we aiming to achieve over the ten year period?***

Create an environment where animals are treated with respect and do not create a nuisance for the community.

***Key actions:***

- Continue dog control, regulatory, licensing and educational programs.
- Continue to conduct a public awareness / education program that informs the Community of the need to contain livestock and the associated legal requirements within available resources.
- Continue to provide and maintain stock pounds.
- Encourage the State Government to recognise the feral cat problem as distinct from the escaped / released domestic cat problem and to develop and resource a strategy to meaningfully reduce the number of feral cats that now form self-sustaining and very large population in rural areas.

## 2015-16 ACHIEVEMENTS

In the 2015/16 financial year, 1755 dogs were registered, and 32 kennels licenced.

There were a wide range of complaints concerning animals received during the year, and these were dealt with on a case by case basis with the majority of them being successfully resolved.

## EDUCATION

**What are we aiming to achieve over the ten year period?**

Increase the educational and employment opportunities available within the Southern Midlands.

**Key actions:**

- Develop partnerships increasing educational opportunities within the Southern Midlands for the entire community.
- Provide heritage skills learning opportunities through the Centre for Heritage.
- Continue to work with the schools in the Southern Midlands to address and respond to reform initiatives in a positive manner together.

## 2015-16 ACHIEVEMENTS

### ***Bridgewater Trade Training Centre***

The Deputy General Manager is a Member of the Advisory Board of the Trade Training Centre and has been a driving influence in the development of the Centre’s strategic direction. He has prepared presentations and delivered them with the Chairman and the Principal to the Tasmanian Maritime Network and the Polar Network, 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 schools across the Southern Midlands. This includes working with the Regional Community Learning & Development Centre – Levendale Inc. and the Edmund Rice Foundation in establishing meaningful support to students and their families. There are exciting plans in the process of development for this relationship with these organisations.



*The Lion’s Amenities Facility being transported from Dunalley to Levendale to provide efficient on-site amenities for the Levendale Centre*





*The Edmund Rice Foundation (Dr Pauline) scoping their plans for the former Levendale Primary School as a hub for their Tasmanian operations as an exemplar for the rest of the country.*



The Mayor, The Governor of Tasmania and the Vice Chancellor of the University of Tasmania unveiling a monument of recognition at the UTAS Observatory at Bisdee Tier



# COMMUNITY

## RETENTION

**What are we aiming to achieve over the ten year period?**

Maintain and strengthen communities in the Southern Midlands.

**Key actions:**

- Increase the ability of the ageing population to remain in their communities.
- Increase the opportunities for young people to remain in, or return to, the local communities they grew up in.

### 2015-16 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.



*The new BBQ hut at Tunbridge was a request from the local Community to add value to their local park and to cater for travellers along the Midland Highway.*



*The Broadmarsh Elderslie Progress Association with Clr Edwin Batt and the KAB Judge at the Broadmarsh Hall with President Natalia Geard and Members of the Association – the refurbishment works at the Hall is amazing!*

## CAPACITY & SUSTAINABILITY

### **What are we aiming to achieve over the ten year period?**

Build the capacity of the Community to help itself and embrace the framework & strategies articulated by the Social Inclusion Commissioner to achieve sustainability.

### **Key actions:**

- Support community groups who wish to run and/or develop community based facilities.
- Support community groups who wish to run and/or develop community based events.
- Continue to provide funding opportunities for community groups through the Southern Midlands Community Small Grants Program.
- Provide support to community groups to access grants from a wide range of sources.
- Provide support to the community groups in their establishment and ongoing development.
- Provide support to the community in addressing major impacts that affect the ability of the community to work cohesively together.

## 2015-16 ACHIEVEMENTS



*Deputy General Manager, Andrew Benson facilitated a Community Workshop at Colebrook, called Creative Colebrook, which has given rise to a re-energised Colebrook Progress Association, with a range of valuable Community projects being identified and progressed in partnership with Council*

There is a proliferation of energetic Community groups across the Southern Midlands that add amazing value to the Community capacity building of the region. Council provides a contact data base that filters all grants from the source to the Community on a nearly daily basis. The SMC Grant Alert may double up with some recipients; nonetheless the information gets through to those energetic grant writers in the Community.

Since its inception the SMC Community Grants Program, alone has provided in excess of \$224,000 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. Guy Barnett MP has joined the Shed participants and Coordinators on a number of occasions during the year to catch up and offer support.

PCYC Bridgewater is a strong supporter of the area and has conducted a number of activities over the year.

The Kempton Festival Committee and Melton Mowbray Rodeo Committee are just two of many groups who work tirelessly to provide exceptional festivals showcasing many talented locals and visitors alike on an annual basis. Part of the profits raised at these events are directed to worthwhile local charities and Community groups which assists them remain sustainable and gives them capacity to continue to provide benefit to the local community. Council provides substantial in kind support to both of these groups.



## SAFETY

### **What are we aiming to achieve over the ten year period?**

Increase the level of safety of the community and those visiting or passing through the municipality.

#### **Key actions:**

- Continue to support the development of Community based policing initiatives such as “Neighbourhood Watch”.
- Work in partnership with the Police to reduce the incidence of crime in the Southern Midlands.
- Maintain a Southern Midlands Emergency Management Plan and review every two years.
- Convene the Disaster Management Committee twice per year.
- Continue to support the Road Accident Rescue Unit in partnership with the State Emergency Service.
- In partnership, with the Community develop Community Safety Initiatives.
- Work in partnership with the Tasmania Fire Service to keep Southern Midlands “fire safe”.

## 2015-16 ACHIEVEMENTS

The Southern Midlands Road Rescue Unit had 48 call-outs (33 in 2014/15) involving 323.7 operational hours (292.75 in 2014/15) during the 2015-16 period. The Unit, which has three rescue vehicles, continues to operate from both Oatlands and Kempton.

The 48 call-outs were:

- 2 General Rescue
- 1 Miscellaneous Operations
- 43 Road Crash Rescue
- 1 Storm
- 1 Search and Rescue

The Southern Midlands Emergency Management Planning Committee completed a review of the Municipal Emergency Management Plan in early 2016. The Plan has been formally signed off in accordance with the *Emergency Management Act 2006*.



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

### ***What are we aiming to achieve over the ten year period?***

Improve the effectiveness of consultation and communication with the Community.

### ***Key actions:***

- Continue to schedule Council meetings in the various districts of the municipality.
- Monitor emerging trends in Community engagement.
- Continue to issue the quarterly Council newsletter for residents and ratepayers.
- Continue to develop and maintain an “up-to-date” website.
- Embrace innovative approaches to improving communications e.g. Community radio and ‘New Media’.

## 2015-16 ACHIEVEMENTS

Four (4) Ordinary Meetings of Council were held in the following areas during the summer period at the following locations:

Colebrook, Tunbridge, Tunnack and Bagdad.

Council officers have developed a consultation policy and associated information that will be the benchmark for community consultation.

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. This was identified as a major priority over this year as a core component of Council’s Business Process Improvement Strategy.

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.



*Community consultation in relation to the establishment of a significant accommodation facility in Oatlands, facilitated by Ian McMahon from the Institute of Project Management.*

# ORGANISATION

## IMPROVEMENT

### ***What are we aiming to achieve over the ten year period?***

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.

### ***Key actions:***

- Maintain a comprehensive automated work order/public enquiry system as well as a complaints system.
- Improve and maintain the Council web site.
- Maintain an up to date profile of the municipal area to assist in identifying community needs.
- Maintain an effective staff performance appraisal system that provides staff with recognition for their achievements.
- Maintain a regular communication briefing to all staff.
- Continue to develop and implement a Council's asset management system.
- Continue the Business Process Improvement Program operating with Council.
- Develop a strategy to increase the user-friendliness of the finance module.
- Identify new IT training needs of staff and seek opportunities to enhance their skills.
- Continue the Business Process Improvement Program established within Council

## 2015-16 ACHIEVEMENTS

Council continues to modify its new web site [www.southernmidlands.tas.gov.au](http://www.southernmidlands.tas.gov.au) to meet the needs of the Community. Key components added this year comprise, a Community Calendar, Community Notice Board along with the refinement of all sections on the site. This initiative of a creative and engaging portal was identified as a major priority and a core component of Council's Business Process Improvement Strategy. The website handles a Community profile component at a number of levels, from local information through to ABS data.

The staff performance appraisal system, now known as Council's Development Review process continues to be an extremely useful mechanism for the exploration of positive team relationships and innovations for better service delivery to our Community. Regular staff briefings are conducted at all Council locations.

The Geographical Information System (GIS) data held by Council has continued to be improved in association with the user interface. This system now integrates with the asset management system as well as Council finance system.

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

The Customer Service Charter was reviewed and further efficiencies have been adopted in the document.



## SUSTAINABILITY

### **What are we aiming to achieve over the ten year period?**

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 community's needs; Work co-operatively with State and Regional organisations; Minimise Councils exposure to risk.

### **Key actions:**

- Continuously refine the records management systems within Council.
- Progress the planning for a new Oatlands Works Depot.
- Provide regular updates in respect to legislation and best practice WH&S to all Council team members.
- Provide access to education and training in order to support elected members in their role.
- Provide access to training for employees to ensure that they have the training, skills and knowledge that they need to undertake their jobs in a professional and "customer focused" manner.
- Identify opportunities for resource sharing with other Councils.
- Identify and implement working relationships with the Councils in our sub region across a wide range of operational and support areas.
- Undertake an annual "in-house" review of statutory compliance, including a review of delegations.
- Maintain the structure and rigor of the Audit Committee in reviewing Council's compliance obligations.
- Review staffing levels at development review time.
- Ensure that a rigorous recruitment and selection process is undertaken prior to new team members being appointed.
- Continue to participate in State and Regional forums, including the LGAT, as well as other appropriate organisations/structures.
- Continue to refine Council's Risk Management Strategy/Practices and work within the framework of the MAV Insurance risk management model.

