



ANNUAL REPORT

2014/15

SOUTHERN
MIDLANDS
COUNCIL



Southern Midlands Council

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Cover photo

The Light Horse at the Kempton Festival - February 2015

Photos

All photo's included in this publication are courtesy of Andrew Benson

Southern Midlands Council

Our Vision

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

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

Our Mission

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

The Council in partnership with the community will:

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

Our Guiding Principles

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

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

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Introduction

The Year in Review

I am pleased to report that the 2014/15 financial year has been a positive one for both the Southern Midlands Council and the southern midlands community.

It has seen the completion and commissioning of the Midlands Irrigation Scheme, being the biggest single project undertaken in the Southern Midlands for the past 50 years or so. This irrigation scheme delivers water (with a high degree of surety) to what (at times) can be a very dry area and allows greater utilisation of agricultural land. Already we have seen a major dairy established at Tunbridge, with others in the planning stages; further development of horticulture and viticulture ventures; and consolidation of poppy growing areas. This is all having a positive effect on employment opportunities within the region. Roberts Ltd is an example whereby they have recently located to a new larger premises in Oatlands, with more staff transferred from their Bridgewater facility. This is aimed at servicing the increased demand, especially for irrigation equipment.

There are numerous other exciting developments either happening or planned within the Southern Midlands Council area, an example being the approval of a new whiskey distillery at the 'Shene' property at Mangalore. These initiatives are all positive signs for future economic development in this region.

The most important political issue facing the Southern Midlands is the proposal by the State Government Treasurer, the Hon. Peter Gutwein MP to reduce the number of local Councils by encouraging voluntary amalgamation. The Southern Midlands Council has considered this matter and following discussions with our neighbouring Councils have resolved to oppose any voluntary merger unless it is proven that our constituents and our local community will see tangible benefits and/or achieve savings.

Council has however identified the benefits of sharing resources, and the Southern Midlands Council along with six other Councils have entered into a Common Service Agreement. This new Common Services Agreement began in April 2015 and already there are tangible and verifiable benefits to all engaged Councils, especially the Southern Midlands Council.

Council has maintained its focus on asset renewal / replacement during the past year. This included replacement of two significant Bridges: Brown Mountain Road Bridge and Rotherwood Road Bridge and the commencement of other smaller bridge renewals. Considerable funds were expended on re-sheeting of gravel roads and a number of sealed road reconstruction projects were completed and are detailed in the Roads Program within this Annual Report.

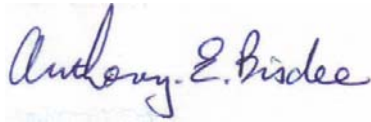
The installation of new ground lighting at both the Campania and Oatlands Recreation Grounds was completed during the financial year. This was a major infrastructure project for Council, and whilst some preliminary planning had occurred, it was necessary to expedite the project following receipt of a report that the existing wooden poles had deteriorated. Council were firmly of the opinion that this level of investment was required to support local sporting teams in both the Oatlands and Campania areas, and is consistent with the

requirements of these communities. We look forward to future night games being played, both football and cricket.

Unfortunately, the year did include some very sad occasions with the passing of Deputy Mayor Mark Jones OAM on 29th January 2015 and Council's Youth and Community Development Officer, Mr Greg Hunt on 23rd July 2015. Both were highly valued members of the Southern Midlands Council, and each worked closely with numerous community organisations with great enthusiasm and passion.

While the year ahead will bring challenges, I am confident we will meet those challenges with determination and resolve for the betterment of the southern midlands community and the region as a whole.

I wish to thank my fellow Councillor's and all staff for their dedication and support during the past year and I especially wish to thank the Council management team for their continued professional management of our Council.

A handwritten signature in blue ink that reads 'Anthony E. Bisdee'.

Clr Tony 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 2014/15 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.

