



ANNUAL REPORT

2016/2017

SOUTHERN
MIDLANDS
COUNCIL





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Front Cover:
Parterre Garden taken from Callington Mill (photo courtesy of D Hill)

Photos:
Photos within this Annual Report courtesy of A Benson & SMC Heritage & Collections

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.

CONTENTS

Contents	4
Introduction.....	7
The Year in Review.....	7
Overview	10
General Manager.....	10
Council Committee Structure	12
Organisational Charts.....	15
Statistics 2016/17	17
INFRASTRUCTURE	20
Roads	21
Bridges.....	23
Walkways, Cycle Ways & Trails.....	25
Lighting.....	26
Buildings	27
Sewers	28
Water.....	29
Irrigation	30
Drainage.....	31
Waste	32
Information, Communication Technology	33
GROWTH	34
Residential	35
Tourism.....	36
Business	38
Industry.....	39
Integration.....	40

CONTENTS

LANDSCAPES	41
Heritage	42
Natural	44
Cultural.....	47
Regulatory	49
Climate Change	51
LIFESTYLE.....	52
Community Health & Wellbeing	53
Youth	54
Seniors	56
Children & Families	57
Volunteers.....	59
Access.....	61
Public Health.....	62
Recreation.....	64
Animals.....	66
Education	67
COMMUNITY	68
Retention	69
Capacity & Sustainability	70
Safety	72
Consultation & Communication.....	73
ORGANISATION.....	74
Improvement	75
Sustainability.....	76
Finances.....	79

CONTENTS

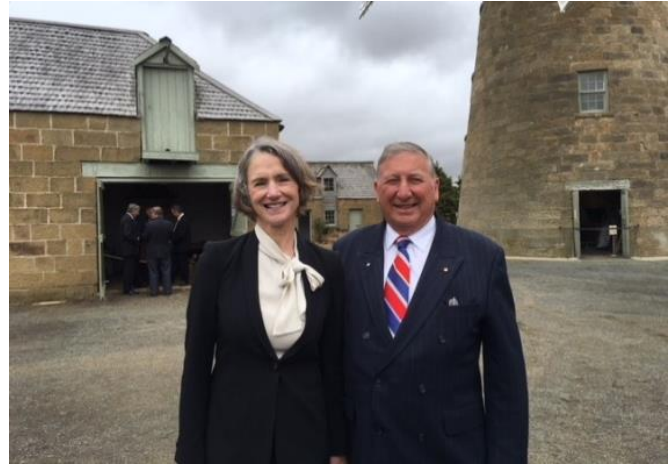
Reporting on Legislative Requirements	80
Reporting on 2016/17 Donations & Grants	85
2016/17 Financial Statements.....	87

INTRODUCTION

THE YEAR IN REVIEW

I am pleased to report that the Southern Midlands Council has had another positive year for 2016/17 with many achievements.

A key highlight was the announcement that the Australian Government had committed \$1.5 million as a contribution to the construction of the new Aquatic Centre at Oatlands. This announcement was followed by an allocation of \$2.0 million by the Tasmanian Liberal Government in its 2017/18 Budget which will be paid over a three year period.



Mayor Tony Bisdee OAM with Her Excellency Professor the Honourable Kate Warner AC on a visit to Oatlands in March 2017

This funding success followed considerable lobbying of current Federal and State Ministers and has resulted in the largest ever single purpose grant allocation being made to the Southern Midlands Council. This has enabled Council to progress with the preparation of revised plans and specifications with the aim of securing development approval and calling for construction tenders in the first half of 2018.

Council was also successful in other grant submissions through the State Government Community Infrastructure Fund, including:-

- \$50,000 – Lake Dulverton/Esplanade toilet facilities upgrade
- \$29,628 – Memorial Avenue, Kempton
- \$23,500 – Chauncy Vale Wildlife Sanctuary infrastructure improvements
- \$12,090 – Mangalore Recreation Ground storage
- \$ 4,900 – Oatlands Community Shed

It should also be noted that the Colebrook Progress Association received \$48,000 to upgrade the kitchen at the Colebrook Hall and the Broadmarsh / Elderslie Progress Association were granted \$40,000.

I congratulate and thank the Council staff for preparing these quality applications. External grant funding is extremely important and valuable and permits Council to progress some of these infrastructure related projects.

From a policy perspective, the Southern Midlands Council also supported the great majority of Tasmanian Councils in opposing the proposed take-over of TasWater by the State Government (as proposed by the State Treasurer). Should this have taken place, following a seven-year preservation period where annual dividends payable to owner Councils were guaranteed, dividends from the Corporation would have dramatically been reduced. This, combined with an extra \$590 million of borrowing proposed by the State Government, would have severely impacted upon customers of TasWater. This recognises that such huge borrowing must be serviced and repaid at some stage. Under the current structure, Council will continue to receive a dividend from TasWater in recognition of the investment made by communities over many decades. This dividend is reinvested back into community facilities and services.

In collaboration with the Central Highlands Council, a considerable amount of time and resources is being dedicated to finding a replacement Doctor following advice from Dr G Booth that he would be ceasing general practice effective from 19th October 2016. Council also continues to investigate the feasibility and sustainability of providing medical and associated services from a facility located in the Kempton/Bagdad area.

Also from a policy perspective, Council fully supported the Bagdad Childcare Centre and various other interest groups, including Early Childhood Australia, in opposing the lowering of the school entry age as proposed in the Education Bill 2016. This campaign resulted in the State Government removing this requirement from the Bill.

I am pleased to report that Council continues to invest considerable funds in our local road network. Major works have included:-

- \$630,000 – re-sheeting of gravel roads
- \$585,000 – re-sealing sealed roads
- \$159,000 – completion of the Green Valley Road widening, reconstruction and reseal
- \$69,200 – Stonor Road widening
- \$109,000 – Eldon Road - extending the seal
- \$185,000 – Yarlington Road realignment
- \$197,000 – realignment of the Lovely Banks Road/Mudwalls Road junction
- \$89,000 – Lower Marshes Road, Jericho - extending the seal

A number of bridges were either replaced (or contracts awarded) during the financial year, including:-

- Reynolds Road and Link Road Bridges, Eldon – combined contract of \$195,000
- Grahams Creek Road and Noyes Road Bridges – combined contract of \$65,162
- Bellevale Road Bridge, Lower Marshes - \$325,340

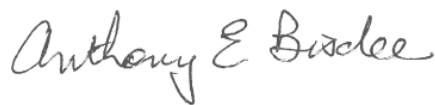
Other major infrastructure projects were:

- \$78,000 – construction of new footpath, southern end of Reeve Street, Campania
- \$27,000 – upgrading footpaths in various locations in the municipal area
- \$182,000 – restoration of the Commissariat at Oatlands
- \$186,000 – various Sport and Recreation projects

The extent of development that has taken place across the municipal area is also very pleasing, the least of which being the approval of a major Development Application at 26 Main Road, Kempton (Dysart House) which was for a change of use to a Distillery and associated building works by Redlands Distillery.

It has certainly been a very busy and productive year for the overall benefit of all Southern Midlands ratepayers. In conclusion I wish to congratulate and thank all Southern Midlands Council staff for their individual and collective contributions to the success of the past year and to their dedication to strive for positive outcomes for all Southern Midlands ratepayers.

The year ahead includes a number of challenges but I am very confident we can address these issues and opportunities with determination to resolve with a positive outcome.

A handwritten signature in cursive script that reads "Anthony E Bisdee".

Clr A E Bisdee OAM
MAYOR

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 2016/17 reporting period.

The format of the Annual Report is consistent with the respective Strategic Themes contained in Council's Strategic Plan:

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

In reference to the accompanying Financial Statements, it is pleasing to advise that Council has been able to report an underlying surplus of \$22,000 for the financial period. Whilst this amount is different to the reported 'Result from continuing operations' figure of \$3.482 million, the '**Underlying Surplus**' is an adjusted figure that is the recurrent (not including income received specifically for new or upgraded assets, physical resources received free of charge of other income of a capital nature) of a council for a financial year less the recurrent expenses of the council for a current year.

During the 2016/17 financial year, Council undertook \$2.87 million in Capital expenditure. Of this amount, approximately \$1.81 million was spent on renewal of assets (as opposed to new assets), noting that a significant percentage of the balance was expended on the upgrade of existing assets, as opposed to just renewal.

The Southern Midlands Council, and local government in general, continues to address a diverse range of issues. This is partly due to a growing community demand for services and improved facilities, but also due to the State Government's legislative reform agenda and other

external influences. The diversity of issues is evidenced by the commentary included in this Annual Report. The following is a brief list of issues which immediately come to my mind:

- New Building Act and associated Regulations;
- Tasmanian Planning Scheme and the draft State Planning provisions;
- Local Government structural reform (including a greater emphasis on sharing of resources);
- Waste Management;
- Dog Management;
- Review of the *Local Government Act 1993*, including Councillors Code of Conduct; and
- Provision of health services.

Whilst Council is certainly committed to further developing its capability and ability to service the community, a key consideration must be the overall financial capacity of our ratepayers and the limited opportunities to source external funding.



In closing, I would like to express my appreciation to the Mayor and Councillors for their support and assistance during the past twelve months and I certainly thank the staff for their continued hard work and dedication during the year.

We look forward to working further with the community to enhance and develop the Southern Midlands Council area.

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

Tim Kirkwood
GENERAL MANAGER

COUNCIL COMMITTEE STRUCTURE

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



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
- ◆ Southern Tas Councils Authority Waste Committee
- ◆ Arts Advisory Committee (Proxy)
- ◆ Oatlands Aquatic Centre 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 Panel
- ◆ Southern Midlands Facilities & Recreation Committee
- ◆ Arts Advisory Committee (Chair)
- ◆ Midlands Economic Development and Land Use Strategy (MEDaLS) - Implementation Committee

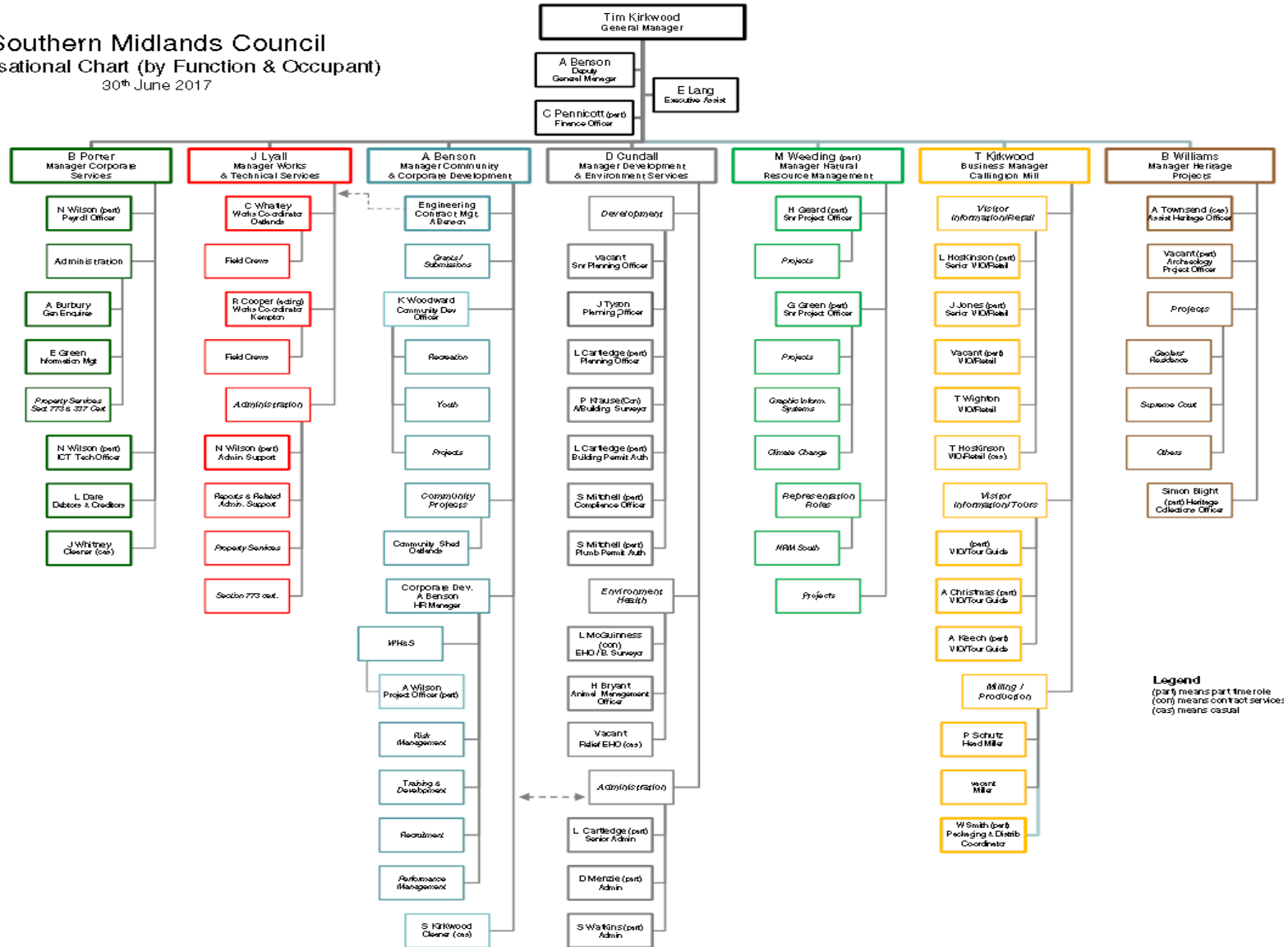


Councillor
David Marshall

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

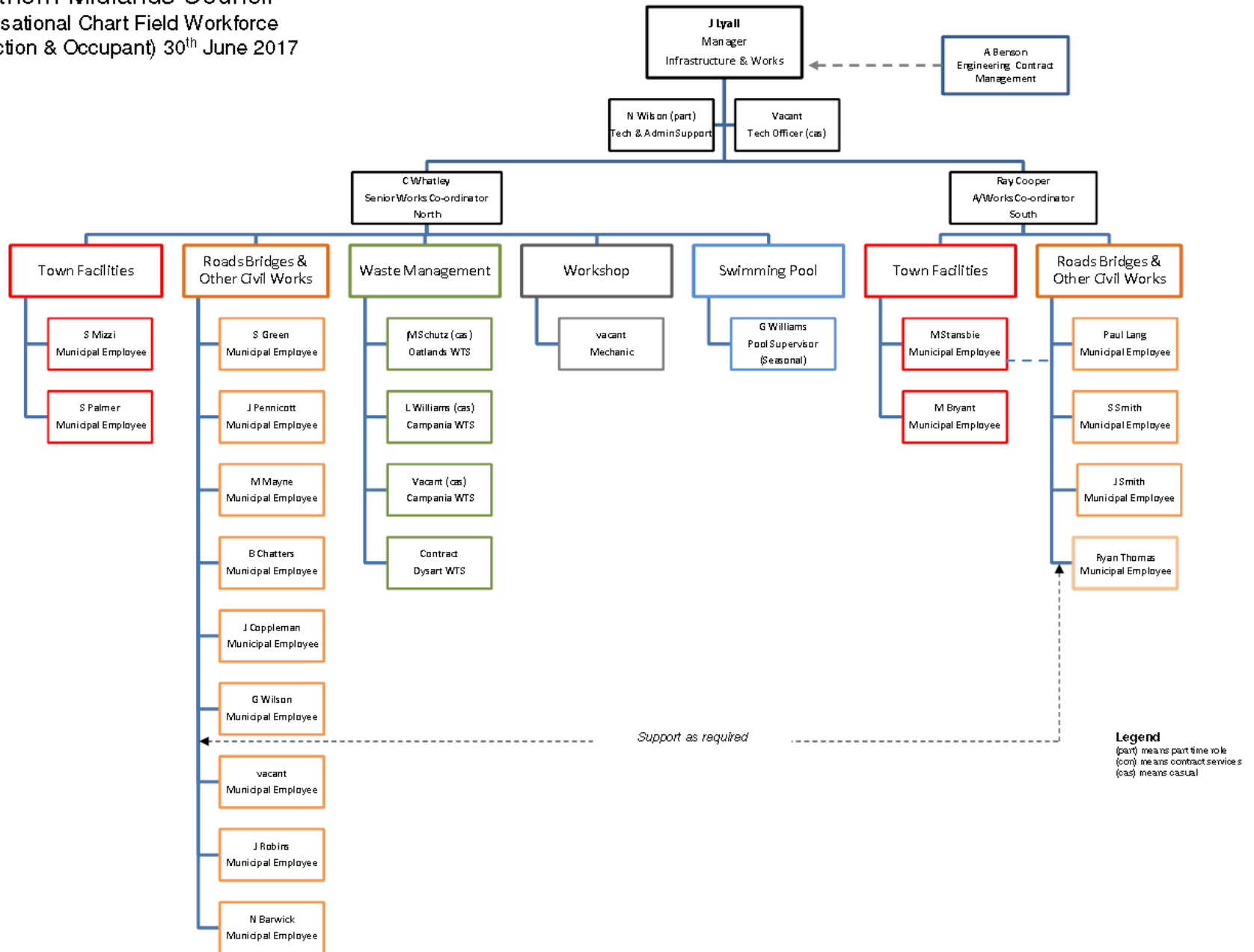
ORGANISATIONAL CHARTS

Southern Midlands Council
Organisational Chart (by Function & Occupant)
30th June 2017