## 2015-16 ACHIEVEMENTS

The 'InfoXpert' Records Management System was upgraded during 2015/16. This is necessary to improve the archiving and disposal schedule components of the system as well as the greater flexibility of the system to meet Council's dynamic needs.

As a result of the State Government raising the voluntary amalgamation / merger issue, there has been a considerable focus on formalising the existing resource sharing arrangements. To this end, Council has become a member of the more formal 'Tasmanian Common Services Model', in conjunction with six other Councils. It is envisaged that other Councils will join as time progresses.

Council holds monthly ordinary meetings on the fourth Wednesday of the month.

Council continuously monitors its risk exposure in both day to day activities as well as on a project by project basis.

Council actively participates in both regional and sub-regional forums. The Southern Tasmanian Council's Authority (STCA) represents all 12 southern Tasmanian Councils and undertakes a range of activities on behalf of the region.

Council officers continue to monitor and improve their Workplace Health & Safety regime as well as their Risk Management processes. The Audit & Risk Management Committee (now titled Audit Panel) are kept abreast of activities and initiatives within Council's operating framework. As part of the forums and meetings undertaken throughout the year, the training materials and information from the Integrity Commission now form a key component of those

forums and meetings, with meaningful discussions emanating, which add value to the day-to-day operations of Council. Training and development of the Council team is spread across a range of roles and functions to enable the skill acquisition required to manage a vibrant and energetic business in this day and age.

The recruitment and selection process within Council continues to be consistent with “best practice” and has demonstrated that it is rigorous, effective and meets the needs of our dynamic organisation.

There have been a range of key policies considered and adopted during the year that will enhance Council operations as well as providing for meaningful customer service engagement.

Staff development is a key strategy in continuing to provide exceptional service to our clients. Whilst the training budget is quite small it continues to be invested in a wise and timely manner across the spectrum of Council’s responsible areas. Elected members have participated in a number of workshops to increase skills and knowledge to support them in their role (e.g. LGAT workshops, ‘in-house’ workshops).

## FINANCES

### ***What are we aiming to achieve over the ten year period?***

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; Resources will be allocated to those activities that generate community benefit.

### ***Key actions:***

- Implementation of the Southern Midlands Council Financial Management Strategy, incorporating the long-term Financial Management Plan.
- Achieve and maintain a break-even position at the end of the 10-year strategy (i.e. a resultant minimum operating surplus ratio of 0%).
- Achieve a new financial liabilities ratio within the range 0% to 100%.
- Decisions in relation to borrowing are to be consistent with the Southern Midlands Council Financial Management Strategy.

## 2015-16 ACHIEVEMENTS

The 2015-16 General Purpose Financial Statement forms part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity increased by \$1.329M, primarily due to:

- Recognition and valuation of additional stormwater / drainage assets – valued at \$1.068M; and
- Revaluation of other non-current assets amounting to \$1.022M

It should also be noted that Council received approximately 50% of its 2015/16 Financial Assistance Grant in advance (\$1.597) which was recognised as income in the 2014/15 period.

Council's overall financial position is consistent with the long-term Financial Management Plan.

Refer is made to the Management Indicators (Note 36) reported in the set of Financial Statements (attached).

# REPORTING ON LEGISLATIVE REQUIREMENTS

In alphabetical order, following are the reports that Council is required to provide under various legislation for the 2015/2016 financial year:

## **Allowances and Expenses Statement** (Under the *Local Government Act 1993*)

In 2015/16 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances        \$104,948  
Expenses         \$17,503

## **Attendance at Council and Council Committee Meetings Statement** (Under the *Local Government Act 1993*)

Twelve (12) regular Council meetings were held during the year, not including the Annual General Meeting which was held on the 9<sup>th</sup> December 2015.

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

## Contracts

In accordance with Section 23(5) of the *Local Government (General) Regulations 2005*, Council is required to report on contracts for the supply or provision of goods and services in excess of \$100,000 (excl. GST) entered into during the year to 30<sup>th</sup> June 2016.

<b>Contact Name &amp; Address</b>	<b>Description of Contract</b>	<b>Value of Contract (excl. GST)</b>	<b>Period of Contract (plus extension options if applicable)</b>
Bridge Pro Engineering Pty Ltd	Wattle Hill Road Bridge replacement	\$191,089	N/A
Bridge Pro Engineering Pty Ltd	Swanston Road Bridge replacement	\$347,922	N/A
Stowe Australia Pty Ltd	Sports Lighting – Campania and Oatlands Recreation Grounds	\$482,891	N/A
Roadways Pty Ltd	Road pavement rehabilitation / stabilisation and road sealing program	\$493,106	N/A
FRM Material & Handling Pty Ltd	Hino Tipper 2016 FE1426	\$107,483	N/A

## 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.

## 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.

**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 – Works and Technical Services and Manager – Corporate Services have been defined as senior positions by the Southern Midlands Council.

Remuneration Band	No of Positions
\$80,000 - \$100,000	1
\$101,000 - \$120,000	1
\$121,000 - \$140,000	1
\$141,000 - \$160,000	1
\$161,000 - \$180,000	1



**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)

# REPORTING ON COMMUNITY INVOLVEMENT

## 2015/16 DONATIONS & GRANTS

Name	Description	Amount \$
Samual Banks	Sporting Representation Sponsorship	100.00
Mikaela Maui	Attendance at Youth Forum	200.00
Lachlan Rowlands	Sporting Representation Sponsorship	100.00
Brighton Family Day Care	Child Care Support Grant	5000.00
MILE Inc	Parterre Garden Contribution	424.02
Jessica Harback	Sporting Representation Sponsorship	100.00
MILE Inc	2015/16 Support Funding	5000.00
Oatlands District Football Association	Donation	135.00
Tasmania's Heritage Highway	Annual Grant	12000.00
MILE Inc	Community Small Grants Program	2552.73
Reptile Rescue	Donation/Recognition of Services	500.00
Campania District School	Community Small Grants Program	1941.00
Jonesey's Electrical (Oatlands Men's Shed)	Community Small Grants Program	2130.00
Parattah Jubilee Hall Committee	Balance of \$5000 Grant	3700.00
Bagdad Primary School	Annual Donation – Primary	50.00
Broadmarsh/Elderslie Progress Association	Community Small Grants Program	2500.00
Campania District School	Annual School Donation – Primary	50.00
Campania District School	Annual School Donation – High	100.00
Kempton Primary School	Annual School Donation – Primary	50.00
Oatlands District High School	Annual School Donation – Primary	50.00
Oatlands District High School	Annual School Donation – High	100.00
Oatlands Christmas Pageant Committee	Christmas Pageant Prize Donation	60.00
Connor Walker	Sporting Representation Sponsorship	100.00
Tiarna Glennon	Sporting Representation Sponsorship	100.00
Kempton Primary School	Community Small Grants Program	2963.00
Colebrook Online Access Centre	Subsidise Public Liability Insurance	341.50

<b>Name</b>	<b>Description</b>	<b>Amount \$</b>
Colby Dodge	Sporting Representation Sponsorship	100.00
Johanna Dodge	Sporting Representation Sponsorship	100.00
Green Ponds Progress Association	Annual Donation	1500.00
James Pearce	Sporting Representation Sponsorship	100.00
State Fire Commission	Community Small Grants Program	1895.00
Levendale Cricket Club	Annual Green Keeping Donation	1000.00
Broadmarsh/Elderslie Progress Association	Subsidise Public Liability Insurance	294.20
Jack Allen	Sporting Representation Sponsorship	100.00
Runnymede Cricket Club	Annual Donation	1000.00
Edmund Rice Camps	Community Small Grants Program	1800.00
Bagdad Community Club	Community Small Grants Program	200.00
Oatlands District Historical Society	Community Small Grants Program	2727.27
Parattah Jubilee Hall Committee	Subsidise Public Liability Insurance	328.09
Oatlands Bowls Club	Donation	100.00
Melton Mowbray Community Rodeo Association	Community Small Grants Program	3000.00
Broadmarsh/Elderslie Progress Association	Community Hall Facility Grant - Upgrade	5000.00
<b>TOTAL</b>		<b>\$59,591.81</b>

# FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR 2015/16 FINANCIAL YEAR

# SOUTHERN MIDLANDS COUNCIL



## COMPLETE SET OF FINANCIAL STATEMENTS 2015/2016 FINANCIAL YEAR

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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.

# **SOUTHERN MIDLANDS COUNCIL**

## **COMPLETE SET OF FINANCIAL STATEMENTS**

**For the reporting period ended 30/06/2016**

I, Timothy Francis Kirkwood, certify that in my opinion: -

1. the financial report fairly represents:
  - (a) the financial position of the council;
  - (b) the results of the council's operations; and
  - (c) the cash flow of the council.
  
2. the financial report has been prepared in accordance with the requirements of the Local Government Act 1993 (as amended), and Australian Accounting Standards, including Australian Interpretations.



T F Kirkwood  
General Manager

Dated at Oatlands this 29<sup>th</sup> day of September 2016.