Ratepayers and residents would be fully aware of the amalgamation / merger issue which has been raised by the Tasmanian Government. This is based on a voluntary approach whereby local government has been encouraged to consider options based on complying with the following principles:

- be in the interest of ratepayers;
- improve the level of services for communities;
- preserve and maintain local representation; and
- ensure that the financial status of the entities is strengthened.

Council has given considerable consideration to this issue, and is firmly of the belief (based on community feedback) that the best option going forward is to achieve efficiencies and cost savings through participation in resource sharing arrangements. To this end, Council has become a member of the more formal 'Tasmanian Common Services Model', in conjunction with six other Councils. It is envisaged that other Councils will join as time progresses.

The Annual Report includes many positives and these indicate the broad range of activities and initiatives that Council has been involved with or undertaken during the reporting period.

In reference to the 2014/15 Financial Report, whilst Council reported an overall comprehensive result (surplus) of \$4.978M, it is important to acknowledge that this includes the following:

- the recognition and valuation of land under roads \$2.979M; and
- an amount of \$1.597M received in advance from the Australian Government for the annual Financial Assistance Grant (which applies to the 2015-16 period).

Taking into account the above, together with other adjustments to the valuation of assets etc., Council did report an actual underlying surplus of \$67K. This is an extremely pleasing result, particularly when compared to the Council's Long Term Financial Management Strategy.

I would like to express my sincere appreciation to the Mayor and Councillors for their assistance and support during the year, and unfortunately I also note the passing of the former Deputy Mayor Mark Jones OAM in late January 2015.

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



Tim Kirkwood
GENERAL MANAGER

Council Committee Structure

THE COUNCILLORS	COUNCIL & COMMITTEE MEMBERSHIP
 <p>Mayor Tony E Bisdee OAM "Kelstock" Melton Mowbray</p>	<ul style="list-style-type: none"> ◆ Council ◆ Australia Day Awards (Chair) ◆ Enterprise Bargaining/Award Consultative Committee (Chair) ◆ Southern Tasmania Council Association (Deputy Chairman) ◆ TasWater Corporation – Owners Representatives Committee and Board Selection Committee ◆ Southern Waste Strategy Authority (Proxy) ◆ Midlands Multi-Purpose Health Centre – Community Advisory Committee ◆ Tunnack Recreation Ground Management Committee (Chair)
 <p>Deputy Mayor Mark Jones OAM</p> <p><i>Deputy Mayor Mark Jones OAM passed away in January 2015</i></p>	<ul style="list-style-type: none"> ◆ Council ◆ Southern Midlands Audit and Risk Committee ◆ Municipal Disaster Management Committee (Emergency Management Planning Committee) ◆ New Pool Project Steering Committee ◆ Oatlands Community Men's Shed ◆ Southern Midlands Facilities & Recreation Committee ◆ Woodsdale Hall Management Committee ◆ Australia Day Awards (Proxy) ◆ Enterprise Bargaining / Award Consultative Committee (Proxy) ◆ TasWater Corporation – Owners Representatives (Proxy) ◆ Campania Halls Management Committee (Proxy) ◆ Campania Recreation Ground Management Committee (Proxy) ◆ Lake Dulverton / Callington Park Management Committee (Proxy) ◆ Levendale Community Centre Management Committee (Proxy) ◆ Oatlands Recreation Ground Management Committee (Proxy) ◆ Southern Tasmania Council Association (Proxy)