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

Southern Midlands Council
 Organisational Chart Field Workforce
 (by Function & Occupant) 30th June 2017



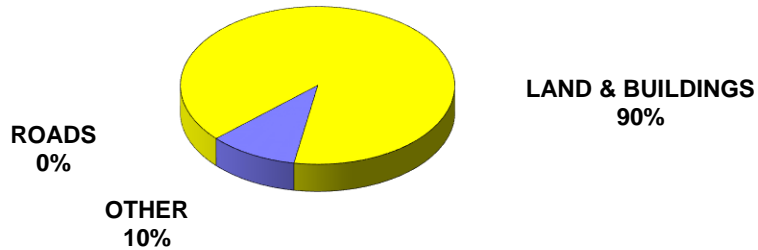
Legend
 (part) means part time role
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STATISTICS 2016/17

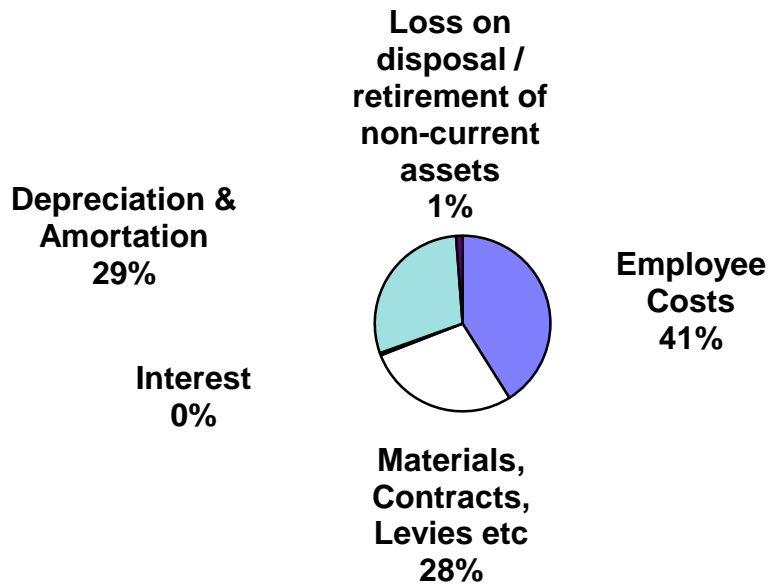
LOAN DEBT BY TYPE

as at 30th June, 2017

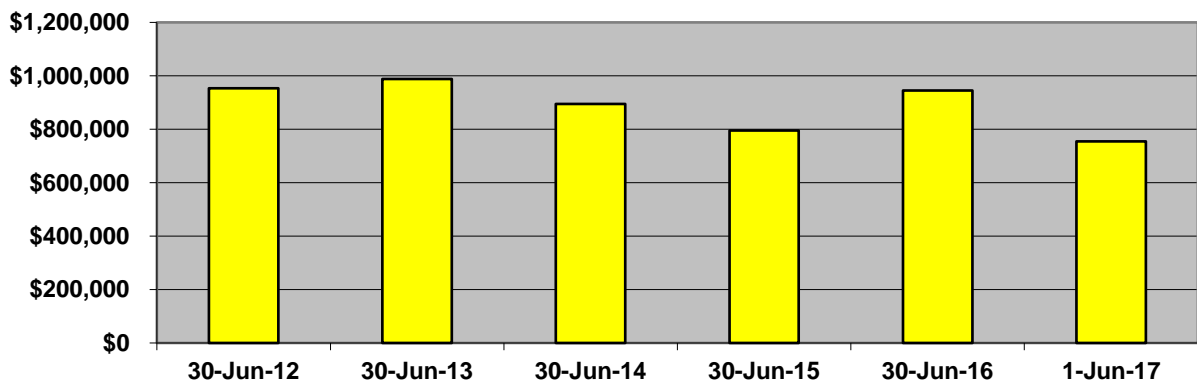
Total Debt \$754,438



ANALYSIS OF EXPENSES

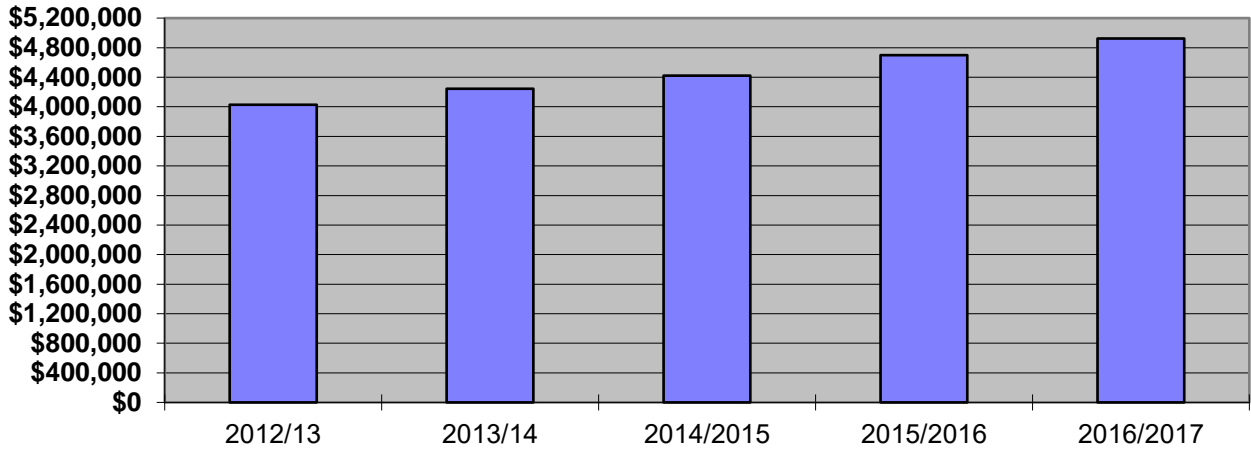


TOTAL LOAN DEBT - TREND

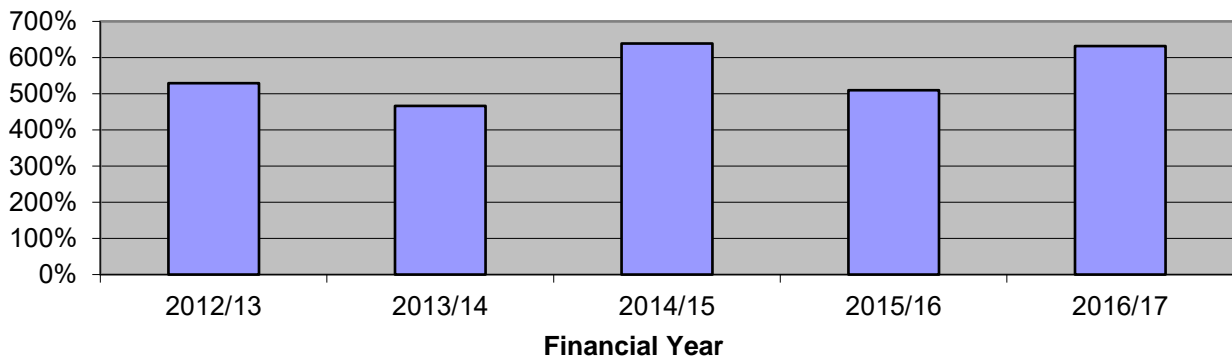


STATISTICS 2016/17

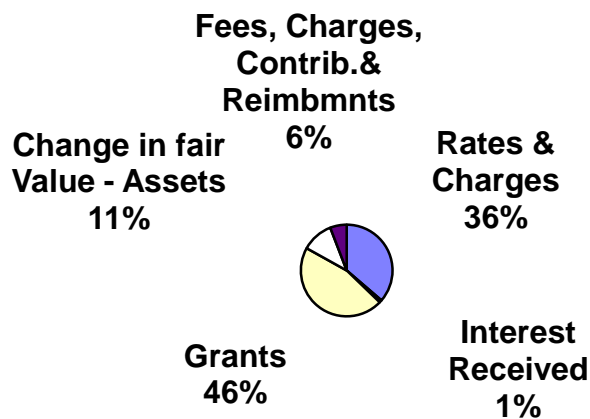
TOTAL RATES LEVIED - TREND



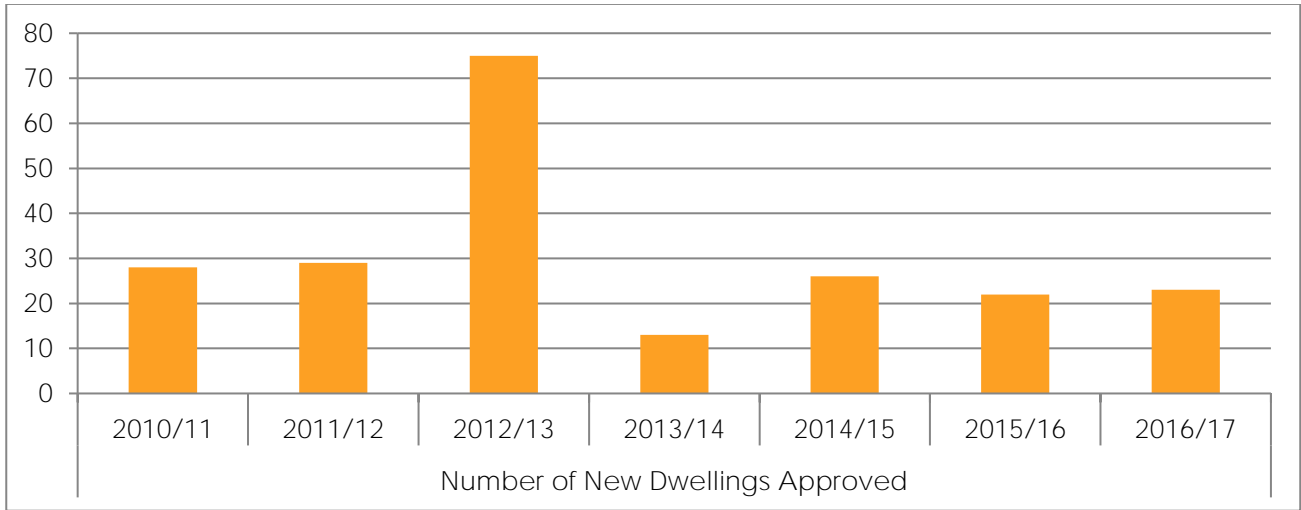
LIQUIDITY RATIO



ANALYSIS OF REVENUE



STATISTICS 2016/17



INFRASTRUCTURE

Investing in Our Infrastructure – *Your Rates at Work*

Mud Walls Road/Lovely Banks Road Junction Redesign



Looking east from Lovely Banks Road

Yarlington Road Reconstruction at Colebrook



*Looking East along Yarlington Road
(during construction)*



*Looking West along Yarlington Road
(completed works)*

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

2016-17 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

Road projects, totaling \$1,522,118 were capitalised at the end of the 2016-17 financial year. These included:

- \$505K on re-sheeting unsealed roads;
- \$766K on reconstruction and resealing roads – *Inglewood Road, Andover; Reeve Street/ Clime Street Junction, Campania; Esplanade, Oatlands; Stonor Road, Stonor; Woodsdale Road, Woodsdale; Green Valley Road, Bagdad; Ely Street, Dysart; Eldon Road, Colebrook; Rekuna Road, Tea Tree; Glenelg Street, Oatlands; Lower Marshes Road, Jericho; Bluff Road, Elderslie; Main Road/Lowes Street, Tunbridge and Church Street, Oatlands.*
- \$251K on other road safety improvements, including corner widening, and installation of safety upgrades and railing.

In addition to the above, significant funds had been expended on the realignment of Yarlington Road at Colebrook, and realignment of the Lovely Banks Road and Colebrook Main Road junction. Both these projects will be completed in the early part of the 2017-18 period.

This level of 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

ROADS

Recovery is to contribute to the Infrastructure Investment Program through supporting maintenance of the nation's local road infrastructure asset, which facilitates greater access for Australians and improved safety, economic and social outcomes. The Roads to Recovery program does not contain a sunset clause under the new *National Land Transport Act 2014* meaning no new legislation will be required for the continuation of the program.

From 2014-15 to 2018-19 the Southern Midlands Council will receive a total of \$4,019,596, of which \$1.046 million was received in 2016-17.

An application was submitted under the Australian Government's Black Spot Road Programme to secure funds for the Sugarloaf Road / Cliftonvale Road junction upgrade. Engineers, in conjunction with Road Safety consultants identified the preferred design which was also influenced by community input and feedback. Unfortunately, the application was unsuccessful.

As a road safety measure, Council fully supported the Colebrook community to seek a reduction in speed limit through the township. The Department of State Growth has approved a reduction to 50 klm per hour, consistent with the community's desire to make the village a safer space.

In relation to the Midland Highway, and as part of the Department of State Growth's 10 Year Action Plan, Council approved the following development applications relative to the Plan:

- Safety Upgrade at Mangalore
- Safety Upgrade - St Peters Pass to south of Tunbridge
- Safety Upgrade – Spring Hill

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

2016-17 ACHIEVEMENTS

There are 152 bridges and major culverts within the municipal area, with a total deck area of 8,252 m².

\$33,928 (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 further \$53,784, which was primarily contract retention monies, was spent on Bridge replacement projects which were completed in 2015/16.