# Tasmanian Audit Office

## **Independent Auditor's Report**

**To the Councillors of Southern Midlands Council**

**Consolidated Financial Report for the Year Ended 30 June 2016**

### **Report on the Consolidated Financial Report**

I have audited the accompanying consolidated financial report (the financial report) of Southern Midlands Council (Council), which comprises the statement of financial position as at 30 June 2016 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement on the consolidated entity comprising the Council and the entities it controlled at the year's end or from time to time during the financial year.

### **Auditor's Opinion**

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2016 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

### *The Responsibility of the General Manager for the Financial Report*

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

### *Auditor's Responsibility*

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

...1 of 2

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

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

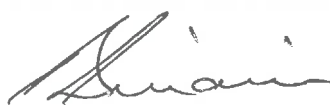
My audit responsibility does not extend to the budget figures included in the statement of comprehensive income and the asset renewal funding ratio disclosed in note 36 to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

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

### **Tasmanian Audit Office**



R Luciani  
**Senior Group Leader**  
**Delegate of the Auditor-General**

Hobart  
29 September 2016

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

For the year ended 30 June 2016

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Income from continuing operations</b>				
<i>Recurrent income</i>				
General rates		4,666	4,700	4,420
User fees	3	659	1,158	1,049
Interest	4	200	179	204
Grants – Operating	5	3,201	1,807	4,965
Government subsidies		16	8	8
Contract Income		765	669	718
Donations		0	0	0
Dividends		228	228	228
Other		128	64	25
		<u>9,863</u>	<u>8,813</u>	<u>11,617</u>
<i>Capital income</i>				
Assets taken up – Land under roads	14	0	0	2,979
Assets taken up – Stormwater	19	0	1,068	0
Grants – Capital	5	878	1,254	702
Net gain/(loss) on disposal of assets	11	0	(765)	63
		<u>878</u>	<u>1,557</u>	<u>3,744</u>
<b>Total income from continuing operations</b>	2 (a)	<u>10,741</u>	<u>10,370</u>	<u>15,361</u>
<b>Expenses from continuing operations</b>				
Employee benefits	6	3,767	3,690	3,803
Materials and contracts	7	2,738	3,296	3,163
Depreciation and amortisation	8	2,669	2,792	2,547
Finance costs	9	51	50	49
Contributions		188	188	178
Other	10	1,030	247	276
<b>Total expenses from continuing operations</b>	2 (a)	<u>10,443</u>	<u>10,263</u>	<u>10,016</u>
<b>Operating result from continuing operations</b>	2 (a)	<u>298</u>	<u>107</u>	<u>5,345</u>
<b>Net operating result for the year</b>		<u>298</u>	<u>107</u>	<u>5,345</u>
<b>Other comprehensive income</b>				
<i>Item that will not be reclassified to surplus or deficit</i>				
Fair value revaluation of non-current assets		0	1,022	(461)
<i>Items that may be reclassified subsequently to surplus or deficit</i>				
Fair value adjustment on Available for Sale Assets	22	0	200	94
<b>Total other comprehensive income</b>		<u>0</u>	<u>1,222</u>	<u>(367)</u>
<b>Comprehensive result</b>		<u>298</u>	<u>1,329</u>	<u>4,978</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	12	8,813	10,212
Assets classified as held for sale		83	253
Receivables	13	841	993
Stores and materials		312	192
Subsidiary work in progress		75	43
<b>Total Current Assets</b>		<u>10,124</u>	<u>11,693</u>
<b>NON-CURRENT ASSETS</b>			
Land	14	7,489	7,444
Buildings	15	11,364	10,771
Plant, machinery & equipment	16	2,548	2,353
Minor plant	17	63	64
Office furniture & equipment	18	161	168
Infrastructure assets	19	64,106	61,729
Work in progress	20	327	647
Intangibles – software & valuation fees	21	219	128
Investment in TasWater	22	11,968	11,768
<b>Total Non-Current Assets</b>		<u>98,245</u>	<u>95,072</u>
<b>TOTAL ASSETS</b>	2(a)	<u>108,369</u>	<u>106,765</u>
<b>CURRENT LIABILITIES</b>			
Payables	23	735	569
Interest bearing liabilities	24	77	94
Employee benefits	25	1,176	1,166
<b>Total Current Liabilities</b>		<u>1,988</u>	<u>1,829</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing liabilities	26	868	701
Employee benefits	25	110	161
<b>Total Non-Current Liabilities</b>		<u>978</u>	<u>862</u>
<b>TOTAL LIABILITIES</b>		<u>2,966</u>	<u>2,691</u>
<b>NET ASSETS</b>		<u>105,403</u>	<u>104,074</u>
<b>EQUITY</b>			
Accumulated surplus		46,044	45,937
Reserves	27	59,359	58,137
<b>TOTAL EQUITY</b>		<u>105,403</u>	<u>104,074</u>

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



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 30 June 2016

2016	Accumulated Surplus \$'000	Asset Revaluation Reserve (Note 27) \$'000	Fair Value Reserve (Note 27) \$'000	Bridge Maintenance Reserve (Note 27) \$'000	Other Reserves (Note 27) \$'000	Total Equity
Balance at beginning of financial year	45,937	56,456	(1,970)	1,666	1,985	104,074
Comprehensive result	107	1,022	200	0	0	1,329
Transfers to reserves	0	0	0	0	0	0
Balance at end of financial year	46,044	57,478	(1,770)	1,666	1,985	105,403

2015	Accumulated Surplus \$'000	Asset Revaluation Reserve (Note 27) \$'000	Fair Value Reserve (Note 27) \$'000	Bridge Maintenance Reserve (Note 27) \$'000	Other Reserves (Note 27) \$'000	Total Equity
Balance at beginning of financial year	40,592	56,917	(2,064)	1,666	1,985	99,096
Comprehensive result	5,345	(461)	94	0	0	4,978
Transfers to reserves	0	0	0	0	0	0
Balance at end of financial year	45,937	56,456	(1,970)	1,666	1,985	104,074

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





**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended 30 June 2016

	NOTES	INFLOWS (OUTFLOWS) 2016 \$'000	INFLOWS (OUTFLOWS) 2015 \$'000
<b>Cash flows from operating activities</b>			
Receipts			
Rates		4,630	4,474
User charges		1,380	760
Interest received		179	204
Subsidies		8	8
Other revenue grants		1,807	4,965
GST Refunds from ATO		630	393
Other		775	785
Dividends		186	186
		<u>9,595</u>	<u>11,775</u>
Payments			
Employee costs		(3,731)	(3,843)
Materials & contracts		(3,912)	(3,692)
Interest		(50)	(49)
Other		(435)	(486)
		<u>(8,128)</u>	<u>(8,070)</u>
<b>Net cash provided by (used in) operating activities</b>	31	<u>1,467</u>	<u>3,705</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(4,667)	(2,519)
Proceeds from sale of property, plant & equipment		397	241
Capital grants		1,254	702
<b>Net cash provided by (used in) investing activities</b>		<u>(3,016)</u>	<u>(1,576)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(100)	(100)
Proceeds from borrowings		250	0
<b>Net cash provided by (used in) financing activities</b>		<u>150</u>	<u>(100)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(1,399)	2,029
Cash and cash equivalents at beginning of reporting year		<u>10,212</u>	<u>8,183</u>
<b>Cash and cash equivalents at the end of the financial year</b>	12	<u><u>8,813</u></u>	<u><u>10,212</u></u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**STATEMENT OF COMPLIANCE**

This consolidated financial report is a general purpose financial report that consists of the Statements of Consolidated Profit or Loss and Other Comprehensive Income, Consolidated Financial Position, Consolidated Changes in Equity, Consolidated Cash Flows, and notes accompanying these consolidated financial statements. The general purpose consolidated financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Local Government Act 1993* (as amended).

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

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

This consolidated 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.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries, have been included in this consolidated financial report. All transactions between these entities and Council have been eliminated in full.

*Judgements and Assumptions*

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 Consolidated 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 1 (k).

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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*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 30.

*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 notes 14 to 19 and in note 1.

*Investment in water corporation*

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 1(i) and in note 22.

**(b) Revenue recognition**

*Rates, grants and government subsidies*

Rates, grants and government subsidies are recognised as revenues when Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating 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 represents a charge against the rateable property that will be recovered when the property is next sold.

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 grants or 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 grant or contribution is disclosed in note 12.

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.

*User fees*

User fees are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever occurs first.

A provision for impairment is recognised when collection in full is no longer probable.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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*Sale of property, plant and equipment, infrastructure*

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

*Contract income*

As soon as the outcome of construction contracts can be estimated reliably, contract revenue and expenses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income 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 in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

*Interest*

Interest is recognised progressively as it is earned.

*Dividends*

Dividends are recognised when Council's right to receive payment is established.

*Rents*

Rents are recognised as revenue when the payment is due or the payment is received, whichever occurs first.

**(c) Expense recognition**

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 an asset or an increase of a liability has arisen that can be measured reliably.

*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.

*Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles*

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

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
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Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Buildings	10 to 50 years
Plant, machinery & equipment	2 to 15 years
Minor Plant	0 to 2 years
Office furniture & equipment	5 to 100 years
Computers	5 years
Infrastructure assets	10 to 150 years

*Repairs and maintenance*

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 assets is expensed.

*Finance costs*

Finance costs include interest on bank overdrafts and interest on borrowings.

**(d) Recognition and measurement of assets**

*Acquisition and Recognition*

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.

The following classes of assets have been recognised in notes 14 – 21. 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.