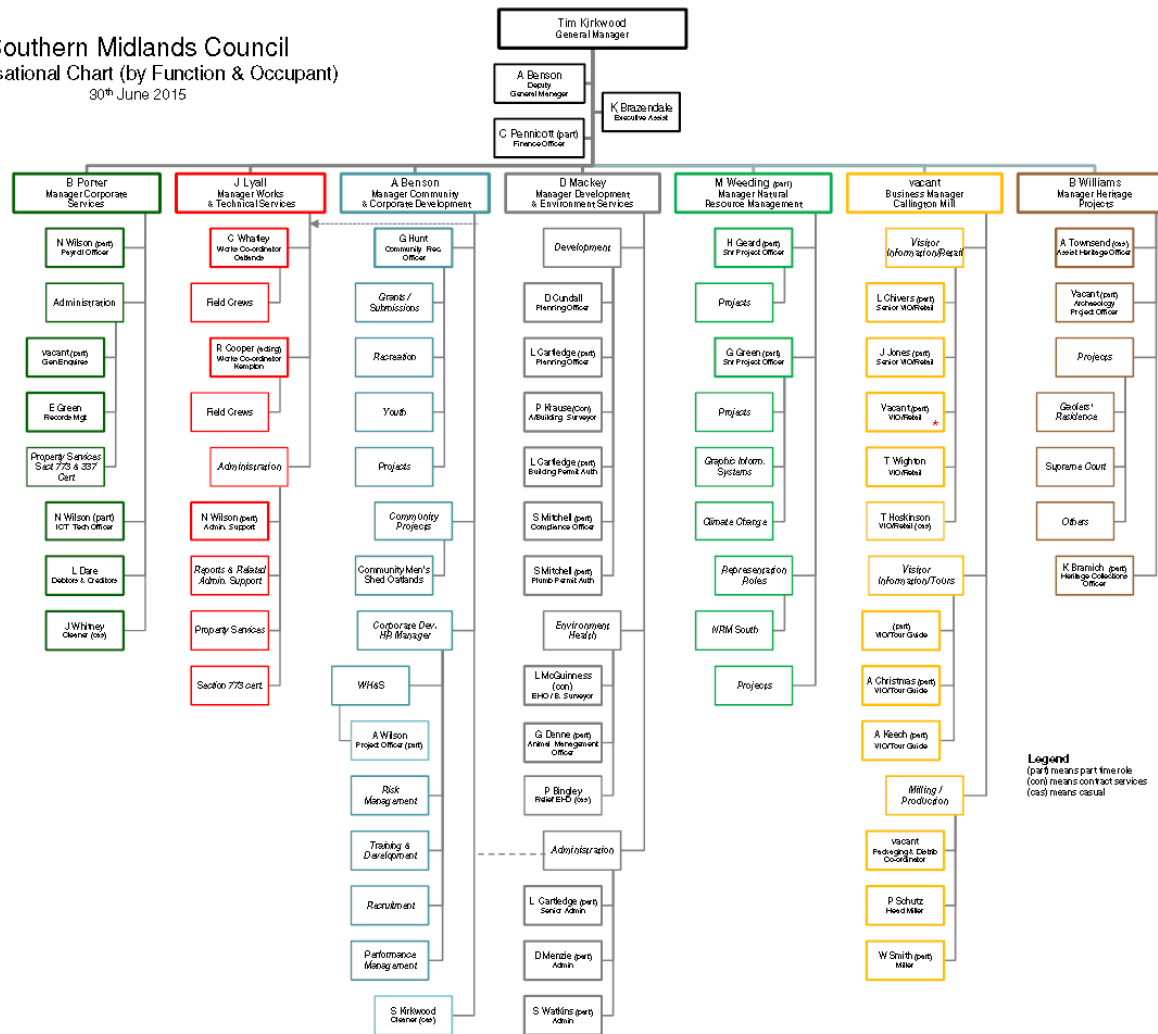
THE COUNCILLORS	COUNCIL & COMMITTEE MEMBERSHIP
 <p>Deputy Mayor Alexander O. Green “Wattlebanks” Campania</p> <p><i>Elected as Deputy Mayor in February 2015</i></p>	<ul style="list-style-type: none"> ◆ Council ◆ Southern Midlands Audit and Risk Committee ◆ Midlands Economic Development and Land Use Strategy (MEDaLS) - Implementation Committee ◆ Southern Waste Strategy Authority ◆ 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 – from Oct 2014) ◆ Woodsdale Hall Management Committee (from Oct 2014) ◆ Oatlands Recreation Ground Management Committee (Proxy – from October 2014) ◆ Australia Day Awards (Proxy – from Oct 2014) ◆ Enterprise Bargaining / Award Consultative Committee (Proxy – from Oct 2014) ◆ TasWater Corporation – Owners Representatives (Proxy – from Oct 2014)
 <p>Clr A R (Tony) Bantick Winstead Road, Bagdad</p>	<ul style="list-style-type: none"> ◆ Council ◆ Southern Midlands Facilities & Recreation Committee ◆ Municipal Disaster Management Committee (Emergency Management Planning Committee) – from October 2014 ◆ Chauncy Vale Management Committee ◆ Mangalore Recreation Management Committee (Chair)
 <p>Clr Robert (Bob) Campbell Inglewood Road, Andover</p>	<ul style="list-style-type: none"> ◆ Council ◆ Arts Advisory Committee (Proxy) ◆ New Pool Project Steering Committee (Proxy) ◆ Little Swanport Catchment Committee (Proxy) ◆ Chauncy Vale Management Committee (Proxy) ◆ Lake Dulverton / Callington Park Management Committee (Proxy – from October 2014) ◆ Levendale Community Centre Management Committee (Proxy – from October 2014) ◆ 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)