Council awarded the following Bridge Tenders during 2016/17:

- Design and construction of the Reynolds Road Bridge (over Burns Creek), Eldon and the Link Road Bridge (over Craighourne Creek), Eldon
Combined tenders for the total sum of \$195,963 (excl. GST)
- Design, manufacture and supply of two precast concrete bridge decks to replace existing timber decks for the Grahams Creek Bridge and the Noyes Road Bridge
Combined tenders for the sum of \$65,162 (excl. GST)
- Design and construction of the Bellevalle Road Bridge (over Jordan River), Lower Marshes
\$325,340 (excl. GST)

The net value of Council's bridges as at 30 June 2017 was \$17.574 million.

BRIDGES

Grahams Creek Road Bridge (existing structure)



Noyes Road Bridge (existing structure)

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

2016-17 ACHIEVEMENTS

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

A total of \$90,293 was spent on capital projects in 2016/17, which included:

- Reeve Street, Campania \$69,620
- Church Street, Oatlands \$12,671
- Main Road, Tunbridge \$ 8,002

In addition to the capital expenditure, \$190,183 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area.

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.

2016-17 ACHIEVEMENTS

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

An amount of \$80,281 was paid to Aurora Energy in 2016/17 for street lighting. This is a substantial reduction compared to the previous financial year. It is due to a new combined contract being entered into between Councils and Aurora Energy. Contract negotiations for the supply of energy for unmetered public lighting was facilitated and coordinated by the Local Government Association of Tasmania. .

Council is also to consider undertaking a business case to determine the value of council investing in LED street lighting. The business case will assess the viability of an energy efficient street lighting changeover.

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.

2016-17 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 \$22.365 million, with a current written down value of \$12.224 million.

A total of \$181,398 was spent on Capital Projects in 2016/17, which included:

- Levendale Community Centre - \$1,996
- Oatlands Heritage Signage - \$2,638
- Callington Mill – Heritage Garden - \$12,083
- Callington Mill- Blacksmith Project - \$10,638
- Roche Hall Improvements - \$31,708
- Colebrook Recreation Ground Improvements - \$100,274
- Callington Mill – Entry Gate - \$2,089
- Swimming Pool Auto Cleaner - \$11,990
- Tunnack Recreation Ground BBQ & Shelter - \$7,588

Council completed the transfer of the former Levendale School from the Department of Education (DoE) to Council. Council has entered into an agreement with the Regional Community Learning & Development Centre – Levendale Inc. in respect of the site.

Following a review of the Building Asset Register by Council, the property referred to as the ‘Maher’s Point Cottage’ was identified as being surplus to requirements. The property was offered for sale, following completion of a boundary adjustment, and sold through a tender process.

Council continued with its program ensure that all buildings 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.

A lease arrangement was negotiated with the Brighton Green Ponds RSL to take on responsibility for managing the Victoria Memorial Hall at Kempton.

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.

2016-17 ACHIEVEMENTS

At 30 June 2017, 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 \$78,514 to \$12.047 million.

\$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.

2016-17 ACHIEVEMENTS

Refer above comments – Sewers Program.

Specifically in relation to the Colebrook township, TasWater held a community briefing to inform the community of plans that have been developed to upgrade the Colebrook Township water supply. A preferred solution has been adopted followed TasWater's assessment of a range of options to provide a reliable and quality water supply.

From a policy perspective, the Southern Midlands Council rejects the takeover proposal by the State Government for the following reasons:

- i) The underlying premise for the change is a crisis that does not exist;
- ii) Customers and ratepayers will ultimately be worse off under the Treasurer's Plan;
- iii) The cost of the three year acceleration at \$590M in additional debt and \$160M transferred from other sectors is not warranted and will unnecessarily divert monies to water and sewerage which are better invested elsewhere;
- iv) Council would only be receiving what it would receive under the current TasWater Plan with no upside post the end of the 10 year plan period and no recognition of the investment made by communities over many decades;
- v) The deal is subject to the vagaries of future political cycles.

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.

2016-17 ACHIEVEMENTS

The Midlands Water Scheme continues to provide further opportunity for landholders to diversify into new agricultural production enterprises, as well as increasing yield production from existing crop types. It is the largest scheme operating in Tasmania. There is a Landholder Irrigator Representative Group involved with the scheme. Council has representation on this group with one staff officer available for all Midlands Water Scheme matters and meetings as they arise. It remains imperative that the annual water fees remain affordable each year, as the costs vary from year to year. This is one of the roles of the group to ensure that this remains the case. It is a complex scheme in terms of the overall management of the many areas that the water is distributed to.

The full allocation of water from the Midlands Water Scheme was delivered into Lake Dulverton over the 2016/17 year.

The Mt Pleasant Recreation Ground underground watering irrigation system installed in September/ November 2015 continues to provide many benefits to the overall standard of the ground surface. The water is delivered through the Midlands Water Scheme.

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.

2016-17 ACHIEVEMENTS

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).

Stormwater Mapping

As a component of Council's *Stormwater Strategy 2016* Council continues to update its asset register and mapping of stormwater infrastructure. This in turn assists Council and the community in maintenance and provides clearer pathways for new development.

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

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

WASTE

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.

2016-17 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 resulting in the production of a Waste Management Strategy and association Action Plan. This was endorsed by Council in August 2016. The Action Plan includes a number of actions and recommendations that are currently being addressed.

The Southern Waste Strategy Authority (SWSA), which included representatives from all 12 southern Tasmanian Councils, was wound up in July 2016.

From that date, regional waste management activities and reform is now 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.

2016-17 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, Kempton, Bagdad/Mangalore and Campania areas.

Regular contact has been maintained with the Telstra Countrywide Area General Manager and other Telstra personnel.

The Area General Manager attended Council Meetings on two occasions to discuss various items of concern regarding Telstra coverage within the Southern Midlands.

Photo: Mayor Tony Bisdee OAM with Telstra Countrywide Area General Manager and Telstra Community Engagement Specialist

Some recent upgrades and initiatives carried out by Telstra in the municipality include:-

- A new tower installed at Whitefoord to improve mobile black spot coverage.
- A small 4G base tower is soon to be installed at Oatlands; this will assist with current issues surrounding mobile phone coverage.
- Bagdad coverage to be rectified; technicians have inspected the current antenna which was reducing performance in that area by 10-15%. A new antenna is being installed to improve coverage in the Bagdad area.

Council entered into a lease with Vodafone Hutchinson Aust. Which will see the construction of a new telecommunications tower on Council owned land at Campania.

GROWTH



Oatlands transformed for filming of 'The Nightingale'

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'.

2016-17 ACHIEVEMENTS

Residential Land Supply

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

The southern settlements of Bagdad, Mangalore, Kempton and Campania continue to see the majority of residential growth and uptake of affordable residential land for new dwellings. Records show 60% of dwellings approved in the 2016/17 financial year were in these southern settlements. Campania alone accounted for 30% of all dwellings approved in this period in Southern Midlands. Based on this 12 month demand Campania still has sufficient supply of residentially zoned land for the next 10-15 years. This does not account for land identified for potential future rezoning through the *Campania Structure Plan 2015*.

Council continues to cooperate with developers and service providers to ensure that development is both consistent with local strategic planning and regional strategic planning and ultimately increase and encourage population growth in the small townships and villages.

Planning Innovation

Council represented Southern Midland's interests in the preparation of the State Planning Provisions as part of the Tasmanian Planning Scheme. Council through representations and submissions to the Tasmanian Planning Commission continue to ensure the unique local values of the Southern Midlands are recognised in the State planning reform. Council seeks to ensure a balance between rural and agricultural land use whilst encouraging population growth in the settlements and residential areas.

The inclusion of local values in the Tasmanian Planning Scheme will materialise as the Local Provisions Schedule which should be ready for exhibition in early 2018.

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.

2016-17 ACHIEVEMENTS

A review of the Tasmanian Visitor Survey Data Reports for the 2016/17 period¹ provides the following statistics for Oatlands:

- An overall increase in visitation of 14.6% (compares to a statewide average increase of 8.7%);
- An increase in the number of visitors that passed through of 30.8%; and
- An increase in the number of visitors that actually stopped and looked of 2.30%;
- An increase in the number of overnight stays of 2.7% (this follows a substantial increase of 36% in the number of overnight stays the previous year). Again, this may possibly due to the level of construction activity occurring within the southern midlands. The average stay increased to 5 nights, where this has been constant at 1.7 nights for the previous two years.

Approximately 33,000 visitors were recorded through the Callington Mill Visitor Centre during 2016/17 which represents an approximate 10% decrease. However, income received through the Visitor Centre, including sale of flour product, was constant at approximately \$318K.

Council continues to support the Heritage Highway Tourism Region Association and provided a contribution of \$12,000 in 2016-17. 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.

¹ www.tvsanalyser.com.au

TOURISM

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.

The proposed large tourism accommodation facility in Oatlands, which was identified in the Midlands Economic Development and Land use Strategy project as being a key missing element in the area's tourism infrastructure, is an ongoing project for Council with the aim of attracting private investment in such a facility.

A highly successful 'Heritage Weekend' was held at Oatlands on 6-7 August 2016. This special event included a wide range of activities which attracted a large number of visitors. Approximately \$12,000 was raised for the Midlands Multi-Purpose Health Centre.

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

2016-17 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.

Please refer to Note 3.10 'Investment in subsidiaries' in the Financial Statements which provide a summary of transaction for each of the entities for the current and prior financial years.

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.

2016-17 ACHIEVEMENTS

See comments provided under "Irrigation" Program (*page 30*).

Late in the 2016/2017 year Council committed to the employment of a dedicated Weeds Officer for the 2017 / 2018 financial year. There is to be an emphasis on ensuring high priority weeds, particularly in the agricultural areas, are better understood and managed by landholders/ property owners and the wider community. The new position is to be filled early in the next financial year.

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.

2016-17 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.

A number of initiatives, outlined in the strategy were furthered during the 2016/2017 year, particularly through the advancement of the Tasmanian Planning Scheme, they are:

- To ensure the Scheme has scope to re-enforce 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.

Finalised the Southern Midlands Interim Planning Scheme 2015

The Interim Planning Scheme, which came into effect in September 2015, was finalised during this period. Hearings into the planning scheme were completed at the Tasmanian Planning Commission in July-August 2016 which resulted in a number of urgent amendments. Such amendments were made to the scheme in response to the submissions received during the statutory exhibition of the scheme.

LANDSCAPES



Shopping from yesteryear at E. McKay's bakery at Kempton
The McKay family operated the bakery at several locations in Kempton from the late 1850s until the 1980s.
Photo credit: Tasmanian Archive & Heritage Office

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.

2016-17 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. A grant was gained to improve access to these buildings via a self-guided 'swipe-card' access system to be installed by the end of 2017.
- Works commenced on the full restoration of the Oatlands Commissariat and 79 High Street as part of a Commonwealth Government *National Stronger Regions Fund* project. Expected completion early-mid 2018.
- Further development 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.
- Funding confirmed for the Oatlands Swimming Pool relocation. Planning for site rehabilitation of the Oatlands Gaol to commence in 2018.
- Continued strong association with the Centre for Heritage at Oatlands.
- Staging of several public heritage events in conjunction with the National Trust Heritage Festival and other state/national programs. Associated media liaison for such projects.
- Promotion of collection material, heritage projects and events through social media including Facebook and Instagram
- Management of Council's heritage collections, including archival rehousing and databasing, input of Southern Midlands data into the Tasmanian Decorated Interiors Database, migration of SMC heritage collection to the National Library of Australia Trove website and digitisation of collection material from the SMC heritage and archeological collection
- Ongoing promotion of Southern Midlands heritage through talks, presentations and media events.

HERITAGE

- Supervision of an active volunteer program which engages community groups where possible (e.g. work with the Kempton RSL with the Victoria Hall interpretation project).
- Liaison with Government departments such as the Department of State Growth to ensure appropriate recognition and protection of historic heritage assets in the major projects process.
- Review of achievements against the Southern Midlands Historic Heritage Strategy 2014-18.
- Heritage Projects Program staff continue to have a role in a range of Council committees (e.g. Arts Advisory Group, Memorial Avenues etc.) to promote the heritage of the region in a range of initiatives.

The physical 'flagship' project of the Heritage Projects Program is the Oatlands Commissariat and 79 High Street, upon which work has commenced with the re-shingling of the roof of 79 High Street and structural stabilisation works to the commissariat are underway. The shingled roof project aims to highlight this once common building material which is becoming a 'dying art' in Tasmania and this project will demonstrate the feasibility of retaining these skills on important heritage projects.

During 2016/17 a key focus of the Heritage Projects Program is to seek to enhance the access and use to heritage buildings through design and installations of various interpretation initiatives and the imminent installation of access control systems to promote secure access to buildings. There has been great success in the developed the Artist in Residence policy (now endorsed) which has guided our development of the Artist in Residence program utilising the gaoler's residence as a base and other heritage buildings for production and exhibition spaces. Artists are now required to gift a work to Council as part of their residency, and there is now a steady flow of artists-in-residence, ranging from painters to photographers and novelists. Most Artists in Residence have been strongly engaged with the community, and continue to promote Oatlands and the midlands as a destination.

Pursuant to the strategic goal of publishing annual 'monograph' style books centred on the history of the southern midlands, extensive research has begun into criminal cases heard at the Oatlands Supreme Court House between 1829 and 1861. This includes the development of a database listing the basic details of **every** case heard at sittings of the Oatlands Supreme Court. From this, individual stories will be chosen for the first monograph, *Great Crimes & Trials: Oatlands Supreme Court*, to be published 2018. There will also be considerable web content delivered by this project. It is envisaged that this first monograph will serve as a trial run; if successful, we will continue this project on an annual basis.



Oatlands Commissariat Restoration Project

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 b 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.

2016-17 ACHIEVEMENTS

There is an ongoing commitment to managing weeds on roadsides, quarries and public reserves, with a focus on gorse and broome. A wet winter in 2016 prompted significant weed infestations particularly Paterson’s Curse and thistle species across the Southern Midlands. The Southern Midlands Council reviewed the Southern Midlands Weed Management Strategy and conducted a public consultation process. The Strategy was updated to reflect current weed management priorities.

The 2002 Lake Dulverton Management Strategy assists with maintaining the long term sustainability of the Lake. The Lake Dulverton Action Plan 2013 detailed specific proposals and actions to improve the Lake and its surroundings. In late 2016, the Action Plan was reviewed and new actions for improvement added. The Plan was then distributed for public comment. The Lake Dulverton Action Plan 2017 is now being used to guide work being undertaken around the Lake.

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 commencing in 2015. A Memorandum of Understanding between Southern Midlands Council and Inland Fisheries Service was signed to formalise this arrangement. Under this memorandum, Council matches with the same allocation (215ML) of water into the Lake. During the 2016/17 financial year a total of 430ML water was placed into the Lake and this allocation ensured water levels were maintained.

Water levels in the Lake continued to be monitored weekly, in accordance with the Water Operational Plan.

NATURAL

The Lake Dulverton and Callington Park Management Committee received a funding grant from the Tasmanian Community to upgrade and improve the safety of the Dulverton Walking Track. Works were undertaken between November 2016 and May 2017 and included, gravel re-surfacing; installing solar lights; erecting a new shelter shed; installing safety railing and improving drainage.

Council's Landcare Unit works with organisations and landholders to deliver on-ground projects as opportunities arise. Landcare Officers spent time with landholders monitoring existing revegetation projects to learn more about species selection and effective planting techniques.