Land	Nil
Buildings	Nil
Plant, machinery & equipment	1,000
Minor Plant	1,000
Office furniture & equipment	500
Roads	Nil
Bridges	5,000
Waste management assets	3,000
Stormwater	3,000
Intangibles – Software	500

*Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment 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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
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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 with sufficient regularity 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. Further details regarding the fair value hierarchy are disclosed at Note 37.

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 expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the extent of the remaining increments. Within the same asset class, revaluation increments and decrements within the year are offset.

*Assets held for sale*

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 assets 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.

*Land under roads*

Council recognised the value of land under roads it controls at fair value. Refer to Note 37.

**(e) Cash and cash equivalents**

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

**(f) Trade and other receivables**

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.

**(g) Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
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**(h) Work in Progress**

Construction 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 related directly to specific projects and an allocation of fixed and variable overheads incurred in the consolidated entity's contract activities based on normal operating capacity.

**(i) Investment in Water Corporation**

Council's investment in TasWater is valued at fair value at balance date. Fair value was determined by using Council's ownership percentage against the water corporation's net asset value at balance date. At 30 June 2016, Council continued to hold a 0.76% ownership interest in TasWater which is based on schedule 2 of the corporation's constitution which reflects the Council's percentage voting rights. Any recognised gains and losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income to an Available-for-sale Fair Value Reserve each year (refer Note 33).

Council has classified this asset as an Available-for-sale financial asset as defined in AASB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial report. Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

**(j) Investments**

Investments, other than investments in associates and property, are measured at cost.

**(k) Employee Benefits***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.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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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.

*Sick 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.

*Retirement benefit obligations*

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

*Defined benefit plans*

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e as an expense when it becomes payable.

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

*Defined contribution plans*

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

**(l) Leases**

The Council currently has no material finance or operating lease arrangements.

*Operating leases as lessor*

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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

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

Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis. These leases may include incentives which have not been recognised in the Statement of Financial Position, on the basis the amounts are unlikely to be material and could not be reliably measured at balance date.

***Leasehold Improvement***

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 15 to 250 year period.

***Operating leases as lessee***

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

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

**(m) Interest bearing liabilities**

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.

**(n) 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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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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.

**(o) Taxation**

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

*Goods and Services Tax (GST)*

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 Statements of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(p) Impairment of assets**

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

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

**(q) Investments in subsidiaries**

During the 2010-2011 financial year Council acquired two wholly owned companies, Heritage Building Solutions Pty Ltd (HBS) and Heritage Education and Skills Centre Pty Ltd (HESC). Balances of the subsidiaries have been incorporated into Council's balances. All inter-company balances and transactions between Council and the subsidiaries have been eliminated.

**(r) Contingent assets, contingent liabilities and commitments**

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

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**(s) Budget**

The budget amounts which appear in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are taken from the Annual Estimates and are not subject to audit.

**(t) Rounding**

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

**(u) Adoption of new and amended accounting standards**

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

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

The adoption of this amendment has not impacted on Council's accounting policies.

**(v) Pending Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. They have not been adopted in preparation of the financial report at reporting date. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

*AASB 9 Financial Instruments and the relevant amending standards (effective from 1 January 2017)*

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

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

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

When adopted, the standard will affect, in particular, Council's accounting for its available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB 9 fair value gains and losses on available-for-sale assets will have to be recognised directly in profit or loss.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
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However, investments in equity instruments can be designated as ‘fair value through other comprehensive income’ assets. This designation is irrevocable. Council is likely to designate its investment in TasWater as ‘fair value through other comprehensive income’ and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

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

*AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisition of Interest in Joint Operations (effective from 1 January 2016)*

Under AASB 2014-3 business combination accounting is required to be applied to acquisitions of interests in a joint operation that meets the definition of a ‘business’ under AASB 3 Business Combinations. Council does not expect any material impact on adoption of this standard.

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

This amendment introduces a rebuttable presumption that the use of revenue based amortisation methods for intangible assets is inappropriate. In addition to this, there is limited opportunity for the presumption to be overcome and clarifies that revenue based depreciation for property, plant and equipment cannot be used. Council does not expect any material impact on adoption of this standard.

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

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

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

The amendments extend the scope to AASB 124 Related Party Disclosures to include not-for-profit public sector entities. Council is still assessing the impact of this standard but notes that it will likely increase the level of related party disclosures when adopted.

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

Under the new standard, a single model that applies to contracts with customers and two approaches to recognising revenue, at a point in time or over time is proposed. The model

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
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features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised.

The new standard will apply to contracts for non-for-profit entities that are exchange contracts. AASB 1004 Contributions will continue to apply to non-exchange transactions until the Income from Transactions of Non-for-Profit Entities project is completed. Council does not expect any material impact on adoption of this standard.

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

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

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

Amendments to AASB 107 will see the introduction of additional disclosures to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as effects of changes in foreign exchange rates and changes in fair values). Council does not expect any material impact on adoption of this standard.

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NOTES TO AND FORMING PART OF THE ACCOUNTS

30 June 2016

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

a) Revenues, expenses and assets have been attributed to the following functions/activities. Details of those functions/activities are set out in note 2(c).  
Continued next page.

2016	Roads/ Bridges	Storm- Water	Waste Manage.	Employment & Economic Development	Environmental Management	Development Services	Community Services	Recreational Services	Council/ Corporate	Unclass.	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	4,060	115	677	1,929	312	1,154	114	842	709	351	10,263
Revenue											
Grants	1,254	0	0	98	0	0	17	0	0	1,692	3,061
Other	10	0	590	1,049	37	207	14	72	203	5,127	7,309
<b>Total Revenue</b>	<b>1,264</b>	<b>0</b>	<b>590</b>	<b>1,147</b>	<b>37</b>	<b>207</b>	<b>31</b>	<b>72</b>	<b>203</b>	<b>6,819</b>	<b>10,370</b>
Change in net assets from operations	(2,796)	(115)	(87)	(782)	(275)	(947)	(83)	(770)	(506)	6,468	107
Assets	65,221	3,871	282	5,426	731	679	1,645	6,461	1,879	22,174	108,369

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)**

a) Revenues, expenses and assets have been attributed to the following functions/activities. Details of those functions/activities are set out in note 2(c).

2015	Roads/ Bridges	Storm- Water	Waste Manage.	Employment & Economic Development	Environmental Management	Development Services	Community Services	Recreational Services	Council/ Corporate	Unclass.	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,892	111	604	1,274	655	1,060	171	739	595	915	10,016
Revenue											
Grants	612	0	0	5	5	0	12	90	0	4,943	5,667
Other	11	0	577	313	0	180	8	71	122	8,412	9,694
<b>Total Revenue</b>	<b>623</b>	<b>0</b>	<b>577</b>	<b>318</b>	<b>5</b>	<b>180</b>	<b>20</b>	<b>161</b>	<b>122</b>	<b>13,355</b>	<b>15,361</b>
Change in net assets from operations	(3,269)	(111)	(27)	(956)	(650)	(880)	(151)	(578)	(473)	12,440	5,345
Assets	64,574	2,085	285	5,062	727	658	1,638	6,003	1,877	23,856	106,765

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)**

b) The written down value of Assets shown in Note 2(a) are reconciled with the amount shown for assets in the consolidated financial position statement as follows:

	2016	2015
	\$'000	\$'000
Current Assets	10,124	11,693
Non-Current Assets	98,245	95,072
	108,369	106,765

c) The activities of the municipality are categorised into the following broad functions:

**Roads and Bridges**

Construction, management, maintenance and cleaning of roads, bridges, footpaths, kerbs and guttering; provision of street lighting

**Stormwater**

Maintenance and provision of stormwater reticulation systems.

**Waste Management**

Collection, handling, processing and disposal of waste materials, operations 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 the control of animal nuisances.

**Employment and 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**

Development services cover all planning and development control, building control and related regulatory and statutory matters.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)**

**Community Services**

Operation of the Midlands Multi-Purpose Health Centre, the Home and Community Care Program, the provision of other aged care services; operation of youth employment and development programs; Library services; emergency services including the municipal Ambulance Service.

**Recreational Services**

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.

**Council/Corporate**

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

**Unclassified**

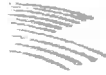
All revenues and expenditure that cannot be attributed directly to one of the other listed functions. Includes carrying amount of non-current assets sold, State Government levies and contributions and Councillors emoluments.

**3. USER FEES**

	2016	2015
	\$'000	\$'000
Community safety	11	6
Growth tourism	318	313
Growth business	290	329
Landscapes heritage	4	0
Landscapes regulatory	161	132
Landscapes natural	44	9
Lifestyle recreation	61	58
Lifestyle animals	45	48
Organisation sustainability	197	118
Organisation finances	14	19
Other	13	17
	<u>1,158</u>	<u>1,049</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
 30 June 2016

	2016 \$'000	2015 \$'000
<b>4. INTEREST</b>		
Interest on financial assets	20	30
Interest on cash & cash equivalents	159	174
	179	204

**5. GRANTS**

Grants were received in respect of the following:

***Grants – Recurrent***

Commonwealth Government – Financial Assistance Grants	1,691	3,234
Commonwealth Government – Financial Assistance Grants (in advance)	0	1,597
Growth tourism	4	0
Growth integration	0	5
Landscapes natural	0	5
Lifestyle youth	14	8
Lifestyle public health	0	4
Other	98	112
	1,807	4,965

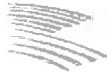
***Grants – Capital***

Commonwealth Government – roads	1,254	612
Lifestyle recreation	0	90
	1,254	702

The Australian Government (“the Commonwealth”) provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2014-15 the Commonwealth made early payment of two quarterly instalments for the following year. This early receipt of 2015-16 funding in the prior year increased the operating result in 2014-15 by \$1,597,000 and reduced the operating result in the 2015-16 year by the same amount.