THE COUNCILLORS	COUNCIL & COMMITTEE MEMBERSHIP
 <p>Clr Marie J. Connors Louisa Street, Kempton</p> <p><i>Retired October 2014</i></p>	<ul style="list-style-type: none"> ◆ Council ◆ Southern Midlands Facilities & Recreation Committee ◆ Tunnack Recreation Ground Management Committee ◆ Midlands Multi-Purpose Health Centre – Community Advisory Committee (Proxy)
 <p>Clr Donald F. Fish “Ashgrove”, Andover</p>	<ul style="list-style-type: none"> ◆ Council ◆ Southern Midlands Facilities & Recreation Management Committee (Chair) ◆ Lake Dulverton / Callington Park Management Committee (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 Community Men’s Shed ◆ Oatlands Recreation Ground Management Committee ◆ Parattah Progress Association ◆ Parattah Railway Restoration Management Committee
 <p>Clr J L Jones OAM</p> <p>“Grangeside House” Kempton</p> <p><i>Retired October 2014</i></p>	<ul style="list-style-type: none"> ◆ Council ◆ Arts Advisory Committee ◆ Blue Place Management Committee (Proxy) ◆ Midlands Economic Development and Land Use Strategy ◆ Oatlands Court House/ Gaol Working Group ◆ Southern Midlands Facilities & Recreation Committee (Proxy)

THE COUNCILLORS	COUNCIL & COMMITTEE MEMBERSHIP
 <p>Cllr Edwin Batt ‘Woodlands’ Melton Mowbray</p> <p><i>Elected October 2014</i></p>	<ul style="list-style-type: none"> ◆ Council ◆ Southern Midlands Audit and Risk Committee ◆ Southern Midlands Facilities & Recreation Committee ◆ Arts Advisory Committee (Chair) ◆ Midlands Economic Development and Land Use Strategy (MEDaLS) - Implementation Committee
 <p>Cllr David Marshall Campania</p> <p><i>Elected February 2015</i></p>	<ul style="list-style-type: none"> ◆ Council ◆ Southern Midlands Audit and Risk Committee (Proxy) ◆ Campania Structure Plan Committee ◆ Campania Halls Management Committee (Proxy) ◆ Campania Recreation Ground Management Committee (Proxy)