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 2000 native trees and associated materials to landholders in July 2016.

Chauncy Vale Wildlife Sanctuary

Extensive maintenance, improvement and restoration work has commenced at the Sanctuary.

Works include:

- Substantial repairs and renovation of 'The Interpretation Shelter';
- Restoration of part of 'The Shelter'; and
- New flashings and guttering on the "Toilet Block", including repair of tank stand and new tank.



Interpretations Shelter (*before & after*)



NATURAL



The Shelter (before & after)



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.

2016-17 ACHIEVEMENTS



The Southern Midlands Arts Advisory Committee comprises arts focused Community members and is Chaired by Cllr Edwin Batt. The Committee is guided in its activities by the SM Arts Strategy. The Committee has facilitated many wide and varied arts related events as well as supporting activities of Community organisations in the Southern Midlands. A sub group of the Committee called the Heritage Arts & Crafts Working Group; facilitated a major Heritage Arts & Crafts Day in August 2016 in partnership with the Bullock Committee. This was a great success with visitors attending the Oatlands Event from all parts of Tasmania

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

The SM Arts Advisory Committee has been working on “The Cows in the Lake” concept plan with local artists Folko Kooper and Maureen Craig. This is a piece of artwork that draws on some local history in the Oatlands Village where the local house cows would graze the Village verges and invariably end up grazing on the weed in Lake Dulverton. Interpretation panels and the artwork will engender a Banjo Paterson / Henry Lawson style of installation.

As part of the Centenary of ANZAC, Council established a Memorial Trees Committee, comprising the local RSL, the local Progress Association and Community members as well as Council's Heritage Officers. There are a number of Memorial Avenues in the Southern Midlands, but by enlarge the best preserved Avenue is Memorial Ave in Kempton. Council and the Memorial Trees Committee are proposing to redevelop the southern entrance of Kempton with a Memorial Park adjacent to the Memorial Ave of trees to welcome visitors, family and friends to Kempton and keep alive this very important site at Memorial Avenue, in memory of the sacrifice of our original ANZACs and the generations of Australian servicemen and women who have defended our values and freedoms in wars, conflicts and peace operations thought out a Century of Service.

CULTURAL



Memorial Avenue Precinct Development Kempton

Concept Plan

developed by

The Memorial Trees Committee

April 2017

The concept plans for the development of this precinct have been through an exhaustive Community consultation process, receiving resounding support from the Community. The land that comprises the proposed Memorial Park has been donated to Council. To date Council has spent some \$30,000 on an Arborist and tree trimming to return the trees to a grand presence. In its future budget Council will be asked to allocate funds to improve the entrance to the Avenue and further develop Memorial Park.

Several successful Artist in Residence (AiR) “residencies” have been delivered by various Tasmanian artists at the Oatlands Gaoler’s Residence, either through the Arts Tasmania program, or on a more casual basis as negotiated with the staff of Council’s Heritage Projects Program. During this past year Henrietta Manning has delivered a very successful series of exhibitions at the Gaol, Moonah Arts Centre, Sidespace and Colville Galleries Hobart, which gave the program excellent exposure and demonstrates the potential of the program. These programs have traditionally been cost-neutral to Council (those through Arts Tasmania do generate a small amount of revenue).

Council officers have increased the advertising and social media exposure of the AiR program and it is expected that interest will be received from more artists.

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.

2016-17 ACHIEVEMENTS

Planning and Building Reform

The 2016/2017 year was a time of rapid change in the planning, building and plumbing regulatory work of Councils in Tasmania. This was due to the finalisation of Interim Planning Schemes and the new *Building Act 2016* coming into effect on the 1st January 2017.

The "new" *Building Act 2016* replaced the *Building Act 2000*, and the *Building Regulations 2014*, and the *Plumbing Regulations 2014*. The legislation introduced new processes and systems for the assessment of building and plumbing works and has effectively modified the persons/parties responsible for ensuring works comply with the National Construction Code (and *Building Act 2016*).

Council continues to be responsible for making the public aware of building and plumbing requirements, and ensuring compliance with the *Building Act 2016*. Under the new legislation building work has now been categorised by risk. This is essentially the key change to the legislation.

This still includes assessment of new and proposed building works (including inspections of works where necessary) and the issuing of permits and approvals where necessary. However some key changes have been the introduction of a notification process whereby owners, builders, or building surveyors can simply notify Council of low risk works commencing or completed without the need for a permit.

Council are still required to issue notices and orders to enforce various provisions of the Act such as dealing with work that has been completed without a permit, addressing the problems of a dilapidated buildings or dealing with a fire hazard.

In January 2017, Council undertook a complete review of the Fees and Charges Schedule that relate to the new *Building Act 2016* and replacement of the *Building Regulations 2014* and *Plumbing Regulations 2014* with the *Building Regulations 2016*. These came into effect on the 1st January 2017.

REGULATORY

The changes to the Schedule included the removal of redundant services, the inclusion of new fees (and services) and the modification/replacement of some existing services.

Building, Plumbing and Planning Applications

121 Development Applications including 15 Subdivision / Boundary Adjustment Applications, along with 72 Building Applications (dwellings and other buildings/additions) were processed / issued during the 2016/17 reporting period. The Building Applications include both permit works and notifiable works (in accordance with the new *Building Act 2016*).

A total of \$67.2 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.

2016-17 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.

LIFESTYLE



Heritage Weekend

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.

2016-17 ACHIEVEMENTS

The establishment of the Better Health Program, a partnership between the Tasmanian Health Service & Southern Midlands Council, specifically set up to look at health and wellbeing strategies to improve the health of our communities. This project was brought about as a result of the withdrawal of funding for the Rural Primary Health Services across Tasmania, by the Australian Government. The SM Rural Primary Health Service provided valuable support to the Community over its twelve years of operation in our area, and has been greatly missed by the Community

Midlands Matters was re-launched as the Combined Central Highlands & Southern Midlands Network Group. The monthly service provider network forum known as "Midlands Matters" amalgamated with the Central Highlands Networking Forum in response to Service Provider feedback. It 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 continued to support Rural Alive & Well Inc. (RAW), through a subsidised rental arrangement the establishment of Rural Alive & Well Inc. (RAW) in its new home at Roche Hall in Oatlands, which seems highly appropriate as RAW started off as a project in Southern Midlands Council back in 2008.

Council continued to support the ongoing development of one Community garden in the past year, which has given rise to one Farmer's Market in the Southern Midlands.

In partnership with Rural Primary Health Services, a combination of monthly community walks & health promotion activities haven been held across the Southern Midlands including a very successful Men's Health Forum at the Community Shed. It was so successful, that another event was held several months later at the Woodsdale Heritage Machinery Day with over 300 men in attendance.

Council has supported the ongoing development of a Community Gym in partnership with Bridgewater PCYC.

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.

2016-17 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, with activities designed to increase physical activity, be educational & provide new & challenging experiences. The children were all aged between 9-16years and came from 17 towns within the Southern Midlands. 275 children participated in total. Activities included Zoo Doo, Littlewood Strawberry Farm, Launceston City Park & Aquatic Centre, Bridgewater PCYC, Far Out Play Centre, Water Safety at Clarence Aquatic Centre, Crazy Golf & the Queen Victoria Museum & Planetarium. This program continues to be Council's "flagship youth program".

It has been a slow start during the 2016/2017 financial year for the Regional Community Learning & Development Centre – Levendale coupled with the Edmund Rice Foundation. The potential for the former Levendale Primary School which was purchased by Council, to be created as a hub of Community based activities will be on its way to be fully realised during with a strong demand in the planning phase.

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 during the winter months with a spectacular Gala Day held in late September. Participation and enjoyment are the main objectives of this league, and our young people (boys and girls mixed teams) performed admirably throughout the year.

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

Council has supported the establishment & ongoing development of the Colebrook Youth Group. It is a peer run Youth group with up to 20 participants aged 10-17 with 4 'adult' peer leaders & supported by the Colebrook Progress Association. The group meets twice per month at the Colebrook Community Hub. Council provided a seed funding contribution to assist the group to provide a space that was 'youth friendly'.

YOUTH



Colebrook Youth Group excursion to top of Kunanyi/Mt Wellington

Council have supported the mentoring program between students at Oatlands District High School & the ladies day at Oatlands Community Shed. Every fortnight 4 students who are dis-engaged with school attend the Community Shed for one to one mentoring & support for woodworking projects. This project has helped the students with self-confidence, skills development & assisted the students in identifying post school pathways to employment.

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

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.

2016-17 ACHIEVEMENTS



The Community Shed - Oatlands continues to be a facility used by seniors and more specifically where a Men's Health event was coordinated at the "Shed" when Dr Simpson AM (local GP) along with other health professionals provided valuable health and wellbeing related information.

It was an exceptional event.

Dr Simpson AM at the Community Shed – Oatlands

Council supported Seniors by engaging them in specific activities for Seniors Week celebrations, and regular 'Community Walks' were held in partnership with Rural Primary Health Services. This year we attended Mt Field National Park for a walk to the falls' and a barbecue lunch. A long table lunch at Dysart House and a historic walking tour of Kempton with Deputy Mayor Alex Green was also conducted.

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

The Community Blacksmith forge that Council established at the Callington Mill has hosted a few events that have brought seniors to reminisce on "days gone by". Fergus Paterson and Paul Monk have be key drivers in the establishment of the Community Blacksmith forge.

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.

2016-17 ACHIEVEMENTS

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

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

At a Community forum held at Colebrook, children were encouraged to participate and have fun whilst other discussions were undertaken with parents. It was a very successful event.



Colebrook Community Forum



CHILDREN & FAMILIES

Council supported the position taken by the Bagdad Child Care Centre and various other interest groups, including Early Childhood Australia, in being opposed to the lowering of the school entry age as proposed in the Education Bill 2016

Council wrote to the State Government to convey:

- a) the overall concerns that exist within the general community;
- b) concerns the proposal will not deliver expected educational outcomes (based on research);
- c) concerns that it will disadvantage younger children who will be denied access to child care services if regional centres close; and
- d) reinforcing the importance of supporting rural child care centres.

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.

2016-17 ACHIEVEMENTS

Once again, Council conducted its annual Community Small Grants program in September 2016. 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:-

Community Group / Club	Project	Approved \$
Colebrook Memorial Hall Mgt Com.	Chairs to replace the very old ones in the Hall	\$ 2,950.00
Broadmarsh Elderslie Progress Assn Inc	Servery as part of kitchen refurbishment	\$ 3,000.00
Colebrook Progress Assn Inc.	Equipment to set up a youth hub in Colebrook	\$ 1,500.00
Kempton SES	Defibrillator for the Kempton Community	\$ 2,250.00
Tunbridge Town Hall Inc.	Upgrading of dinning room	\$ 2,000.00
Brighton/Green Ponds RSL Sub Branch	Equip and shutters to the Kempton Hal	\$ 3,000.00
Runnymede Cricket Club Inc.	Water tank and install	\$ 2,700.00
Bagdad Community Club Inc.	Supply & install an exit door for the Golf Club	\$ 3,000.00
Campania Football Club Inc.	Heatpump and associated electrical works	\$ 2,500.00
Parattah Jubilee Hall Comm. Inc.	Hall floor structural support	\$ 1,175.00
Brighton Equestrian Club Inc.	Roof and fence secure area	\$ 3,000.00
MILE Inc.	Chairs to replace the very old ones	\$ 1,180.00
Tas Land Conservancy Inc.	Development of brochures, maps and signage	\$ 2,170.00
Stepping Stone Equine Hoof Care	Public Course	\$ 1,000.00
	Total	\$ 31,425.00

Fourteen applications were received totalling \$56,921 in projects, with all applications funded for a total of \$31,425.

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

VOLUNTEERS

A highly successful Australia Day event was held at the Oatlands Community Club & RSL. In excess of 100 people attended the presentation and morning tea which commenced with an address by our Ambassador, Emily Conolan who was the 2014 Australian Tasmanian of the Year Award finalist. She is described as a humanitarian and author and provided an extremely interesting and thought provoking address. The opportunity was also taken at this event to recognise a number of other people and community groups that have made significant contribution to various causes with the council area.

The following Australia Day Awards were presented:

Citizen of the Year:	Mrs Christine Dean
Young Citizen of the Year:	Miss Tiarna Porter
Community Event of the Year:	'The Big Load' Working Bullock Festival Committee

Other community events on Australia Day were supported by Council in conjunction with local community groups.

Colebrook - (sporting activities and BBQ - Colebrook Youth Group)

Bagdad - (sporting activities and BBQ - Bagdad Community Club)

Oatlands - (pool party and BBQ - Oatlands Rural Youth)



Australia Day events at Bagdad, Colebrook & Oatlands



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.

2016-17 ACHIEVEMENTS

Council has had ongoing communication with the Department of State Growth in relation to its review of bus transport services (General Access) across Tasmania. The aim is to ensure that the process involves adequate consultation with the various communities that are likely to be impacted.

The current service contracts are due to expire at the end of the 2018 calendar year, and in preparation for renegotiating new contracts, the Department of State Growth is reviewing all bus services that are currently provided.

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 worked through a series of conversations with the Community as well as Council Hall Committees. After in-depth discussions the following Council budget consideration was adopted.

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

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.

2016-17 ACHIEVEMENTS

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

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

A considerable amount of time and resources were dedicated to the issue of finding a replacement General Practitioner for the southern part of the municipality following receipt of advice from Dr G Booth that he would be ceasing general practice effective from 1st October 2016. Council worked in conjunction with the Central Highlands Council to address this issue.

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

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

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

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

Relevant legislative requirements are specified in:

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

PUBLIC HEALTH

Statutory licences issued for:

- Food Premises – 65
- Water Carriers – 4
- Special Event Licences (“temporary” Places of Assembly) – 1
- Private Water Licences – 18

Council has been working with the Archdiocese of Hobart, together with the Anglican Parish of Sorell, Richmond and Tasman, to purchase the road reserve (i.e. Crown land) adjoining the Colebrook Cemetery to enable expansion of the Cemetery. Council has allocated a contribution of \$3,000 to progress this project.

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.

2016-17 ACHIEVEMENTS

From a recreational perspective, construction of the Oatlands Aquatic Centre has been a high priority for Council. During the reporting period, it is extremely pleasing to confirm the allocation of funding from both the Federal (\$1.50 million) and State Governments (\$2.0 million) has been secured. This has enabled Council to progress with the engagement of a project consultant team (led by Architect Rick Bzowy) to prepare revised plans and specifications for development approval. It is expected that development plans will be completed and be lodged in November / December 2017.

Council continues to develop, refine and implement the various recommendations that were identified in the Southern Midlands Recreation Plan (SMRP) developed in 2006 and is currently undertaking a major review of the Recreation Plan.



The Mount Pleasant cricket was upgraded to the best standard in the competition according to the Captain of the Mount Pleasant Cricket team.

Mt Pleasant Recreation Ground

RECREATION

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.



Design Considerations with the Community User Group and Architect Rick Bzowy



Architect Rick Bzowy at the Community Meeting

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.

2016-17 ACHIEVEMENTS

Council completed a review of its Dog Management Policy in August 2016. It is a requirement of the *Dog Control Act 2000* that the policy is reviewed every five(5) years. The review process included a three-week public submission period.

The policy is reviewed every five (5) years to both encourage public participation in the review of the policy and to include any new guidelines or legislative changes that may have occurred within that five (5) year period. This enables the policy to be updated in line with current community expectations and give the Council the opportunity to reflect on dog control and management procedures of the preceding period and implement any necessary changes.