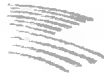
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

	2016 \$'000	2015 \$'000
<b>6. EMPLOYEE BENEFITS</b>		
Wages and salaries	2,770	2,840
Other employee costs	1,125	1,163
	<u>3,895</u>	<u>4,003</u>
Less Amounts capitalised	(205)	(200)
	<u>3,690</u>	<u>3,803</u>
<b>7. MATERIALS &amp; CONTRACTS</b>		
Advertising	34	50
Bank Charges and Commissions	15	15
Callington Mill	113	137
Computer System Operations	110	118
Consultancies	166	193
Contractor Labour and Services	408	347
Council Plant & Machinery	218	212
Donations and Grants	60	57
Gravel Purchases	195	50
Household Garbage & Recycling Collection Contract	218	196
Insurance Premiums	70	70
Legal Expenses	47	49
Landcare Materials	2	215
Office Expenses	87	96
Plant & Machinery Hire (External)	205	154
Power Costs (includes street lighting)	193	185
Repairs & Maintenance	205	185
Subscriptions and Publications	62	55
Telecommunications	45	44
Waste Transfer, Transport and Disposal Contracts	220	200
Valuation Fees (Supplementary Valuations)	19	10
Water Purchases	59	45
Other	545	480
	<u>3,296</u>	<u>3,163</u>



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

	2016 \$'000	2015 \$'000
<b>8. DEPRECIATION AND AMORTISATION</b>		
<b>Depreciation</b>		
Buildings	312	278
Plant, machinery & equipment	253	218
Office furniture & equipment	22	30
Minor plant	10	11
Roads	1,767	1,617
Waste management	9	12
Stormwater	51	53
Bridges	321	303
	<u>2,745</u>	<u>2,522</u>
<b>Amortisation</b>		
Valuation fees	25	13
Software	15	12
Course design	7	0
Total depreciation & amortisation	<u>2,792</u>	<u>2,547</u>
<b>9. FINANCE COSTS</b>		
Gross interest paid/payable	<u>50</u>	<u>49</u>
<b>10. OTHER EXPENSES</b>		
External auditors' remuneration: Tasmanian Audit Office	29	30
Councillors allowances	125	114
Other	93	132
	<u>247</u>	<u>276</u>
<b>11. NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		
Net proceeds from disposal of non-current assets	241	241
Carrying amount of non-current assets retired / sold	955	178
	<u>(714)</u>	<u>63</u>
Net proceeds from assets classified as held for sale sold	156	0
Carrying amount of assets classified as held for sale sold	207	0
	<u>(51)</u>	<u>0</u>
	<u>(765)</u>	<u>63</u>



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

	2016 \$'000	2015 \$'000
<b>12. CURRENT ASSETS – CASH &amp; CASH EQUIVALENTS</b>		
Cash at bank and on hand	571	3,264
Term deposits	8,242	6,948
	8,813	10,212

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 include:

Trust funds and deposits	148	146
Heritage Building Solutions Pty Ltd	98	156
Heritage Education and Skills Centre Ltd	129	54
FAG grant in advance	0	1,597
Restricted Funds	375	1,953
Total unrestricted cash and cash equivalents	8,438	8,259

**13. ASSETS – RECEIVABLES**

<b>Current Assets</b>		
Rates receivable	564	494
Other debtors	277	499
	841	993

**Significant Terms and Conditions**

Debtors of Council are required to settle their accounts within specified terms including:

*Rate Debtors*

Payment is required either by four instalments or alternatively within thirty days (which provides a discount of 1.3%). The discount provided is shown as an expense of the entity in the Consolidated Profit or Loss and Other Comprehensive Income statement. 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.

*Other Debtors*

Payment is required within thirty days of issue of the account.

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).


**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**30 June 2016**

	2016 \$'000	2015 \$'000
<b>14. NON-CURRENT ASSETS – LAND</b>		
<b>Gross Carrying Amount</b>		
Fair Value as at 1 July	7,444	4,033
Assets taken up - Land under roads	0	2,979
Disposals	0	(32)
Addition	45	0
Adjustment from Revaluation	0	717
Transfer to assets classified as held for sale	0	(253)
<b>Net Book Value 30 June – at fair value</b>	<u>7,489</u>	<u>7,444</u>

Council recognised the value of land under roads it controls at fair value for the first time at 30 June 2015.

**15. NON-CURRENT ASSETS – BUILDINGS**

<b>Gross Carrying Amount</b>		
Fair Value as at 1 July	18,580	18,652
Additions	909	187
Disposals	(6)	(259)
Adjustment from Revaluation	0	0
Balance at 30 June	<u>19,483</u>	<u>18,580</u>
<b>Accumulated Depreciation</b>		
Balance at 1 July	7,809	7,764
Disposals	0	(233)
Depreciation expense for the year	310	278
Adjustment from Revaluation	0	0
Balance at 30 June	<u>8,119</u>	<u>7,809</u>
<b>Net Book Value 30 June – at fair value</b>	<u>11,364</u>	<u>10,771</u>



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

	2016 \$'000	2015 \$'000
<b>16. NON-CURRENT ASSETS – PLANT, MACHINERY &amp; EQUIPMENT</b>		
<b>Gross Carrying Amount</b>		
At cost at 1 July	3,759	3,681
Addition	712	255
Disposals	(495)	(177)
Balance at 30 June	<u>3,976</u>	<u>3,759</u>
<b>Accumulated Depreciation</b>		
Balance at 1 July	1,406	1,258
Disposals	(231)	(70)
Depreciation expense	253	218
Balance at 30 June	<u>1,428</u>	<u>1,406</u>
<b>Net Book Value 30 June – at cost</b>	<u><u>2,548</u></u>	<u><u>2,353</u></u>

**17. NON-CURRENT ASSETS – MINOR PLANT**

<b>Gross Carrying Amount</b>		
At cost at 1 July	273	265
Additions	7	9
Disposals	0	(1)
Balance at 30 June	<u>280</u>	<u>273</u>
<b>Accumulated Depreciation</b>		
Balance at 1 July	209	199
Disposal	0	(1)
Depreciation expense for the year	8	11
Balance at 30 June	<u>217</u>	<u>209</u>
<b>Net Book Value 30 June – at cost</b>	<u><u>63</u></u>	<u><u>64</u></u>

**18. NON-CURRENT ASSETS – OFFICE FURNITURE & EQUIPMENT**

<b>Gross Carrying Amount</b>		
At cost at 1 July	548	754
Additions	15	26
Disposals	0	(232)
Balance at 30 June	<u>563</u>	<u>548</u>
<b>Accumulated Depreciation</b>		
Balance at 1 July	380	570
Disposals	0	(220)
Depreciation expense for the year	22	30
Balance at 30 June	<u>402</u>	<u>380</u>
<b>Net Book Value 30 June – at cost</b>	<u><u>161</u></u>	<u><u>168</u></u>





**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

	2016 \$'000	2015 \$'000
<b>19. NON-CURRENT ASSETS – INFRASTRUCTURE ASSETS</b>		
<b>a) Roads</b>		
<b>Gross Carrying Amount</b>		
Fair Value as at 1 July	86,037	103,474
Additions	1,864	864
Disposals	(1,138)	0
Adjustment from Revaluation	0	(18,301)
Balance at 30 June	<u>86,763</u>	<u>86,037</u>
<b>Accumulated Depreciation</b>		
Balance at 1 July	42,497	58,092
Disposals	(620)	0
Adjustment from Revaluation	0	(17,212)
Depreciation expense for the year	1,768	1,617
Balance at 30 June	<u>43,645</u>	<u>42,497</u>
<b>Net Book Value 30 June – at fair value</b>	<u><u>43,118</u></u>	<u><u>43,540</u></u>
<b>b) Bridges</b>		
<b>Gross Carrying Amount</b>		
At cost at 1 July	24,345	23,882
Additions	1,191	652
Disposals	(1,058)	(575)
Adjustment from Revaluation	292	386
Balance at 30 June	<u>24,770</u>	<u>24,345</u>
<b>Accumulated Depreciation</b>		
Balance at 1 July	8,310	8,106
Disposals	(892)	(575)
Adjustment from Revaluation	(15)	475
Depreciation expense for the year	321	304
Balance at 30 June	<u>7,724</u>	<u>8,310</u>
<b>Net Book Value 30 June – at fair value</b>	<u><u>17,046</u></u>	<u><u>16,035</u></u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

	2016 \$'000	2015 \$'000
<b>19. NON-CURRENT ASSETS – INFRASTRUCTURE ASSETS (CONTINUED)</b>		
<b>c) Stormwater</b>		
<b>Gross Carrying Amount</b>		
Fair Value as at 1 July	3,402	3,152
Additions	59	250
Assets taken up - Stormwater	1,415	0
Adjustment from Revaluation	296	0
Balance at 30 June	<u>5,172</u>	<u>3,402</u>
<b>Accumulated Depreciation</b>		
Balance at 1 July	1,328	1,275
Assets taken up - Stormwater	347	0
Adjustment from Revaluation	(419)	0
Depreciation expense for the year	51	53
Balance at 30 June	<u>1,307</u>	<u>1,328</u>
<b>Net Book Value 30 June – at fair value</b>	<u><u>3,865</u></u>	<u><u>2,074</u></u>
<b>d) Waste Management</b>		
<b>Gross Carrying Amount</b>		
At cost at 1 July	238	227
Additions	5	11
Balance at 30 June	<u>243</u>	<u>238</u>
<b>Accumulated Depreciation</b>		
Balance at 1 July	158	146
Depreciation expense for the year	8	12
Balance at 30 June	<u>166</u>	<u>158</u>
<b>Net Book Value 30 June – at cost</b>	<u>77</u>	<u>80</u>
<b>Total Infrastructure Assets</b>	<u><u>64,106</u></u>	<u><u>61,729</u></u>

During the year Council identified Stormwater assets which had not previously been recognised. These assets were taken up at fair value.