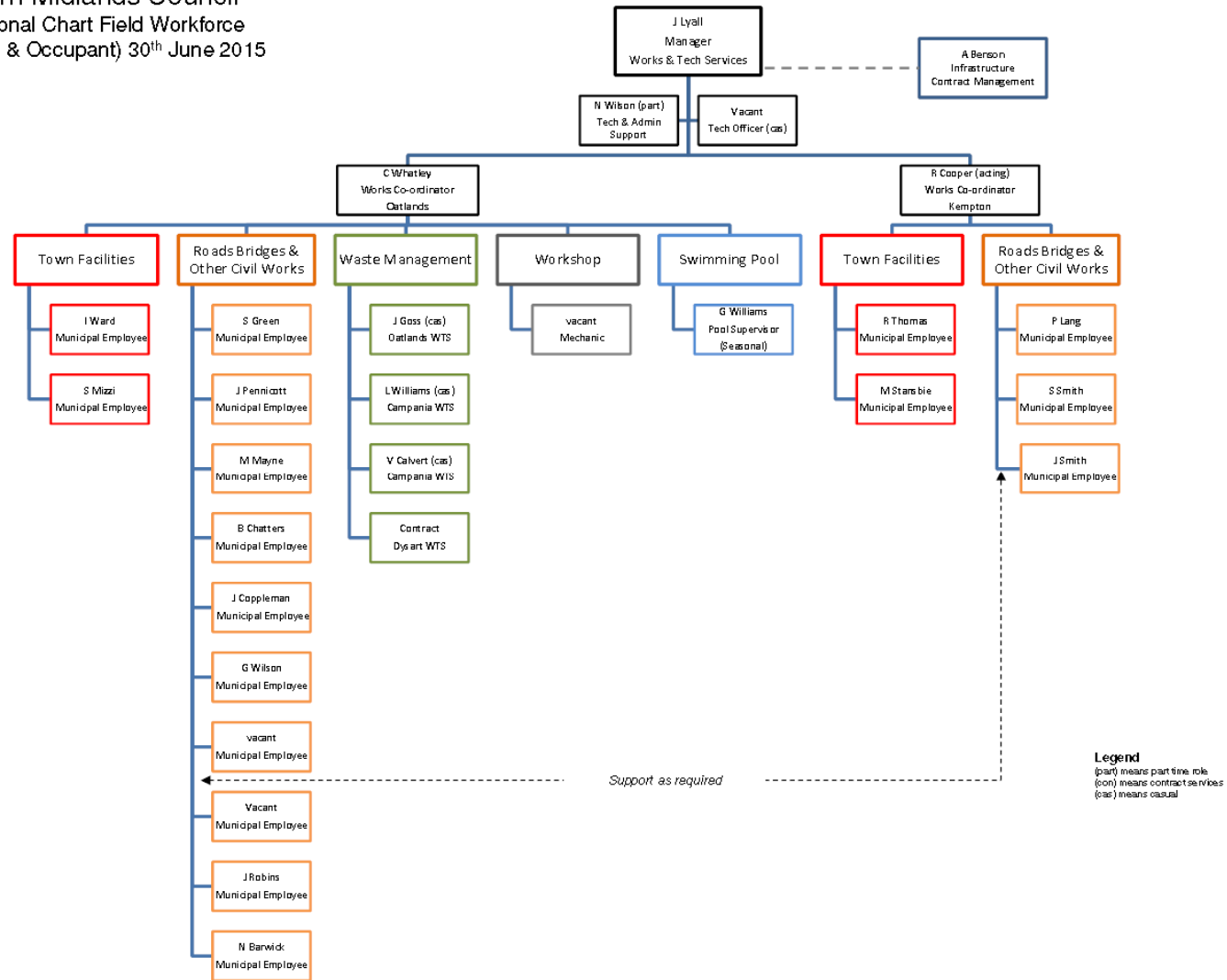
Organisational Charts

Southern Midlands Council
Organisational Chart (by Function & Occupant)
30th June 2015