Key outcomes of the review were as follows:

- Set parameters and limitations on land suitable for Kennel Licences; and
- Include the Mangalore Recreation Ground as a declared “dog training area”.

In the 2016-17 financial year, 1,730 dogs were registered and 37 kennels licenced.

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.

2016-17 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 various Tasmanian forums, with a view to creating work experience and employment for the students of the Centre. The Oatlands District High School and the Campania District School both have students that attend the Trade Training Centre.

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

COMMUNITY



Former Levensdale School transfer of ownership to Council – hand over event

RETENTION

What are we aiming to achieve over the ten year period?
 Maintain and strengthen communities in the Southern Midlands.

Key actions:

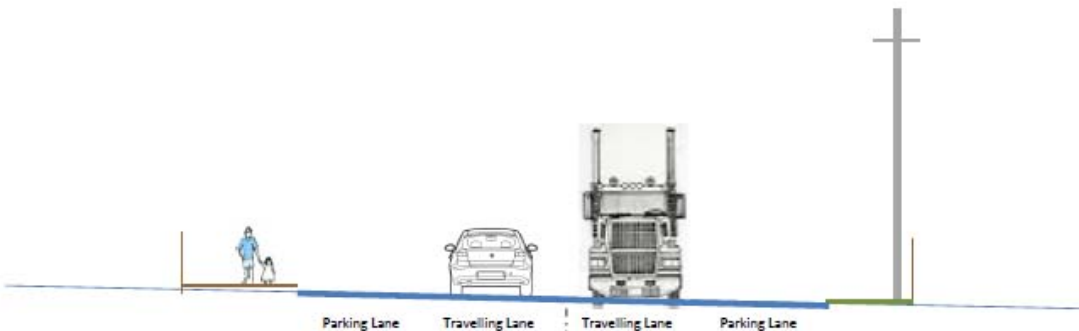
- Increase the ability of the ageing population to remain in their communities.
- Increase the opportunities for young people to remain in, or return to, the local communities they grew up in.

2016-17 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.

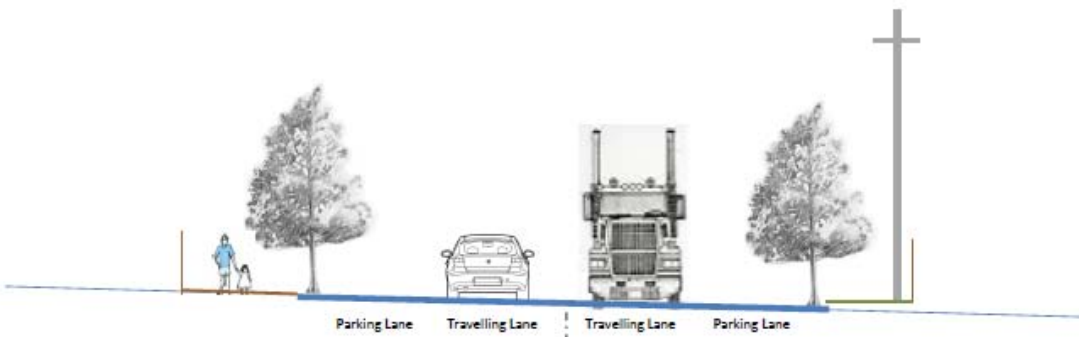
The Colebrook Streetscape Project has been an engaging project with the very active participation of the Colebrook Progress Association Inc. The design plans prepared by Council went through an exhaustive Community Consultation process and tree planting is planned for 2017/2018.



Richmond Road – Before Planting

West

East



Richmond Road – After Planting

<p><i>Proposed Streetscape Project Colebrook</i></p> <p><i>Cross Section Schematics</i></p> <p><small>Date: July 2017 Slide: 12 of 14 Drawn: AB</small></p>	
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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.

2016-17 ACHIEVEMENTS

Council continues to work with the Tunbridge community to improve community infrastructure and implementation of streetscape projects to improve the appearance and amenity of the town. Some of the options proposed at a community meeting in January 2017 were: improvement of the community park, particularly shade trees and fencing; assessment of current street trees; establishment of more street trees; improved directional and interpretive signage; a new bus shelter; and upgrading public toilets.

Council will allocate funds in 2017/18 financial year with the aim of securing additional grant assistance to progress the priority projects.

In conjunction with the Green Ponds Progress Association, Council has initiated a review of the Kempton Streetscape Plan which was prepared by Gilby Roussos Architects in 1997. This recognised that whilst elements of the Plan have been implemented, it is timely to conduct a review to ensure relevancy and that the Streetscape Plan reflects current ideas and community expectations.

A community meeting was held in May 2017, the outcome of which was the establishment of a working group consisting of community members and Council representatives.

The various community groups across the Southern Midlands 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 nearly A 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 \$250,000 for very worthwhile projects in the Southern Midlands. The presentations of cheques are made at the Australia Day ceremony each year.

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

CAPACITY & SUSTAINABILITY

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

The Broadmarsh / Elderslie Progress Association, the Bagdad Community Club, the Kempton Festival Committee and Melton Mowbray Rodeo Committee are just a few 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 these groups



Colebrook Progress Association received \$48,000 in grant funding to upgrade the kitchen at Colebrook Memorial Hall

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”.

2016-17 ACHIEVEMENTS

The Southern Midlands Road Rescue Unit had 33 call-outs (48 in 2015/16) involving 209.25 operational hours (323.7 in 2015/16) during the 2016-17 period. The Unit, which has three rescue vehicles, continues to operate from both Oatlands and Kempton.

The 33 call-outs were:

- 30 Road Crash Rescue
- 2 Flood Operations
- 1 Miscellaneous Operations

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’.

2016-17 ACHIEVEMENTS

Five (5) Ordinary Meetings of Council were held in the following areas within the municipality during 2016/17.

Campania, Tunbridge, Woodsdale, Colebrook and Broadmarsh

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

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

ORGANISATION



Council staff with Premier Will Hodgman and Senator Jonathon Duniam

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

2016-17 ACHIEVEMENTS

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

Council reviewed its procedure for managing public tenders and the associated decision making process. The review was focused on maintaining integrity, openness and transparency without compromising Tenderer's competitive advantages. The Code for Tenders and Contracts has been amended to reflect the outcomes of the review.

In accordance with Australian Accounting Standard AASB 124. Council adopted its Related Party Disclosure Policy. From 1 July 2016, local governments (councils) must disclose related party relationships, transactions and outstanding balances, including commitments, in their annual financial statements. The objective of the Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

Review of other Policy & Strategy Documents included:

- Business Continuity Plan and ICT Business Continuity / Disaster Recovery Plan
- Goods and Services Purchasing Policy
- Waste Management Strategy & Action Plan
- Dog Management Policy
- Policy & Procedures - *Public Interest Disclosures Act 2002*
- Rates and Charges Policy

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.

2016-17 ACHIEVEMENTS

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.

Mayor A E Bisdee OAM was elected to the General Management Committee of the Local Government Association of Tasmania, representing the eight Southern Councils with a population less than 20,000 people.

The Southern Midlands Council Enterprise Agreement (No 10 of 2017) was successfully negotiated and endorsed during the reporting period. The Agreement commenced from 1st January 2017 and will remain in force until 30th June 2020 (i.e. 3.5 years). The Agreement has been formally approved by the Fair Work Commission.

Council undertook a review of its insurance brokerage services which resulted in the engagement of Jardine Lloyd Thompson Pty Ltd, effective from 1st July 2017. Marsh had provided this service to the Southern Midlands since being appointed in April 1993.

The Department of Premier and Cabinet (Local Government Division) has been progressing proposed amendments to the *Local Government Act 1993* and issued the *Local Government (Targeted Review) Bill 2017*.

SUSTAINABILITY

Key areas were as follows:

1. The introduction of powers to make Ministerial Orders to expand and clarify matters in relation to the function of the Mayor, functions of councillors, appointment and performance monitoring of the General Managers, functions of the General Manager, liaison between Mayors and General Managers. .
2. The role of the Mayor has been expanded.
3. There are detailed provisions in relation to gifts and benefits.
4. There is clarification that qualified advice must be provided in writing.
5. Model Financial Statements are introduced with a transitional period.
6. The scope of the Local Government Board review has been broadened to include matters such as governance and performance.
7. The Director would be provided the power to issue Performance Improvement Directions following an investigation possibly preventing the need for a Board of Inquiry or LG Board Review.
8. The Minister would have the power to suspend individual councillors prior to or during a Board of Inquiry Process. Individual councillors (as opposed to the whole council only) may be dismissed following a BoI process.
9. Election timeframes have been increased to allow for longer postal delivery times.
10. Electoral advertising is to include internet based advertising.
11. Minor boundary adjustments can be made without a LG review process.

Comments were conveyed to the Local Government Association of Tasmania which was preparing a submission on behalf of the local government sector.

Council completed a desktop review of the Strategic Plan 2014-2023 in July 2016. The next review is scheduled for early 2018 which will include a process of convening a number of community consultation forums.

Council has continued to actively participate in the sub-regional group consisting of the Brighton, Central Highlands, Derwent Valley and Southern Midlands Councils. The four Councils have agreed to work together to identify and pursue opportunities of common interest and to more effectively and efficiently serve ratepayers, residents and the communities in these municipal areas.

The Sub-Region developed and endorsed a Collaboration Strategy during the reporting period.

Whilst the four councils have successfully shared resources for several years across a wide range of services which has largely been at a staff or operational level, this strategy elevates working together to a policy or corporate level.

SUSTAINABILITY

The Sub-Region will be stronger by working together and the following guiding policies have been adopted:

- Build on strengths by working together and reducing duplication.
- Share resources and expertise.
- Represent and build on the collective strengths of the Sub-Region.
- Recognise the common interests of the communities in the four municipal areas.
- Provide a strategic basis for decision-making
- Enhance and promote the sustainability of each of the four Municipal Areas
- Provide a platform for the development of supporting strategies covering a range of areas of mutual interest; in some cases it may be a consolidation of existing strategies

The key focus areas of the Action Plan incorporated in the Strategy are:

- economic development and employment
- education and skills training – resulting in signing a Memorandum of Understanding with the Bridgewater Trade Training Centre
- health, well-being and environment
- tourism development and promotion
- infrastructure

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.

2016-17 ACHIEVEMENTS

The 2016-17 Financial Statements form part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity increased by \$4.987M, primarily due to:

- The Australian Government providing approximately 50% of the 2017/18 Financial Assistance Grant in advance – an amount of \$1.644M;
- Revaluation of non-current assets amounting to \$1.426M; and
- Increase in recurrent income and significant reduction in operating expenses.

It is noted from the Auditor General's Report, and in particular the financial snapshot of Rural Councils, that the Southern Midlands Council has shown improvement in all three areas of 'Underlying surplus (deficit)'; 'Net surplus (deficit)'; and 'Net Assets'.

Reference is made to the Management Indicators (Note 2.50) reported in the set of Financial Statements (attached).

A number of grant applications were approved through the State Government's Community Infrastructure Fund, including:

- \$50,000 - Lake Dulverton / Esplanade Toilet facilities upgrade;
- \$29,628 - Memorial Avenue, Kempton
- \$4,900 - Men's Shed;
- \$23,500 - Chauncy Vale Sanctuary infrastructure improvements; and
- \$12,090 - Mangalore Recreation Ground storage.

Colebrook Progress Association also received \$48,000 to upgrade the Kitchen at the Colebrook Hall.

REPORTING ON LEGISLATIVE REQUIREMENTS

Following are the reports that Council is required to provide under various legislation for the 2016/2017 financial year:

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

In 2016/17 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances \$103,039.11
Expenses \$17,794.20

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

Twelve (12) ordinary Council meetings were held during the year. The Annual General Meeting was held on the 14th December 2016, a Special Meeting was held on the 17th May 2017.

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	1	N/A
Deputy Mayor A Green	12	12	1	1	1	N/A
Clr A Bantick	12	10	1	1	1	1
Clr E Batt	12	12	1	1	1	1
Clr R Campbell	12	11	0	1	1	N/A
Clr D Fish	12	12	1	1	1	1
Clr D Marshall	12	11	1	1	1	N/A

REPORTING ON LEGISLATIVE REQUIREMENTS

Public Health Statement

(Under the *Local Government Act 1993*)

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

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

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

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

Achievements for the 2016-17 period are detailed under the Public Health Program.

Code of Conduct Complaints Statement

(Under the *Local Government Act 1993*)

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

It is reported that no code of conduct complaints were upheld in the 2016-17 period.

Section 72 (bb) requires council to report the total costs met by the council during the preceding financial year in respect of all code of conduct complaints.

It is reported that a total amount of \$6,200 (GST exclusive) was incurred in respect of all code of conduct complaints.

REPORTING ON LEGISLATIVE REQUIREMENTS

Contracts

(Local Government (General) Regulations 2005)

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 30th June 2017.

Contactor Name & Address	Description of Contract	Value of Contract (excl. GST)	Period of Contract (plus extension options if applicable)
Bridge Pro Engineering Pty Ltd	Wattle Hill Road Bridge replacement	\$175,100	N/A
Bridge Pro Engineering Pty Ltd	Swanston Road Bridge replacement	\$393,800	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
Tas Marine Construction Pty Ltd	Bellevale Road Bridge replacement	\$325,340	N/A
VEC Civil Engineering Pty Ltd	Replacement Structures for Reynolds Road Bridge and Link Road Bridge	\$195,963	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.

REPORTING ON LEGISLATIVE REQUIREMENTS

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.

REPORTING ON LEGISLATIVE REQUIREMENTS

Advertising of Annual Report

(Under the *Local Government Act 1993*)

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

The Annual General Meeting was advertised in 'The Mercury' newspaper on the 27th November 2017; this included an invitation for electors to lodge submissions in relation to the Annual Report.