**20. NON-CURRENT ASSETS – WORK IN PROGRESS**

Work in progress at cost	<u>327</u>	<u>647</u>
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Work in progress represents capital works not completed and not ready for use as at 30 June 2016. Depreciation has not been charged against these amounts.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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	2016	2015
	\$'000	\$'000
<b>21. NON-CURRENT ASSETS – INTANGIBLES – SOFTWARE &amp; VALUATION FEES</b>		
<b>Gross Carrying Amount</b>		
At cost at 1 July	302	424
Additions	138	46
Disposals	0	(168)
Balance at 30 June	<u>440</u>	<u>302</u>
<b>Accumulated Amortisation</b>		
Balance at 1 July	174	317
Disposals	0	(168)
Amortisation expense for the year	47	25
Balance at 30 June	<u>221</u>	<u>174</u>
<b>Net Book Value 30 June – at cost</b>	<u>219</u>	<u>128</u>
<b>22. INVESTMENT IN TASWATER</b>		
Opening balance	11,768	11,674
Fair value adjustment on Available for Sale Assets	200	94
<b>Total investment in water corporation</b>	<u>11,968</u>	<u>11,768</u>
<b>23. CURRENT LIABILITIES – PAYABLES</b>		
Payables and accruals	680	513
Payroll tax and workers compensation on employee entitlements	55	56
	<u>735</u>	<u>569</u>

**Significant Terms and Conditions**

Payables are generally settled within specified trading terms or thirty days whichever is the earlier.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

	2016 \$'000	2015 \$'000
<b>24. CURRENT LIABILITIES – INTEREST BEARING LIABILITIES</b>		
Borrowings – Bank	77	94

**Significant Terms and Conditions**

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:

- 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.
- Grants made to a council for specific purposes are to be excluded in calculating 30% of revenue of the council.

The current annual payments of loans (principal and interest) by Council, based on the debenture loan schedules, equate to 0.98% of the total revenue for the preceding year (2015 1.81%).

**25. EMPLOYEE BENEFITS**

**Current**

Annual leave	382	429
Long service leave	553	495
Sick leave	241	242
	1,176	1,166

**Non Current**

Long service leave	110	161
	110	161

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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	2016	2015
	\$'000	\$'000

**26. NON-CURRENT LIABILITIES – INTEREST BEARING LIABILITIES**

Borrowings – Bank	868	701
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**Security for Borrowings**

The bank loans are secured over the general rates of the Council

**Credit Standby Arrangements**

Bank overdraft limit	200	200
Direct Debit Facility	100	100
Business credit cards	50	50
Total amount of credit unused	350	350

Refer to Note 24 for disclosure in relation to *Significant Terms and Conditions*.

**27. RESERVES**

**a) Composition**

Asset Revaluation Reserve	57,478	56,456
Bridge Maintenance Reserve	1,666	1,666
Fair Value Reserve	(1,770)	(1,970)
<b>Other Reserves</b>		
Plant Replacement Reserve	686	686
Capital Works Reserve	1,239	1,239
Quarry Reinstatement Reserve	31	31
Public Open Space Reserve	29	29
	1,985	1,985
	59,359	58,137

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of Council's property, plant and equipment. The Fair Value Reserve represents the movement in the value of Council's investment in TasWater. The purpose of all other reserves is the replacement and maintenance of the associated assets.

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NOTES TO AND FORMING PART OF THE ACCOUNTS  
30 June 2016

	2016 \$'000	2015 \$'000
<b>27. RESERVES (CONTINUED)</b>		
<b>b) Movements</b>		
<b>Asset Revaluation Reserve</b>		
Balance at the beginning of the financial year	56,456	56,917
Revaluation of land assets	0	717
Revaluation of road assets	0	(1,089)
Revaluation of bridge assets	307	(89)
Revaluation of stormwater assets	715	0
Revaluation of building assets	0	0
Balance at the end of the financial year	<u>57,478</u>	<u>56,456</u>
<b>Bridge Maintenance Reserve</b>		
Balance at the beginning of the financial year	1,666	1,666
Balance at the end of the financial year	<u>1,666</u>	<u>1,666</u>
<b>Fair Value Reserve</b>		
Balance at the beginning of the financial year	(1,970)	(2,064)
Amount transferred from (to) accumulated surplus	200	94
Balance at the end of the financial year	<u>(1,770)</u>	<u>(1,970)</u>
<b>Other Reserves</b>		
<b>Plant Replacement Reserve</b>		
Balance at the beginning of the financial year	686	686
Balance at the end of the financial year	<u>686</u>	<u>686</u>
<b>Capital Works Reserve</b>		
Balance at the beginning of the financial year	1,239	1,239
Balance at the end of the financial year	<u>1,239</u>	<u>1,239</u>
<b>Quarry Reinstatement Reserve</b>		
Balance at the beginning of the financial year	31	31
Balance at the end of the financial year	<u>31</u>	<u>31</u>
<b>Public Open Space Reserve</b>		
Balance at the beginning of the financial year	29	29
Balance at the end of the financial year	<u>29</u>	<u>29</u>
<b>Total Other Reserves</b>	<u>1,985</u>	<u>1,985</u>



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**28. COMMITMENTS FOR EXPENDITURE**

**a) Operating Commitments**

Council had contractual operating commitments totalling \$177,000 (2015 \$171,000) for the next financial year. This relates to the household garbage and recycling collection service.

**b) Capital Commitments**

Council had no contracted capital expenditure commitments at reporting date (2015 \$571,000).

**c) Operating Lease Commitments**

Council had no material commitments under operating leases at either reporting date.

**d) Finance Lease Commitments**

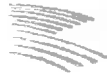
Council had no commitments under finance leases at either reporting date.

**29. COMMITTEES**

Pursuant to Section 84(d) of the *Local Government Act 1993*, these Consolidated Statements include transactions for the following Special Committees:

	2015 \$000 Balance	2016 \$000 Revenue	2016 \$000 Expenses	2016 \$'000 Balance
<b>Committee:</b>				
Campania Halls	11	8	5	14
Colebrook Hall	1	2	2	1
Woodsdale Hall	7	3	6	4
Oatlands Community Hall	9	4	4	9
Colebrook Recreation Ground	2	0	0	2
Parattah Recreation Ground	8	3	3	8
Lake Dulverton Management	3	0	0	3
Parattah Railway	1	1	0	2
	<u>42</u>	<u>21</u>	<u>20</u>	<u>43</u>

These committees raise their own funds and make their own decisions, maintain their own books and records, and operate separate bank accounts. They do not conduct financial transactions with Council. Their transactions and bank balances have been consolidated into these accounts.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016**30. SUPERANNUATION**

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2016 the Council contributed 9.50% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2014. The review disclosed that at that time the net market value of assets available for funding member benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000 and the value of total accrued benefits was \$58,093,000 and the number of employees was 187. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	7.0% per annum
Salary Inflation	4.0% per annum
Price Inflation	not applicable

The actuarial review concluded that:

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

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

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**30. SUPERANNUATION (CONTINUED)**

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

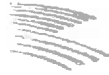
During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the *Superannuation Guarantee (Administration) Act 1992*.

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

- The 2014 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is different from the method used at the previous actuarial review in 2011.
- Under the aggregate funding method of financing the benefits, the stability of the Councils’ contributions over time depends on how closely the Fund’s actual experience matches the expected experience. If the actual experience differs from that expected, the Councils’ contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members’ benefits.
- In terms of Rule 27.40 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 approved for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.40 would be applied in this case (as detailed above).

- 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 AASB 119 defined benefit reporting.
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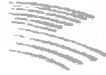
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**30. SUPERANNUATION (CONTINUED)**

- During the reporting period the amount of contributions paid to defined benefits schemes was \$30,827 (2014-2015: \$28,781), and the amount paid to accumulation schemes was \$304,907 (2014-2015: \$317,848).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$31,536, and the amount to be paid to accumulation schemes is \$369,599.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2014. 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 2017.
- An analysis of the assets and vested benefits of Funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2014, showed that the Fund had assets of \$66.3 million and members' Vested Benefits were \$57.5 million. These amounts represented 8.4% and 7.5% respectively of the corresponding total amounts for the Scheme.
- As at 30 June 2015 the fund had 164 members and the total employer contributions and member contributions for the year ended 30 June 2015 were \$2,083,883 and \$325,833 respectively.