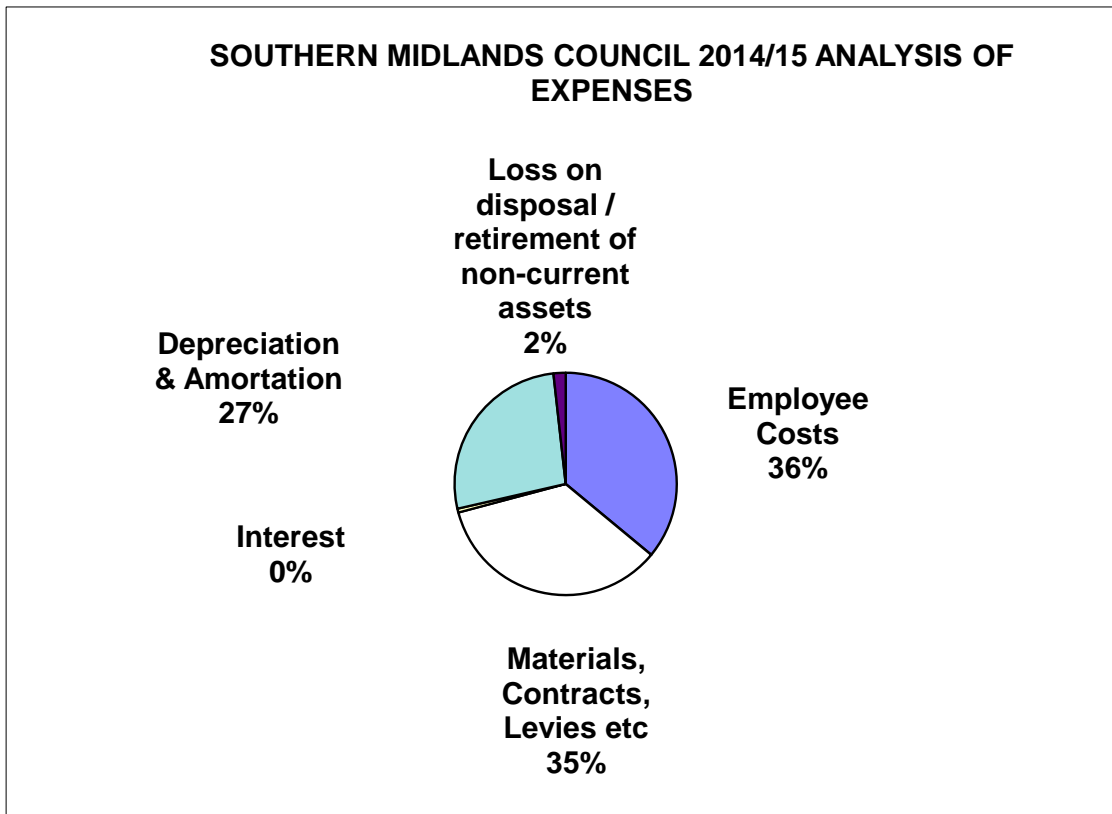
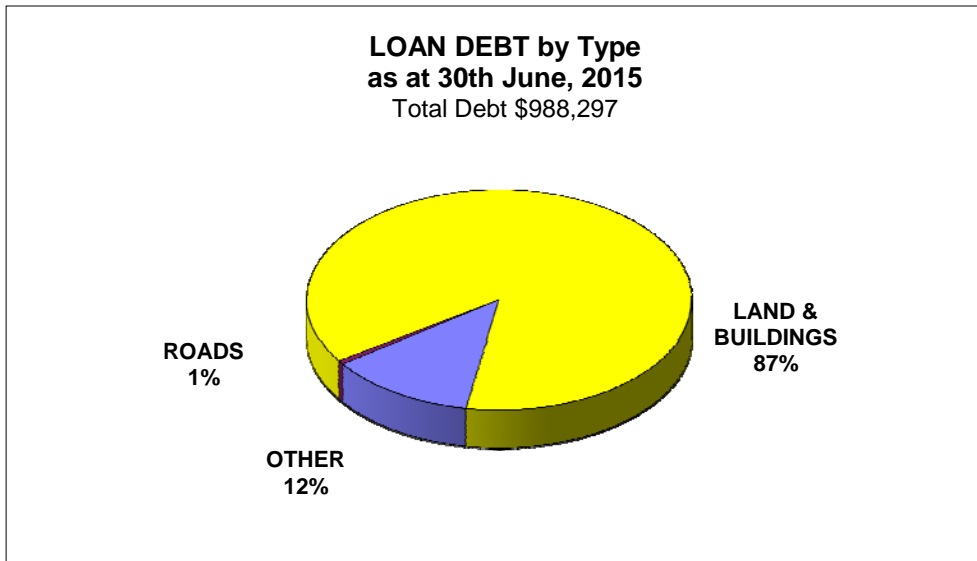
Legend
(part) means part time role
(cont) means contract services
(cont) means casual