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
\$80,001 - \$100,000	1
\$100,001 - \$120,000	2
\$160,001 - \$180,000	1
\$180,001 - \$200,000	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

REPORTING ON 2016/17 DONATIONS & GRANTS

Name	Description	Amount \$
Tasmania's Heritage Highway	Annual Grant	12000.00
Tasmanian Agriculture Jobs Website Project	Donation	400.00
Broadmarsh/Elderslie Progress Association	Community Small Grants Program	3000.00
Brighton Green Ponds RSL Sub-Branch	Community Small Grants Program	3000.00
Colebrook Hall Management Committee	Community Small Grants Program	2954.55
Colebrook Progress Association	Community Small Grants Program	1500.00
MILE Inc	Community Small Grants Program	1181.82
Green Ponds Progress Association	Community Small Grants Program	2045.45
Oatlands Community Association	Community Small Grants Program	909.09
Runnymede Cricket Club	Community Small Grants Program	2700.00
Campania Football Club	Community Small Grants Program	2200.00
Tunbridge Town Hall Inc	Community Small Grants Program	2000.00
Tasmanian Land Conservancy Inc	Community Small Grants Program	1972.50
Bagdad Community Club	Community Small Grants Program	3000.00
Parattah Jubilee Hall Committee	Community Small Grants Program	1175.00
Brighton Equestrian Club	Community Small Grants Program	3000.00
Ten Days on the Island	Donation	3000.00
Lower Midlands Arts - Artlands Exhibition	Sponsorship	280.00
MILE Inc	2016/17 Support Funding	7000.00
Lions Club Int – Tasmanian Bushfire Recovery	Donation	100.00
Broadmarsh/Elderslie Progress Association	Subsidise Public Liability Insurance	280.00
Bagdad Community Club	MOU / Service Agreement	9790.78
Colebrook Progress Association	MOU	1000.00
Oatlands District Football Association	Donation	115.00
Bagdad Primary School	Annual Donation – End of Year Awards	60.00
Campania District School (High)	Annual Donation – End of Year Awards	100.00
Campania District School (Primary)	Annual Donation – End of Year Awards	60.00
Kempton Primary School	Annual Donation – End of Year Awards	60.00

REPORTING ON 2016/17 DONATIONS & GRANTS

Name	Description	Amount \$
Oatlands District School (High)	Annual Donation – End of Year Awards	100.00
Oatlands District School (Primary)	Annual Donation – End of Year Awards	60.00
Hannah Pearce	Sporting Representation Sponsorship	100.00
James Pearce	Sporting Representation Sponsorship	100.00
Connar Walker	Sporting Representation Sponsorship	100.00
Colby Dodge	Sporting Representation Sponsorship	100.00
Johanna Dodge	Sporting Representation Sponsorship	100.00
Tunbridge Community Club	Funds for Kitchen Extension	11,000.00
Oatlands Christmas Pageant Committee	Donation	60.00
Levendale Cricket Club	Annual Green Keeping Donation	1000.00
Runnymede Cricket Club	Annual Green Keeping Donation	1000.00
Green Ponds Progress Association	Sponsorship – Kempton Festival	1500.00
Melton Mowbray Community Association	Donation	2000.00
TOTAL		\$82,104.19

2016/17 FINANCIAL STATEMENTS

SOUTHERN MIDLANDS COUNCIL



COMPLETE SET OF FINANCIAL STATEMENTS

2016/17 FINANCIAL YEAR

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

Contents

	Page
General Manager's Declaration	2
Financial Statements	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Notes to the Financial Report	
1 About the Financial Statements	7
2 Financial Performance	9
3 Asset Base	22
4 People	34
5 Debt and Risk Management	43
6 Other Information	50
Independent Audit Report	55

General Manager's Declaration

The financial report presents fairly the financial position of the Southern Midlands Council as at 30 June 2017, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



T F Kirkwood
General Manager

Dated: 26 September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

(Amounts shown in \$000)	Note	Budget 2017	Actual 2017	Actual 2016
Income from continuing operations				
Recurrent Income				
Rates and charges	2.2a	4,871	4,925	4,700
User fees	2.2b	933	1,162	1,158
Grants - Recurrent	2.2c	3,281	5,038	1,807
Interest	2.2d	145	125	179
Contract income	2.2e	765	360	669
Other income	2.2f	26	39	72
Investment revenue from water corporation	2.2g	228	228	228
		10,249	11,877	8,813
Net Capital Income				
Grants - capital	2.2h	1,449	1,187	1,254
Contributions	2.2i	-	629	-
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	2.2j	424	(121)	(765)
Assets taken up - Stormwater	2.2k	-	-	1,068
		1,873	1,695	1,557
Total income from continuing operations		12,122	13,572	10,370
Expenses from continuing operations				
Employee benefits	2.3a	(4,265)	(3,714)	(3,690)
Materials and contracts	2.3b	(3,397)	(2,829)	(3,296)
Depreciation and amortisation	2.3c	(2,720)	(2,952)	(2,792)
Contributions	2.3d	(198)	(199)	(190)
Finance costs	2.3e	(49)	(45)	(50)
Other expenses	2.3f	(164)	(351)	(245)
Total expenses from continuing operations		(10,793)	(10,090)	(10,263)
Result from continuing operations		1,329	3,482	107
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment/(decrement)	3.6	-	1,426	1,022
Items that may be reclassified subsequently to surplus or deficit				
Financial assets available for sale reserve				
- Fair Value adjustment on Available for Sale Assets	3.5	-	79	200
Total other comprehensive income		-	1,505	1,222
Total Comprehensive Result		1,329	4,987	1,329

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

Consolidated Statement of Financial Position

as at 30 June 2017

(Amounts shown in \$000)	Note	Actual 2017	Actual 2016 (Restated)
Assets			
Current assets			
Cash and cash equivalents	3.1	11,825	8,813
Trade and other receivables	3.2	970	841
Assets held for sale	3.3	83	83
Other assets	3.4	480	387
Total current assets		13,358	10,124
Non-current assets			
Investment in water corporation	3.5	12,047	11,968
Property, plant, equipment, infrastructure and intangibles	3.6	88,705	87,055
Total non-current assets		100,752	99,023
Total assets		114,110	109,147
Liabilities			
Current liabilities			
Trade and other payables	3.7	619	633
Trust funds and deposits	3.8	161	102
Employee provisions	4.1	1,260	1,176
Interest-bearing loans and borrowings	5.1	73	77
Total current liabilities		2,113	1,988
Non-current liabilities			
Employee provisions	4.1	148	110
Interest-bearing loans and borrowings	5.1	681	868
Total non-current liabilities		829	978
Total liabilities		2,942	2,966
Net Assets		111,168	106,181
Equity			
Accumulated surplus		49,526	46,044
Reserves	6.1	61,642	60,137
Total Equity		111,168	106,181

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2017

(Amounts shown in \$000)

	Note	Total	Accumulated	Asset	Fair Value	Other
		Surplus	Surplus	Revaluation	Reserve	Reserves
				Reserve		
Balance as at 30 June 2015		104,074	45,937	56,456	(1,970)	3,651
Result from continuing operations		107	107	-	-	-
Other comprehensive income	3.5	200	-	-	200	-
Net revaluation reserve increment/(decrement)	3.6	1,022	-	1,022	-	-
Prior period error	3.6	778	-	778	-	-
Transfers between reserves		-	-	-	-	-
Balance as at 30 June 2016		106,181	46,044	58,256	(1,770)	3,651
Result from continuing operations		3,482	3,482	-	-	-
Other comprehensive income	3.5	79	-	-	79	-
Net revaluation reserve increment/(decrement)	3.6	1,426	-	1,426	-	-
Transfers between reserves		-	-	-	-	-
Balance as at 30 June 2017		111,168	49,526	59,682	(1,691)	3,651

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2017

(Amounts shown in \$000)	Note	Actual 2017	Actual 2016
Cash flows from operating activities			
Rates and charges		4,944	4,630
User fees		1,053	1,380
Grants - Recurrent		5,038	1,807
Interest		125	179
Investment revenue from water corporation		228	228
Other receipts		479	741
Net GST refund/payment		406	630
Payments to suppliers		(4,011)	(4,347)
Payments to employees		(3,592)	(3,731)
Finance costs		(45)	(50)
Net cash from (used in) operating activities	2.4	4,625	1,467
Cash flows from investing activities			
Payments for property, plant, equipment, infrastructure and intangibles		(2,870)	(4,667)
Proceeds from sale of property, plant, equipment, infrastructure and intangibles		202	397
Capital grants		1,187	1,254
Net cash from (used in) investing activities		(1,481)	(3,016)
Cash flows from financing activities			
Trust funds and deposits		59	-
Proceeds from interest bearing loans and borrowings		-	250
Repayment of interest bearing loans and borrowings		(191)	(100)
Net cash from (used in) financing activities		(132)	150
Net increase (decrease) in cash and cash equivalents		3,012	(1,399)
Cash and cash equivalents at the beginning of the financial year		8,813	10,212
Cash and cash equivalents at the end of the financial year	3.1	11,825	8,813

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

Notes to the Financial Report

for the year ended 30 June 2017

1 About the financial statements

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

1.1 Reporting entity

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

(b) The purpose of the Council is to:

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

1.2 Basis of accounting

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

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

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

1.3 Use of judgements and estimates

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

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

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

Employee entitlements

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

Defined benefit superannuation fund obligations

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

Fair value of property, plant & equipment

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

Investment in water corporation

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

1.4 Events occurring after balance date

No significant events occurred after balance date that require reporting.

Notes to the Financial Report

for the year ended 30 June 2017

2 Financial performance

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

2.1 Functions/Activities of the Council

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

(Amounts shown in \$000)	Income from continuing operations		Expenses from continuing operations		Result from continuing operations		Assets	
	2017	2016	2017	2016	2017	2016	2017	2016
Roads and bridges	1,166	1,264	4,279	4,060	(3,113)	(2,796)	66,485	65,999
Stormwater	-	-	113	115	(113)	(115)	3,820	3,871
Waste management	630	590	764	677	(134)	(87)	278	282
Economic development	1,477	1,147	1,797	1,929	(320)	(782)	6,160	5,426
Environmental management	80	37	319	312	(239)	(275)	373	731
Development services	219	207	1,026	1,154	(807)	(947)	684	679
Community services	19	31	208	114	(189)	(83)	2,028	1,645
Recreational facilities	71	72	810	842	(739)	(770)	6,476	6,461
Governance and administration	158	203	419	709	(261)	(506)	2,464	1,879
Other - non attributable	9,752	6,819	355	351	9,397	6,468	25,342	22,174
	13,572	10,370	10,090	10,263	3,482	107	114,110	109,147

Grants included in Income from continuing operations:

	2017	2016
Roads and bridges	1,146	1,254
Stormwater	-	-
Waste management	-	-
Economic development	141	98
Environmental management	80	-
Development services	-	-
Community services	8	17
Recreational facilities	-	-
Governance and administration	-	-
Other - non attributable	4,850	1,692
	6,225	3,061

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

	2017	2016
Current assets	13,358	10,124
Non- current assets	100,752	99,023
	114,110	109,147

Notes to the Financial Report

for the year ended 30 June 2017

2.1 Functions/Activities of the Council (continued)

2.1c Nature and objective of functions/activities

Roads, streets and bridges

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

Stormwater

Maintenance and provision of stormwater reticulation systems.

Waste management

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

Environmental management

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

Economic development

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

Development services

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

Community services

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.

Recreation facilities

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

Governance and administration

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

Other - not attributable

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

Notes to the Financial Report

for the year ended 30 June 2017

2.2 Income from continuing operations

(Amounts shown in \$000)

	2017	2016
Recurrent income		
2.2a Rates and charges		
General	4,020	3,847
Fire levy	199	190
Waste & garbage management	621	585
Interest and penalties	85	78
<i>Total rates and charges</i>	4,925	4,700
2.2b User fees		
Community safety	9	11
Growth tourism	319	318
Growth business	349	290
Landscapes heritage	-	4
Landscapes regulatory	172	161
Landscapes natural	10	44
Lifestyle recreation	60	61
Lifestyle animals	47	45
Organisation sustainability	158	197
Organisation finances	17	14
Other fees and charges	21	13
<i>Total user fees</i>	1,162	1,158
2.2c Grants - Recurrent		
Australian Government Financial Assistance Grants	3,203	1,691
Australian Government Financial Assistance Grants (in advance)	1,644	-
Growth tourism	-	4
Landscapes heritage	93	-
Landscapes natural	80	-
Lifestyle youth	3	14
Other	15	98
<i>Total recurrent grants</i>	5,038	1,807
2.2d Interest		
Interest on financial assets	19	20
Interest on cash and cash equivalents	106	159
<i>Total interest</i>	125	179
2.2e Contract income		
Contracted works	360	669
<i>Total contract income</i>	360	669
2.2f Other income		
Government subsidies	12	8
Sundry	27	64
<i>Total other income</i>	39	72

Notes to the Financial Report

for the year ended 30 June 2017

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)	2017	2016
2.2g Investment revenue from water corporation		
Dividends, tax equivalent and guarantee fees received	228	228
<i>Total investment revenue from water corporation</i>	228	228
Total recurrent income	11,877	8,813
2.2h Net capital income		
Grants - capital		
Australian Government - Roads	1,146	1,254
Lifestyle recreation	41	-
<i>Total grants - capital</i>	1,187	1,254
2.2i Contributions		
Former Levensdale Primary School buildings	347	-
Roche Hall buildings	282	-
<i>Total contributions</i>	629	-
2.2j Net gain/(loss) on disposal of property, plant, equipment and infrastructure		
Proceeds of sale of assets held for sale	-	156
Assets held for sale disposed	-	(207)
	-	(51)
Proceeds of sale of non-current assets	202	241
Written down value of non-current assets disposed	(323)	(955)
	(121)	(714)
<i>Total gain/(loss)</i>	(121)	(765)
2.2k Other capital income (refer to note 3.6)		
Assets taken up - Stormwater	-	1,068
<i>Total other capital income</i>	-	1,068
Total net capital income	1,695	1,557
Total income from continuing operations	13,572	10,370

Notes to the Financial Report

for the year ended 30 June 2017

2.2 Income from continuing operations (continued)

(Amounts shown in \$000)

2017

2016

2.2l Grants received by funding source and conditions attached

Funding source

Australian Government funded grants	5,993	2,945
Other	232	116
<i>Total</i>	6,225	3,061

The Australian Commonwealth Government 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 the two quarterly instalments for the following 2015-16 year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. In the 2016-17 year the Australian Government again made an early payment of two instalments for the following 2017-18 year. This has impacted the Consolidated Statement of Profit or Loss and Other Comprehensive Income resulting in the Surplus/(deficit) being higher in 2016-17 by \$1,644,000 (2015-16 lower by \$1,597,000).

2.2m Recognition and measurement

Rates and charges

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

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

User fees

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

Grants - recurrent and capital

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

Notes to the Financial Report

for the year ended 30 June 2017

2.2 Income from continuing operations (continued)

Interest

Interest is recognised progressively as it is earned.

Contract income

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

Other income

Rental income

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

Operating leases as lessor

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

Investment revenue from water corporation

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

Contributions

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

2.3 Expenses from continuing operations

(Amounts shown in \$000)	2017	2016
2.3a Employee benefits		
Wages and salaries	2,867	2,770
Other employee costs	1,150	1,125
	4,017	3,895
Less amounts capitalised	(303)	(205)
<i>Total employee benefits</i>	3,714	3,690
2.3b Materials and contracts		
Advertising	33	34
Bank charges and commissions	14	15
Callington Mill	144	113
Computer system operation	107	110
Consultancies	160	166
Contractor labour and services	323	408
Council plant & machinery	246	218
Donations and grants	82	60
Gravel purchases	25	195
Household garbage and recycling collection contract	224	218
Insurance premiums	73	70
Landcare materials	-	2
Legal expenses	31	47
Office expenses	106	87
Plant and machinery hire (external)	257	205
Power costs (including street lighting)	190	193
Repairs and maintenance	177	205
Subscriptions and publications	63	62
Telecommunications	43	45
Waste transfer, transport and disposal contracts	254	220
Valuation fees (supplementary valuations)	10	19
Water purchases	37	59
Other materials and contracts	230	545
<i>Total materials and services</i>	2,829	3,296
2.3c Depreciation and amortisation		
Property		
Buildings	365	312
Plant and equipment		
Plant and machinery	286	253
Furniture and fixtures	20	22
Minor plant	10	10
Infrastructure		
Roads	1,815	1,767
Bridges	336	321
Stormwater	51	51
Waste management	9	9
<i>Total depreciation</i>	2,892	2,745
Amortisation of intangibles	60	47
<i>Total depreciation and amortisation</i>	2,952	2,792

Notes to the Financial Report

for the year ended 30 June 2017

2.3 Expenses from continuing operations (continued)

(Amounts shown in \$000)	2017	2016
2.3d Contributions		
Fire service levy	199	190
<i>Total contributions</i>	199	190
2.3e Finance costs		
Interest - Borrowings	45	50
<i>Total finance costs</i>	45	50
2.3f Other expenses		
Councillors allowances	121	121
External auditors' remuneration	31	29
Other	199	95
<i>Total other expenses</i>	351	245
Total expenses from continuing operations	10,090	10,263

2.3g Recognition and measurement

Expenses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably. Further details of the nature and method of recognition and measurement of each expense item are set out below.

Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits. See also note 4.1.

Materials and contracts

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

Depreciation and amortisation

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

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

Notes to the Financial Report

for the year ended 30 June 2017

2.3 Expenses from continuing operations (continued)

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

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

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

Finance costs

Finance costs represent interest on interest-bearing loans and borrowings

Contributions

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

Other expenses

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

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

(Amounts shown in \$000)	2017	2016
Result from continuing operations	3,482	107
Depreciation and amortisation	2,952	2,792
Net gain/(loss) on disposal of property, plant, equipment and infrastructure	121	765
Grants - capital	(1,187)	(1,254)
Contributions of non-monetary assets	(629)	-
Assets taken up - Stormwater	-	(1,068)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(129)	152
Decrease/(increase) in other assets	(93)	(152)
Increase/(decrease) in trade and other payables	(14)	166
Increase/(decrease) in employee provisions	122	(41)
<i>Net cash provided by/(used in) operating activities</i>	4,625	1,467
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	11,825	8,813
Total reconciliation of cash and cash equivalents	11,825	8,813

Notes to the Financial Report

for the year ended 30 June 2017

2.5 Management indicators

(Amounts shown in \$000)	Benchmark	2017	2016	2015	2014
2.5a Underlying surplus or deficit					
Recurrent income* less		10,112	9,645	10,083	10,045
recurrent expenditure		10,090	10,263	10,016	10,238
Underlying surplus/deficit	> \$0	22	(618)	67	(193)

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

Income from continuing operations	13,572
Less non-operating income	
Australian Government Financial Assistance Grant in advance	(1,644)
Grants - Capital	(1,187)
Contributions of non-monetary assets	(629)
Recurrent income	10,112

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

The underlying surplus assesses overall financial operating effectiveness. The negative result in 2016 largely reflects the disposal of certain infrastructure assets during that 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.

2.5b Underlying surplus ratio

Underlying surplus or deficit		22	(618)	67	(193)
Recurrent income*		10,112	9,645	10,083	10,045
Underlying surplus ratio %	> 0%	0.2%	-6.4%	0.7%	-1.9%

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

2.5c Net financial liabilities

Liquid assets less		12,795	9,654	11,205	8,941
total liabilities		2,942	2,966	2,691	2,931
Net financial liabilities	> \$0	9,853	6,688	8,514	6,010

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

Notes to the Financial Report

for the year ended 30 June 2017

2.5 Management indicators (continued)

(Amounts shown in \$000)

Benchmark 2017 2016 2015 2014

2.5d Net financial liabilities ratio

Net financial liabilities		9,853	6,688	8,514	6,010
Recurrent income*		10,112	9,645	10,083	10,045
Net financial liabilities ratio %	0% - (50%)	97.4%	69.3%	84.4%	59.8%

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

2.5e Asset consumption ratio

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

Transport Infrastructure

Depreciated replacement cost		60,980	60,164	59,575	61,159
Current replacement cost		114,666	111,533	110,382	127,356
Asset consumption ratio %	> 60%	53.2%	53.9%	54.0%	48.0%

Buildings

Depreciated replacement cost		12,259	11,365	10,771	10,888
Current replacement cost		22,405	19,484	18,580	18,652
Asset consumption ratio %	> 60%	54.7%	58.3%	58.0%	58.4%

Stormwater

Depreciated replacement cost		3,814	3,865	2,074	2,040
Current replacement cost		5,173	5,172	3,402	3,432
Asset consumption ratio %	> 60%	73.7%	74.7%	61.0%	59.4%

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

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

Notes to the Financial Report

for the year ended 30 June 2017

2.5 Management indicators (continued)

(Amounts shown in \$000)

Benchmark 2017 2016 2015 2014

2.5f Asset renewal funding ratio

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

Transport Infrastructure

Projected capital funding outlays**		23,784	24,124	23,137	23,022
Projected capital expenditure funding***		17,000	16,814	26,887	17,813
Asset renewal funding ratio %	90-100%	139.9%	143.5%	86.1%	129.2%

Buildings

Projected capital funding outlays**		3,148	2,527	2,758	2,502
Projected capital expenditure funding***		3,148	2,527	2,758	1,627
Asset renewal funding ratio %	90-100%	100.0%	100.0%	100.0%	153.8%

Stormwater

Projected capital funding outlays**		398	410	437	405
Projected capital expenditure funding***		398	410	169	324
Asset renewal funding ratio %	90-100%	100.0%	100.0%	258.6%	125.0%

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

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

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

2.5g Asset sustainability ratio

Capex on replacement/renewal of existing assets		1,933	3,666	2,076	1,520
Annual depreciation and amortisation expense		2,952	2,792	2,547	2,746
Asset sustainability ratio %	100.0%	65.5%	131.3%	81.5%	55.4%

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

Notes to the Financial Report

for the year ended 30 June 2017

2.5 Management indicators (continued)

(Amounts shown in \$000)

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
2017			
By asset class (including work in progress)			
Land	-	-	-
Buildings	30	344	374
Plant and machinery	333	-	333
Furniture and fixtures	23	-	23
Minor plant	2	-	2
Roads	1,208	593	1,801
Bridges	268	-	268
Stormwater	-	-	-
Waste management	5	-	5
Intangibles	64	-	64
Total	1,933	937	2,870
2016			
By asset class (including work in progress)			
Land	-	47	47
Buildings	61	754	815
Plant and machinery	720	-	720
Furniture and fixtures	28	-	28
Roads	1,608	150	1,758
Bridges	1,167	-	1,167
Stormwater	50	6	56
Waste management	4	2	6
Intangibles	28	-	28
Total	3,666	959	4,625

2.6 Significant business activities

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

Notes to the Financial Report

for the year ended 30 June 2017

3 Asset base

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

3.1 Cash and cash equivalents

(Amounts shown in \$000)

	2017	2016
Cash at bank and on hand	1,532	571
Term deposits	10,293	8,242
<i>Total cash and cash equivalents</i>	11,825	8,813

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

- Special committees of Council	49	43
- Trust funds and deposits (note 3.8)	161	105
- Heritage Building Solutions Pty Ltd (note 3.10)	101	98
- Heritage Education and Skills Centre Ltd (note 3.10)	87	129
- Australian Government - Financial Assistance Grant (in advance) (note 2.2c)	1,644	-
Restricted funds	2,042	375
Total unrestricted cash and cash equivalents	9,783	8,438

Recognition and measurement

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

3.2 Trade and other receivables

(Amounts shown in \$000)

	2017	2016
Rates debtors	545	564
Other debtors	425	277
<i>Total trade and other receivables</i>	970	841

Recognition and measurement

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

Notes to the Financial Report

for the year ended 30 June 2017

3.3 Assets held for sale

(Amounts shown in \$000)	2017	2016
Internal transfer from Land	83	83
<i>Total assets held for sale</i>	<u>83</u>	<u>83</u>

Council has previously resolved to sell a parcel of land and has classified this land as held for sale.

Recognition and measurement

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

3.4 Other assets

(Amounts shown in \$000)	2017	2016
Stores and materials	334	312
Subsidiary work in progress	146	75
<i>Total other assets</i>	<u>480</u>	<u>387</u>

Recognition and measurement

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

3.5 Investment in water corporation

(Amounts shown in \$000)	2017	2016
Opening Balance	11,968	11,768
Change in fair value of investment	79	200
<i>Total investment in water corporation</i>	<u>12,047</u>	<u>11,968</u>

Recognition and measurement

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2017, Council held a 0.76% (2016: 0.76%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the council's voting rights. Any unrealised gains and losses are recognised through the Statement of Profit or Loss and Other Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 6.1). Council has classified this asset as an Available-for-Sale financial asset as defined in AASB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial report.

Notes to the Financial Report

for the year ended 30 June 2017

3.6 Property, plant, equipment, infrastructure and intangibles

(Amounts shown in \$000)	Gross book value		Accumulated depreciation		Total	
	2017	2016	2017	2016	2017	2016
Property						
At fair value						
Land	4,643	4,510	-	-	4,643	4,510
Land under roads	3,051	3,051	-	-	3,051	3,051
Buildings	22,405	19,483	(10,146)	(8,119)	12,259	11,364
Total property	30,099	27,044	(10,146)	(8,119)	19,953	18,925
Plant and equipment						
At cost						
Plant and machinery	4,019	3,976	(1,591)	(1,428)	2,428	2,548
Furniture and fixtures	586	563	(422)	(402)	164	161
Minor plant	283	280	(228)	(217)	55	63
Total plant and equipment	4,888	4,819	(2,241)	(2,047)	2,647	2,772
Infrastructure						
At fair value						
Roads	88,585	87,349	(45,179)	(43,525)	43,406	43,824
Bridges	26,081	24,770	(8,507)	(7,724)	17,574	17,046
Stormwater	5,173	5,172	(1,359)	(1,307)	3,814	3,865
Waste management	248	243	(175)	(166)	73	77
Total infrastructure	120,087	117,534	(55,220)	(52,722)	64,867	64,812
Work in progress	1,015	327	-	-	1,015	327
Intangibles	505	440	(282)	(221)	223	219
Total property, plant, equipment infrastructure and intangibles	156,594	150,164	(67,889)	(63,109)	88,705	87,055

Notes to the Financial Report

for the year ended 30 June 2017

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

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

Notes to the Financial Report

for the year ended 30 June 2017

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

(Amounts shown in \$000)	Balance at beginning of financial year	Acquisition of assets	Revaluation increase (decrease)	Depreciation and amortisation	Written down value of disposals	Assets initially recognised at fair value	Contribution of assets at fair value	Balance at end of financial year
2016								
Property								
Land	4,465	45	-	-	-	-	-	4,510
Land under roads	3,051	-	-	-	-	-	-	3,051
Buildings	10,771	909	-	(310)	(6)	-	-	11,364
Total property	18,287	954	-	(310)	(6)	-	-	18,925
Plant and equipment								
Plant and machinery	2,353	712	-	(253)	(264)	-	-	2,548
Furniture and fixtures	168	15	-	(22)	-	-	-	161
Minor plant	64	7	-	(8)	-	-	-	63
Total plant and equipment	2,585	734	-	(283)	(264)	-	-	2,772
Infrastructure								
Roads	44,246	1,864	-	(1,768)	(518)	-	-	43,824
Bridges	16,035	1,191	307	(321)	(166)	-	-	17,046
Stormwater	2,074	59	715	(51)	-	1,068	-	3,865
Waste management	80	5	-	(8)	-	-	-	77
Total infrastructure	62,435	3,119	1,022	(2,148)	(684)	1,068	-	64,812
Work in progress	647	(320)	-	-	-	-	-	327
Intangibles	128	138	-	(47)	-	-	-	219
Total property, plant, equipment, infrastructure and intangibles	84,082	4,625	1,022	(2,788)	(954)	1,068	-	87,055

Prior period adjustment

The balances at the beginning of the 2015-16 year for Roads and Land Under Roads have been increased by \$706,000 and \$72,000 respectively in this financial report. Roads were revalued and Land under roads were initially recognised in the 2014-15 year. As a result of a review of the asset registers in the 2016-17 year it was noted that some assets had been incorrectly recorded in 2014-15. Consequently the balance of these asset classes and the asset revaluation reserve were understated by these amount and have been adjusted to reflect the corrected asset registers.

Notes to the Financial Report

for the year ended 30 June 2017

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

The following table summarises the impacts on Council's financial statements:

(Amounts shown in \$000)

As previously reported	Adjustment for prior period error	As restated
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Consolidated Statement of Financial Position As at 30 June 2016

Total assets	108,369	778	109,147
Total liabilities	2,966	-	2,966
Net assets	105,403	778	106,181
Equity			
Accumulated surplus	46,044	-	46,044
Reserves	59,359	778	60,137
Total equity	105,403	778	106,181

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2016

Result from continuing operations	107	-	107
Other comprehensive income	1,222	-	1,222
Total comprehensive result	1,329	-	1,329

Recognition and measurement

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

Notes to the Financial Report

for the year ended 30 June 2017

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

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

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

3.7 Trade and other payables

(Amounts shown in \$000)	2017	2016
Payables and accruals	566	577
Payroll tax and workers compensation on employee entitlements	53	56
<i>Total trade and other payables</i>	619	633

Recognition and measurement

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

3.8 Trust funds and deposits

(Amounts shown in \$000)	2017	2016
Tender deposits and funds held on trust	161	102
<i>Total trust funds and deposits</i>	161	102

Recognition and measurement

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

3.9 Fair value measurements

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

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

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

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

(a) Fair Value Hierarchy

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

3.9 Fair value measurements (continued)

(Amounts shown in \$000)	Level 1		Level 2		Level 3		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Fair value measurements								
Recurring								
Property								
Land	-	-	4,643	4,510	-	-	4,643	4,510
Land under roads	-	-	-	-	3,051	3,051	3,051	3,051
Buildings	-	-	-	-	12,259	11,364	12,259	11,364
Infrastructure								
Roads	-	-	-	-	43,406	43,824	43,406	43,824
Bridges	-	-	-	-	17,574	17,046	17,574	17,046
Stormwater	-	-	-	-	3,814	3,865	3,814	3,865
Waste management	-	-	-	-	73	77	73	77
Total recurring	-	-	4,643	4,510	80,177	79,227	84,820	83,737
Non-recurring								
Assets held for sale	83	83	-	-	-	-	83	83
Total non-recurring	83	83	-	-	-	-	83	83

Transfers between levels of the hierarchy

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

(b) Highest and best use

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

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

Land

Land fair values were determined by a qualified independent valuer. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Notes to the Financial Report

for the year ended 30 June 2017

3.9 Fair value measurements (continued)

Land held for sale

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

Land under roads

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

Buildings

Council considers that all its buildings are of a specialist nature (eg heritage buildings) and there is no active market for the assets. Fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values have been determined by Council officers with reference to market data for recent projects and costing guides.

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

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

Infrastructure assets

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 2.3.