**31. RECONCILIATION OF NET CASH FROM OPERATING ACTIVITIES TO SURPLUS (DEFICIT)**

	2016	2015
	\$'000	\$'000
Net operating result for the year	107	5,345
Assets taken up – Land under roads	0	(2,979)
Assets taken up – Stormwater	(1,068)	0
Depreciation and amortisation	2,792	2,547
Capital grants	(1,254)	(702)
(Gain) Loss on disposal of non-current assets	765	(63)
Increase (Decrease) in employee provisions	(41)	(40)
Increase (Decrease) in payables	166	(100)
(Increase) Decrease in receivables	152	(235)
(Increase) Decrease in work in progress	(32)	(18)
(Increase) Decrease in stores and materials	(120)	(50)
Net cash from (used in) operating activities	1,467	3,705



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**32. RELATED PARTY TRANSACTIONS**

	2016	2015
	\$'000	\$'000
(a) Allowances and Reimbursements	126	121
(b) Register of Interests	2016	2015
Interests of Councillors notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings in the current or prior financial year.	Nil	Nil
<b>Councillor &amp; Position</b>		
Mayor A E Bisdee OAM		No interest declared.
Deputy Mayor A O Green		No interest declared.
Clr A R Bantick		No interest declared.
Clr E Batt		No interest declared.
Clr R Campbell		No interest declared.
Clr D F Fish		No interest declared.
Clr D Marshall		No interest declared.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**33. FINANCIAL INSTRUMENTS**

**(a) Accounting Policy, terms and conditions**

<b>Recognised financial instruments</b>	<b>Note</b>	<b>Accounting Policy</b>	<b>Terms and Conditions</b>
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	12	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p>	<p>On call deposits returned a floating interest rate of 1% (1% in 2015). The interest rate at balance date was 1% (1% in 2015).</p> <p>Term deposits returned fixed interest rates of between 2.00% (3.05% in 2015), and 3.00% (3.75% in 2015) net of fees.</p>
<b>Investment in TasWater</b>	22	Investment is valued at fair value at balance date	Terms and Conditions are disclosed in Note 1(i).
<b>Receivables</b>	13	<p>Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	Terms and conditions are disclosed in Note 13.





**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**33. FINANCIAL INSTRUMENTS (CONTINUED)**

**Financial liabilities**

<b>Trade and other payables</b>	23	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.	Terms and conditions are disclosed at Note 23.
<b>Interest-bearing liabilities</b>	24	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Terms and conditions are disclosed at Note 24.

**(b) 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:

2016	WAEIR	Floating interest rate	1 year or less	1 to 5 years	over 5 years	Non interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash & cash equivalents	1.88%	571	8,242	0	0	0	8,813
Receivables							
- Rates		0	0	0	0	564	564
- Other		0	0	0	0	277	277
Investment in TasWater		0	0	0	0	11,968	11,968
<b>Total Financial Assets</b>		<b>571</b>	<b>8,242</b>	<b>0</b>	<b>0</b>	<b>12,809</b>	<b>21,622</b>
<b>Liabilities</b>							
Interest Bearing Liabilities	4.94%	0	77	418	450	0	945
Payables		0	0	0	0	735	735
<b>Total Financial Liabilities</b>		<b>0</b>	<b>77</b>	<b>418</b>	<b>450</b>	<b>735</b>	<b>1,680</b>
<b>Net Financial Assets/ (Liabilities)</b>		<b>571</b>	<b>8,165</b>	<b>(418)</b>	<b>(450)</b>	<b>12,074</b>	<b>19,942</b>

WAEIR - weighted average effective interest rate.



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**33. FINANCIAL INSTRUMENTS (CONTINUED)**

**b) Interest Rate Risk Exposure (Continued)**

2015	WAEIR	Floating interest rate	1 year or less	1 to 5 years	over 5 years	Non interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash & cash equivalents	2.38%	3,264	6,948	0	0	0	10,212
Receivables							
- Rates		0	0	0	0	494	494
- Other		0	0	0	0	499	499
Investment in TasWater		0	0	0	0	11,768	11,768
<b>Total Financial Assets</b>		<b>3,264</b>	<b>6,948</b>	<b>0</b>	<b>0</b>	<b>12,761</b>	<b>22,973</b>
<b>Liabilities</b>							
Interest Bearing Liabilities	6.08%	0	94	416	285	0	795
Payables		0	0	0	0	569	569
<b>Total Financial Liabilities</b>		<b>0</b>	<b>94</b>	<b>416</b>	<b>285</b>	<b>569</b>	<b>1,364</b>
<b>Net Financial Assets/ (Liabilities)</b>		<b>3,264</b>	<b>6,854</b>	<b>(416)</b>	<b>(285)</b>	<b>12,192</b>	<b>21,609</b>

WAEIR - weighted average effective interest rate

**c) Fair Value**

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	8,813	10,212	8,813	10,212
Receivables	841	993	841	993
Investment in TasWater	11,968	11,768	11,968	11,768
<b>Total Financial Assets</b>	<b>21,622</b>	<b>22,973</b>	<b>21,622</b>	<b>22,973</b>
<b>Financial Liabilities</b>				
Payables	735	569	735	569
Interest-bearing liabilities	945	795	945	795
<b>Total Financial Liabilities</b>	<b>1,680</b>	<b>1,364</b>	<b>1,680</b>	<b>1,364</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**33. FINANCIAL INSTRUMENTS (CONTINUED)****(d) 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.

**(e) 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 of future cash flows of our consolidated financial statements will fluctuate because of changes in market prices. Council's exposure to market risks are primarily through interest 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.

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.
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**33. FINANCIAL INSTRUMENTS (CONTINUED)**

**(e) Risks and mitigation (continued)**

*Credit risk*

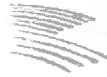
Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and causes Council to make a financial loss. Council have exposure to credit risk on some financial assets included in our Consolidated Statement of Financial Position. To help manage this risk we only invest surplus funds with financial institutions which have a recognised 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.

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

**Credit quality of contractual financial assets that are neither past due nor impaired.**

	<b>Financial Institutions</b>	<b>Other</b>	<b>Total</b>
	<b>(min BBB+ credit rating)</b>	<b>(min BBB+ credit rating)</b>	
<b>2016</b>			
Cash and cash equivalents	8,813	0	8,813
Trade and other receivables	0	841	841
<b>Total Contractual Financial Assets</b>	<b>8,813</b>	<b>841</b>	<b>9,654</b>
<b>2015</b>			
Cash and cash equivalents	10,212	0	10,212
Trade and other receivables	0	993	993
<b>Total Contractual Financial Assets</b>	<b>10,212</b>	<b>993</b>	<b>11,205</b>



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**33. FINANCIAL INSTRUMENTS (CONTINUED)**

**(e) Risks and mitigation (continued)**

*Ageing of Trade and Other Receivables*

The following table provides an ageing of Council's trade and other receivables at the reporting date:

	30 June 2016		30 June 2015	
	Gross \$'000	Impairment \$'000	Gross \$'000	Impairment \$'000
Receivables				
Not past due	14	0	84	0
Past due 0-30 days	132	0	244	0
Past due 31-60 days	10	0	37	0
Past due 61-90 days	17	0	0	0
More than 90 days	104	0	134	0
<b>Total trade receivables</b>	<b>277</b>	<b>0</b>	<b>499</b>	<b>0</b>
Rates receivable	564	0	494	0
<b>Total Receivables</b>	<b>841</b>	<b>0</b>	<b>993</b>	<b>0</b>

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No allowance for impairment in respect of receivables has been recognised at 30 June 2016.

*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 asset 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 borrowing relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**33. FINANCIAL INSTRUMENTS (CONTINUED)**

**(e) Risks and mitigation (continued)**

*Liquidity Risk (continued)*

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>2016</b>	<b>Less than 1 year \$'000</b>	<b>1-5 years \$'000</b>	<b>&gt;5 years \$'000</b>	<b>Contracted Cash Flow \$'000</b>	<b>Carrying Amount \$'000</b>
Payables	735	0	0	735	735
Interest bearing liabilities	77	418	450	945	945
<b>Total financial liabilities</b>	<b>812</b>	<b>418</b>	<b>450</b>	<b>1,680</b>	<b>1,680</b>

<b>2015</b>	<b>Less than 1 year \$'000</b>	<b>1-5 years \$'000</b>	<b>&gt;5 years \$'000</b>	<b>Contracted Cash Flow \$'000</b>	<b>Carrying Amount \$'000</b>
Payables	569	0	0	569	569
Interest bearing liabilities	94	416	285	795	795
<b>Total financial liabilities</b>	<b>663</b>	<b>416</b>	<b>285</b>	<b>1,364</b>	<b>1,364</b>

**(f) 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.

- A parallel shift of + 1% and -0.5% in market interest rates.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**33. FINANCIAL INSTRUMENTS (CONTINUED)**

**(f) Sensitivity disclosure analysis (continued)**

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.

2016	Interest rate risk			
	+1%		-0.5 %	
	+100 basis points		-50 basis points	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Financial assets:</b>				
Cash and cash equivalents	88	88	(44)	(44)
Receivables	8	8	(4)	(4)
<b>Financial liabilities:</b>				
Interest bearing liabilities	(10)	(10)	5	5

2015	Interest rate risk			
	+1%		-0.5 %	
	+100 basis points		-50 basis points	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Financial assets:</b>				
Cash and cash equivalents	102	102	(51)	(51)
Receivables	10	10	(5)	(5)
<b>Financial liabilities:</b>				
Interest bearing liabilities	(8)	(8)	4	4



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**33. FINANCIAL INSTRUMENTS (CONTINUED)**

**(g) Fair Value Hierarchy**

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (ie prices) or indirectly (ie derived from prices)
Level 3	inputs for the asset or liability that are not based on observable market data.

<b>2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Available for sale financial assets	0	0	11,968	11,968

<b>2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Available for sale financial assets	0	0	11,768	11,768

<b>Reconciliation of Level 3 Fair Value Movements</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance</b>	11,768	11,674
Gains (losses) recognised in other comprehensive income:		
Change in fair value of investment in Water Corporation	200	94
<b>Closing balance</b>	11,968	11,768

**34. EVENTS OCCURRING AFTER BALANCE DATE**

Nil.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**35. INVESTMENTS IN SUBSIDIARIES**

**(a) Heritage Education & Skills Centre Pty Ltd**

Heritage Education & Skills Centre Pty Ltd (HESC) is a small proprietary company controlled by Council and is not a reporting entity.