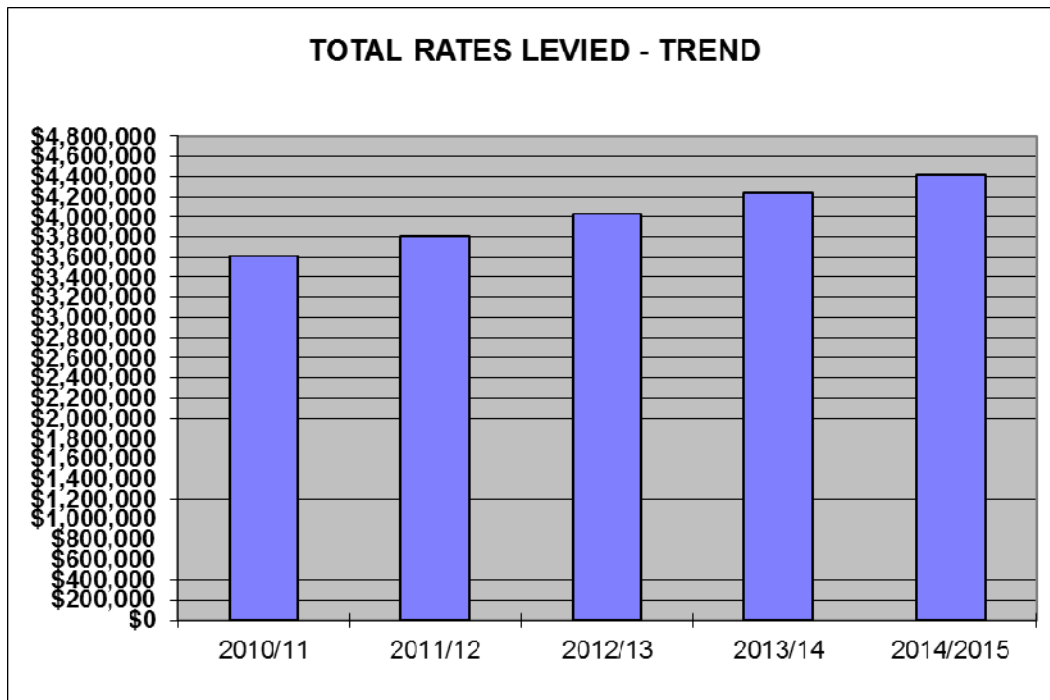
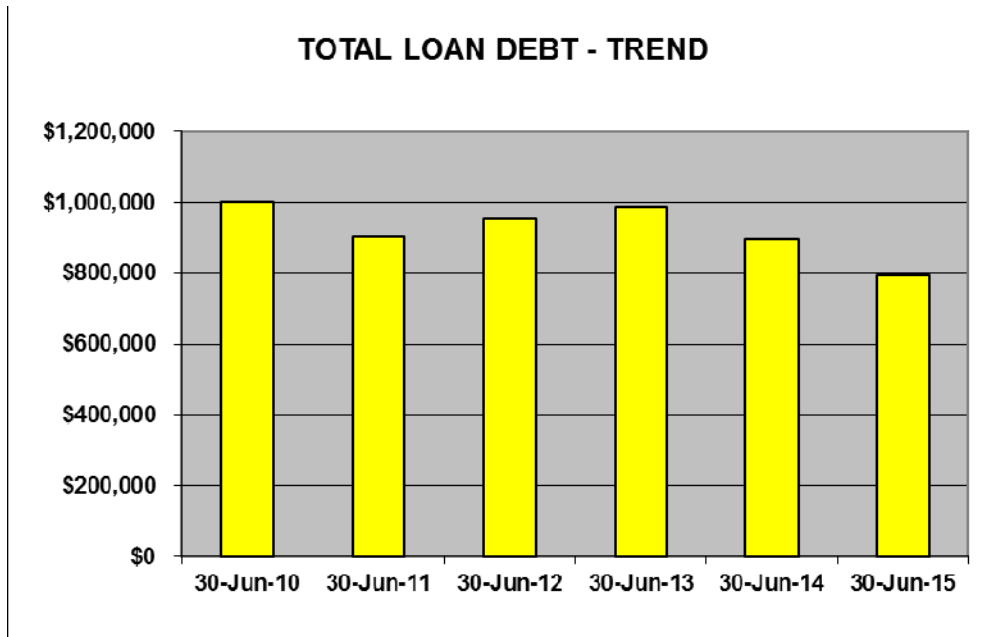
Southern Midlands Council
 Organisational Chart Field Workforce
 (by Function & Occupant) 30th June 2015