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

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

Roads

Council categorises its road infrastructure into sealed and unsealed roads and then further sub-categorises these based on an assessment of vehicle movements and social and economic importance. Roads are managed in segments. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

Notes to the Financial Report

for the year ended 30 June 2017

3.9 Fair value measurements (continued)

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

Bridges

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

Stormwater

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

Other Infrastructure

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

(d) Changes in recurring level 3 fair value measurements

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

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

(e) Valuation processes

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

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

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

(f) Assets and liabilities not measured at fair value but for which fair value is disclosed

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

3.10 Investments in subsidiaries

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

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

(Amounts shown in \$000)	2017	2016
Heritage Building Solutions Pty Ltd		
Statement of Comprehensive Income		
Revenue	599	755
Expenses	(572)	(709)
Total Comprehensive Income for the year	27	46
Statement of Financial Position		
Assets	384	340
Liabilities	(329)	(312)
Total Equity	55	28
Heritage Education & Skills Centre Pty Ltd		
Statement of Comprehensive Income		
Revenue	8	150
Expenses	(55)	(90)
Total Comprehensive Income for the year	(47)	60
Statement of Financial Position		
Assets	111	157
Liabilities	(63)	(62)
Total Equity	48	95

Notes to the Financial Report

for the year ended 30 June 2017

4 People

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

4.1 Employee provisions

(Amounts shown in \$000)

	2017	2016
Current		
Annual leave	413	382
Long service leave	566	553
Personal	281	241
Total current	1,260	1,176
Non-current		
Long service leave	148	110
Total non-current	148	110
Total employee provisions	1,408	1,286
Description of current and non-current components of employee provisions		
Current		
All annual leave and the long service leave entitlements representing 10 or more years of continuous service:		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value.	694	623
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	566	553
	1,260	1,176
Non-current		
Long service leave representing less than 10 years of continuous service measured at present value.	148	110
	148	110
Number of employees (full time equivalents)	55	52

Notes to the Financial Report

for the year ended 30 June 2017

4.1 Employee Provisions (continued)

Movements in employee provisions during the financial year

(Amounts shown in \$000)	Annual leave		Long service leave		Personal			Total
	2017	2016	2017	2016	2017	2016	2017	2016
Balance at beginning of the year	382	429	663	656	241	242	1,286	1,327
Additional provisions	236	193	83	72	111	98	430	363
Amounts used	(205)	(240)	(32)	(65)	(71)	(99)	(308)	(404)
Balance at end of the year	413	382	714	663	281	241	1,408	1,286

Recognition and measurement

Short term obligations

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

Other long term employee benefit obligations

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

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

Personal leave

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

Notes to the Financial Report

for the year ended 30 June 2017

4.2 Related party transactions

Responsible Persons

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

Councillors	Mayor A E Bisdee OAM	1 July 2016	to	30 June 2017
	Deputy Mayor A O Green	1 July 2016	to	30 June 2017
	Councillor A R Bantick	1 July 2016	to	30 June 2017
	Councillor E C Batt	1 July 2016	to	30 June 2017
	Councillor R A Campbell	1 July 2016	to	30 June 2017
	Councillor D F Fish	1 July 2016	to	30 June 2017
	Councillor D E Marshall	1 July 2016	to	30 June 2017
General Manager	Mr T F Kirkwood	1 July 2016	to	30 June 2017

Councillor remuneration

(Amounts shown in \$)

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

Notes to the Financial Report

for the year ended 30 June 2017

4.2 Related party transactions (continued)

(Amounts shown in \$)

	Allowances	Compensation AASB 124	Kilometre reimbursements	Communications	Other	Total Allowances and Expenses section 72
2016						
Mayor A E Bisdee OAM	34,618	34,618	3,923	1,420	24	39,985
Deputy Mayor A O Green	19,746	19,746	3,239	1,100	24	24,109
Councillor A R Bantick	9,891	9,891	629	780	24	11,324
Councillor E C Batt	9,891	9,891	693	780	24	11,388
Councillor R A Campbell	9,891	9,891	1,374	780	24	12,069
Councillor D F Fish	9,891	9,891	-	780	24	10,695
Councillor D E Marshall	9,621	9,621	1,060	780	24	11,485
<i>Total</i>	103,549	103,549	10,918	6,420	168	121,055

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

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

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

Other - cost of electronic funds transfer.

Key Management Personnel remuneration

(Amounts shown in \$)

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

Notes to the Financial Report

for the year ended 30 June 2017

4.2 Related party transactions (continued)

(Amounts shown in \$)		Short term benefits			Post employment benefits			Total
		Salary	Vehicles	Other benefits	Superannuation	Termination benefits	Other non-monetary benefits	
2016								
Remuneration band	Employees							
\$80 001 - \$100 000	1	78,702	-	300	9,838	-	5,254	94,094
\$100 001 - \$120 000	2	206,346	11,000	600	25,793	-	(34,031)	209,708
\$120 001 - \$140 000	1	115,518	5,500	300	14,440	-	(9,779)	125,979
\$160 001 - \$180 000	1	145,002	5,500	300	18,125	-	5,992	174,919
		545,568	22,000	1,500	68,196	-	(32,564)	604,700

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

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

4.2 Related party transactions (continued)

Directors of subsidiary companies remuneration

Two directors of Heritage Building Solutions Pty Ltd and Heritage Education & Skills Centre Pty Ltd were paid directors fees in total of \$24,883 (2016: \$27,562)

Remuneration Principles

Councillors

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

Senior management

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, Council also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

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

Directors of subsidiary companies

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

Transactions with related parties

During the period Council entered into transactions with entities that are controlled by members of key management personnel for contracted works and the provision of administrative services for \$5,200 (2016: \$5,200). All transactions were at arm's length and were in the normal course of Council operations.

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

Transactions with related parties that have not been disclosed

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

- Payment of rates on a primary residence
- Dog registration

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

Notes to the Financial Report

for the year ended 30 June 2017

4.3 Post employment benefits

Recognition and measurement

Defined contribution funds

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

Defined benefit fund

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

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

For the year ended 30 June 2017 Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, Council is required to meet its share of the deficiency.

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

4.3 Post employment benefits (continued)

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2014.
- 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.
- 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.

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 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, Councils’ contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members’ benefits.
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).

Notes to the Financial Report

for the year ended 30 June 2017

4.3 Post employment benefits (continued)

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 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 2016 the fund had 151 members and the total employer contributions and member contributions for the year ended 30 June 2016 were \$1,956,576 and \$284,779 respectively.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$29,558 (2015-16, \$30,827), and the amount paid to accumulation schemes was \$312,801 (2015-16, \$304,907).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$33,432, and the amount to be paid to accumulation schemes is \$355,690.

Notes to the Financial Report

for the year ended 30 June 2017

5 Debt and risk management

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

5.1 Interest-bearing loans and borrowings

(Amounts shown in \$000)

2017 2016

Current

Borrowings - secured	73	77
----------------------	----	----

Non-current

Borrowings - secured	681	868
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Total borrowings

754	945
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Borrowings are secured over the rate income of Council.

The maturity profile for Council's borrowings is:

Not later than one year	73	77
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Later than one year and not later than five years	436	418
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Later than five years	245	450
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<i>Total</i>	754	945
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Recognition and measurement

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

5.2 Financing arrangements

(Amounts shown in \$000)

2017 2016

Bank overdraft limit	200	200
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Direct debit facility	100	100
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Business credit cards	50	50
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Used facilities	(3)	-
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<i>Unused facilities</i>	347	350
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Notes to the Financial Report

for the year ended 30 June 2017

5.3 Financial Instruments

Accounting policy, terms and conditions

Recognised financial instruments	Accounting policy	Terms and Conditions
<i>Financial assets</i>		
Cash and cash equivalents	See Note 3.1	On call deposits returned a floating interest rate of 1.3% (1% in 2016). The interest rate at balance date was 1.3% (1% in 2016).
Trade and other receivables	See Note 3.2	<p>General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2016). Credit terms are based on 30 days.</p> <p>Rate debtors are paid either by four instalments or alternatively within 30 days (which provides a discount of 1.3%). The discount is shown as an expense of the Council. A penalty of 5% applies to any rate or charge that is not paid on or before the date it falls due and in addition to the penalty, interest under section 128 of the Local Government Act 1993 will be charged at the rate of 9.5% per annum.</p> <p>Should amounts remain unpaid outside the adopted payment options, Council will instigate collection proceedings in accordance with the provisions of the Local Government Act 1993 (as amended).</p>
Available for sale financial assets Investment in Water Corporation	See Note 3.5	
<i>Financial Liabilities</i>		
Trade and other payables	See Note 3.7	Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	See Note 5.1	<p>The loans of Council are secured by trust deed. In accordance with section 80 of the Local Government Act 1993, the borrowing capacity of Council is limited to:</p> <ul style="list-style-type: none"> - 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 a specific purpose are to be excluded in calculating 30% of the revenue of the council. <p>The current annual payment of loans (principal and interest) by Council, based on the debenture loan schedules, equate to less than 2.5% of total revenue for the preceding year (2016: less than 2.5%).</p>

Notes to the Financial Report

for the year ended 30 June 2017

5.3 Financial Instruments (continued)

Interest rate risk

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

(Amounts shown in \$000)	Floating interest rate	1 year or less	Fixed interest maturing in:		Non-interest bearing	Total
			Over 1 year to 5 years	More than 5 years	bearing	
2017						
<i>Financial assets</i>						
Cash and cash equivalents	1,532	10,293	-	-	-	11,825
Trade and other receivables	-	-	-	-	970	970
Investment in water corporation	-	-	-	-	12,047	12,047
Total financial assets	1,532	10,293	-	-	13,017	24,842
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	619	619
Trust funds and deposits	-	-	-	-	161	161
Interest-bearing loans and borrowings	-	73	436	245	-	754
Total financial liabilities	-	73	436	245	780	1,534
Net financial assets (liabilities)	1,532	10,220	(436)	(245)	12,237	23,308
2016						
<i>Financial assets</i>						
Cash and cash equivalents	571	8,242	-	-	-	8,813
Trade and other receivables	-	-	-	-	841	841
Investment in water corporation	-	-	-	-	11,968	11,968
Total financial assets	571	8,242	-	-	12,809	21,622
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	633	633
Trust funds and deposits	-	-	-	-	102	102
Interest-bearing loans and borrowings	-	77	418	450	-	945
Total financial liabilities	-	77	418	450	735	1,680
Net financial assets (liabilities)	571	8,165	(418)	(450)	12,074	19,942

Notes to the Financial Report

for the year ended 30 June 2017

5.3 Financial Instruments (continued)

Fair value

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

(Amounts shown in \$000)	Total carrying amount		Net fair value	
	2017	2016	2017	2016
<i>Financial assets:</i>				
Cash and cash equivalents	11,825	8,813	11,825	8,813
Trade and other receivables	970	841	970	841
Investment in water corporation	12,047	11,968	12,047	11,968
Total financial assets	24,842	21,622	24,842	21,622
<i>Financial liabilities:</i>				
Trade and other payables	619	633	619	633
Trust funds and deposits	161	102	161	102
Interest-bearing loans and borrowings	754	945	754	945
Total financial liabilities	1,534	1,680	1,534	1,680

Credit risk

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

Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

5.3 Financial Instruments (continued)

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

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

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

Credit risk

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

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

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

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

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

Ageing of Trade and Other Receivables

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

(Amounts shown in \$000)	2017	2016
Current (not yet due)	238	14
Past due by up to 30 days	71	132
Past due between 31 and 60 days	-	10
Past due between 61 and 90 days	-	17
Past due by more than 90 days	116	104
<i>Total Trade & Other Receivables</i>	425	277
Rates receivable	545	564
Total receivables	970	841

Notes to the Financial Report

for the year ended 30 June 2017

5.3 Financial Instruments (continued)

Liquidity risk

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities.

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

2017 (Amounts shown in \$000)	Less than 1 year	1 to 5 years	More than 5 years	Contracted cash flow	Carrying amount
Trade and other payables	619	-	-	619	619
Trust funds and deposits	161	-	-	161	161
Interest-bearing loans and borrowings	73	436	245	754	754
Total financial liabilities	853	436	245	1,534	1,534
2016 (Amounts shown in \$000)	Less than 1 year	1 to 5 years	More than 5 years	Contracted cash flow	Carrying amount
Trade and other payables	633	-	-	633	633
Trust funds and deposits	102	-	-	102	102
Interest-bearing loans and borrowings	77	418	450	945	945
Total financial liabilities	812	418	450	1,680	1,680

Notes to the Financial Report

for the year ended 30 June 2017

5.3 Financial Instruments (continued)

Sensitivity disclosure analysis

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

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

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

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

2016		Interest rate risk			
		-0.5%		1%	
		-50 basis points		100 basis points	
(Amounts shown in \$000)		Profit	Equity	Profit	Equity
<i>Financial assets:</i>					
Cash and cash equivalents	8,813	(44)	(44)	88	88
Trade and other receivables	841	(4)	(4)	8	8
<i>Financial liabilities:</i>					
Interest-bearing loans and borrowings	945	5	5	(9)	(9)

Notes to the Financial Report

for the year ended 30 June 2017

6 Other information

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

6.1 Reserves

(Amounts shown in \$000)	Balance as at 30 June 2015	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2016	Revaluation increment (decrement)	Other movements	Balance as at 30 June 2017
Asset revaluation reserve	56,456	1,022	778	58,256	1,426	-	59,682
Fair value reserve							
<i>Available-for-sale assets</i>							
Investment in water corporation	(1,970)	-	200	(1,770)	-	79	(1,691)
Total fair value reserve	(1,970)	-	200	(1,770)	-	79	(1,691)
Other reserves							
Bridge maintenance reserve	1,666	-	-	1,666	-	-	1,666
Plant replacement reserve	686	-	-	686	-	-	686
Capital works reserve	1,239	-	-	1,239	-	-	1,239
Quarry reinstatement reserve	31	-	-	31	-	-	31
Public open space reserve	29	-	-	29	-	-	29
Total other reserves	3,651	-	-	3,651	-	-	3,651
Total reserves	58,137	1,022	978	60,137	1,426	79	61,642

Recognition and measurement

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

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

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

Notes to the Financial Report

for the year ended 30 June 2017

6.2 Commitments

(Amounts shown in \$000)

2017

2016

Capital expenditure contractual commitments

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

645

-

Other contractual commitments

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

200

177

6.3 Contingent liabilities and contingent assets

Contingent liabilities

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

Recognition and measurement

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

6.4 Other significant accounting policies and new accounting standards

(a) Taxation

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

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(b) Allocation between current and non-current

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

(c) Budget

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

Notes to the Financial Report

for the year ended 30 June 2017

6.4 Other significant accounting policies and new accounting standards

(d) Adoption of new and amended accounting standards

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

- AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (effective from 1 July 2016)
The amendment extends the scope of AASB 124 Related Party Disclosures to include not-for-profit public sector entities.

The standard has increased the requirement to disclose related party transactions as disclosed at Note 4.2.

- AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities (effective from 1 July 2016)
The amendment provides relief to not-for-profit public sector entities from certain disclosures about the fair value measurement of property, plant and equipment held for their current service potential rather than to generate net cash inflows that is categorised within Level 3 of the fair value hierarchy.

There has been no material effect of the adoption of the standard by Council on Council's financial report.

(e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below. (Note: standards are applicable to reporting periods beginning on or after to effective date referred to below).

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

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

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

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

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

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.

Notes to the Financial Report

for the year ended 30 June 2017

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

- AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers, and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities. AASB 2015-8 Amendments to Australian Accounting Standards arising from AASB 15 provides for an effective of application from 1 January 2019.

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

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

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 (effective 1 January 2018)

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

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2015-10 has delayed the effective date of the amendments to 1 January 2018.

There is likely to be no material impact on Council of the introduction of this standard.

Notes to the Financial Report

for the year ended 30 June 2017

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

- AASB 16 Leases (effective from 1 January 2019)

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

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

Council does not currently hold any material leases as lessee and has determined that there is likely to be no material impact on Council of the introduction of this standard.

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (effective from 1 January 2017)

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

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



Tasmanian Audit Office

Independent Auditor's Report

To the Councillors of Southern Midlands Council

Report on the Audit of the Consolidated Financial Report

Opinion

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

In my opinion, the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the statement of comprehensive income and the asset renewal funding ratio disclosed in note 2.5(f) to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the

...1 of 3

General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

...2 of 3

to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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



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

Tasmanian Audit Office

27 September 2017
Hobart