The following transactions were recorded for the year ended 30 June 2016. The balances disclosed, as mentioned at note 1(q), have been incorporated into Councils balances. All inter-company balances and transactions between Council and HESC have been eliminated.

	2016 \$'000	2015 \$'000
<b>Statement of Comprehensive Income</b>		
Revenue	150	106
Expenses	(90)	(46)
<b>Total Comprehensive Income for the Year</b>	<u>60</u>	<u>60</u>
<b>Statement of Financial Position</b>		
Assets	157	97
Liabilities	(62)	(62)
<b>Total Equity</b>	<u>95</u>	<u>35</u>

**(b) Heritage Building Solutions Pty Ltd**

Heritage Building Solutions Pty Ltd (HBS) is a small proprietary company wholly owned by Council and is not a reporting entity.

The following transactions were recorded for the year ended 30 June 2016. The balances disclosed, as mentioned at note 1(q), have been incorporated into Councils balances. All inter-company balances and transactions between Council and HBS have been eliminated.

	2016 \$'000	2015 \$'000
<b>Statement of Comprehensive Income</b>		
Revenue	755	806
Expenses	(709)	(762)
<b>Total Comprehensive Income for the Year</b>	<u>46</u>	<u>44</u>
<b>Statement of Financial Position</b>		
Assets	340	329
Liabilities	(312)	(347)
<b>Total Equity</b>	<u>28</u>	<u>(18)</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS  
30 June 2016

36. MANAGEMENT INDICATORS

	Benchmark	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
<b>(a) Underlying surplus or deficit</b>					
Recurrent income* less recurrent expenditure		9,645	10,083	10,045	8,650
Underlying deficit	>0	(618)	67	(193)	(553)

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

The reported surplus, including the reducing level of deficit over the three previous reporting periods, is a positive indicator in terms of achieving long-term financial sustainability.

**(b) Underlying surplus ratio**

<u>Underlying surplus or deficit</u>		(618)	67	(193)	(553)
Recurrent income*		9,645	10,083	10,045	8,650
Underlying surplus ratio %	>0%	(6.4)%	0.7%	(1.9)%	(6.4)%

The underlying surplus ratio assesses overall financial operating effectiveness. The negative result in 2016 largely reflects the disposal of certain infrastructure assets during the year. If the effect of these transactions is removed the underlying surplus or deficit would have been approximately breakeven. The long term financial management plan aims to ensure a breakeven situation is maintained each financial year.

**(c) Net financial liabilities**

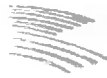
Liquid assets		9,654	11,205	8,941	9,423
Less total liabilities		2,966	2,691	2,931	2,839
Net financial assets	>0	6,688	8,514	6,010	6,584

Net financial liabilities can be used to assess whether total liabilities can be met by liquid assets. The level of net financial assets indicates that council can easily meet its liabilities from liquid assets.

**(d) Net financial liabilities ratio**

Net financial assets		6,688	8,514	6,010	6,584
Recurrent income*		9,645	10,083	10,045	8,650
Net financial liabilities ratio %	0% - (50%)	69.3%	84.4%	59.8%	76.1%

The net financial liabilities ratio indicates the extent to which net financial liabilities could be met by recurrent income. The ratios, well in excess of the benchmark, indicates a strong liquidity position.



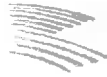
NOTES TO AND FORMING PART OF THE ACCOUNTS  
30 June 2016

36. MANAGEMENT INDICATORS (CONTINUED)

	Benchmark	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
<b>(e) Asset consumption ratio</b>					
<i>Transport Infrastructure</i>					
Depreciated replacement cost		60,164	59,575	61,159	61,642
Current replacement cost		111,533	110,382	127,356	126,359
Asset consumption ratio %	>60%	53.9%	54.0%	48.0%	48.8%
<i>Buildings</i>					
Depreciated replacement cost		11,365	10,771	10,888	10,084
Current replacement cost		19,484	18,580	18,652	12,224
Asset consumption ratio %	>60%	58.3%	58.0%	58.7%	82.5%
<i>Stormwater</i>					
Depreciated replacement cost		3,865	2,074	2,040	1,694
Current replacement cost		5,172	3,402	3,432	2,769
Asset consumption ratio %	>60%	74.7%	61.0%	59.4%	61.2%

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 available 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 within council's long-term financial management strategy and plan.



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**36. MANAGEMENT INDICATORS (CONTINUED)**

		<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(f) Asset renewal funding ratio</b>					
<i>Transport Infrastructure</i>					
Projected capital funding outlays		24,124	23,137	23,022	26,940
Projected capital expenditure funding		16,814	26,887	17,813	19,792
Asset renewal funding ratio %	90-100%	143.5%	86.0%	129.2%	136.1%
<i>Buildings</i>					
Projected capital funding outlays		2,527	2,758	2,502	2,780
Projected capital expenditure funding		2,527	2,758	1,627	1,808
Asset renewal funding ratio %	90-100%	100.0%	100.0%	153.8%	153.8%
<i>Stormwater</i>					
Projected capital funding outlays		410	437	405	450
Projected capital expenditure funding		410	169	324	360
Asset renewal funding ratio %	90-100%	100.0%	258.6%	125.0%	125.0%

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.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
30 June 2016

36. MANAGEMENT INDICATORS (CONTINUED)

		2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
<b>(g) Asset sustainability ratio</b>					
Capex renewal of existing assets		3,666	2,076	1,520	1,927
Annual depreciation expense		2,792	2,547	2,746	2,655
Asset sustainability ratio %	100%	131.3%	81.5%	55.4%	72.6%
	Capital renewal expenditure		Capital new /upgrade expenditure		Total Capital Expenditure
		<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
Land		0		47	47
Roads		1,608		192	1,800
Bridges		1,167		0	1,167
Stormwater		50		6	56
Buildings		61		754	815
Waste Management		4		2	6
Office Furniture & Equipment		28		0	28
Intangibles		28		0	28
Other plant and equipment		720		0	720
<b>Total</b>		<u>3,666</u>		<u>1,001</u>	<u>4,667</u>

The asset sustainability 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 AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**37. FAIR VALUE MEASUREMENTS**

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

- Investment in water corporation
- Land
- Buildings
- Infrastructure assets – roads, bridges and stormwater

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

(a) Fair Value Hierarchy

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

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

The tables below shows the assigned level for each asset and liability held at fair value by the Council.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

As at 30 June 2016

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements				
Land (including Land under roads)	14	0	4,510	2,979
Buildings	15	0	0	11,365
Roads	19	0	0	43,118
Bridges	19	0	0	17,046
Stormwater	19	0	0	3,865
		0	4,510	78,373



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

**37. FAIR VALUE MEASUREMENTS (CONTINUED)**

As at 30 June 2015

Recurring fair value measurements	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land	14	0	4,465	2,979
Buildings	15	0	0	10,771
Roads	19	0	0	43,540
Bridges	19	0	0	16,035
Stormwater	19	0	0	2,074
		0	4,465	75,399

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**

All assets valued at fair value in this note are being used for their highest and best use.

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

Council has reviewed each valuation to ensure compliance with the requirements of the standard. There have been no changes in valuation techniques as a result of this review.

**Land**

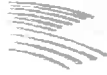
Land fair values, excluding Land under roads, were determined by the Valuer-General effective 1 July 2014. The most significant input into this valuation approach is price per square metre.

The valuation of Land under roads is based on the unit rate per square metre provided by the Valuer-General. This rate is multiplied by the area of the land under roads which is held in Council's asset management system.

**Buildings**

The fair value of buildings have been determined on the basis of replacement with a new asset having similar service potential as at 1 July 2013. The gross current values have been derived from unit rates 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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
30 June 2016

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**37. FAIR VALUE MEASUREMENTS (CONTINUED)**

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

**Infrastructure assets**

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

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

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

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

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 and then further sub-categorises these based on an assessment of vehicle movements and social and economic importance. All road segments are then componentised into formation, pavement, sub-pavement and seal. 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.

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
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**37. FAIR VALUE MEASUREMENTS (CONTINUED)**

***Bridges***

A full valuation of bridges assets was undertaken by independent valuers, Auspan, effective June 2016. 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***

A full valuation of stormwater infrastructure was undertaken by Brighton Municipal Council's Engineer effective 1 July 2015. 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.

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in notes 19 and 22.

(f) Valuation processes

Council's current policy for the valuation of land, buildings, infrastructure assets and investment in water corporation (recurring fair value measurements) is set out in note 1(d) and 1(i) respectively.

(g) 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. (refer note 33)

The fair value of borrowings disclosed in note 33 equates to the carrying amount as the carrying amount approximates fair value (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)

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
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**38. SIGNIFICANT BUSINESS ACTIVITIES**

The Southern Midlands Council has considered the need to identify and report on significant business activities for the purposes of ensuring competitive neutrality. Specifically, it has reviewed the document entitled '*National Competition Policy: Applying the Principles to Local Government in Tasmania, December 2013.*'

Council has assessed each of its business activities in terms of significance. Given the nature of each activity and taking into account the contestability of the market, Council has determined that it does not have any significant business activities which would therefore require separate disclosure to ensure compliance with competitive neutrality principles.

**39. CONTINGENCIES**

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

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