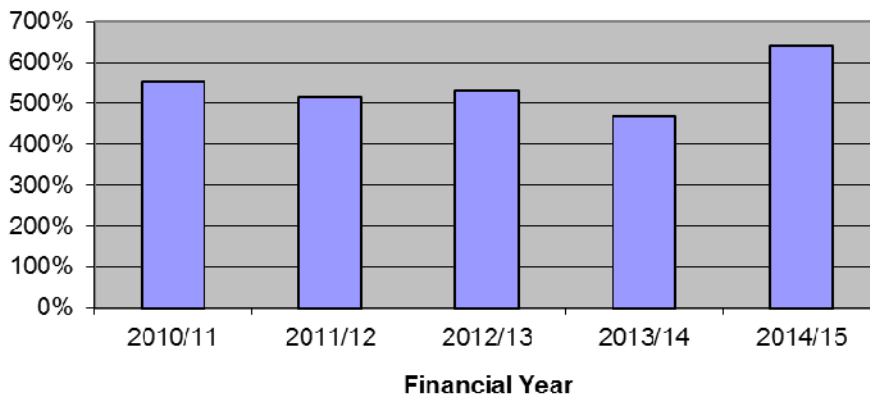
Legend
 (part) means part time role
 (con) means contract services
 (cas) means casual

Statistics

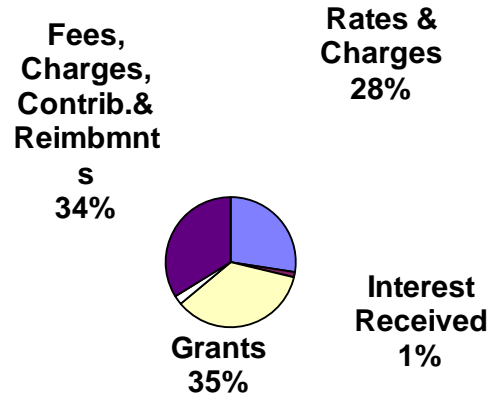




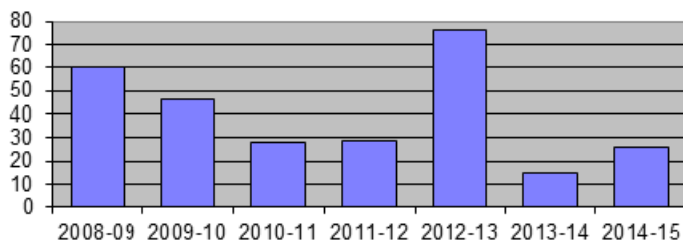
Liquidity Ratio



SOUTHERN MIDLANDS COUNCIL 2014/15 ANALYSIS OF REVENUE



Number of New Dwellings approved.



Infrastructure

ROADS

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

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

Key actions:

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

2014-15 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

Council undertook a complete re-valuation of its road assets during the reporting period. Whilst this this resulted in a write-down of approximately \$18.3M in the gross carrying value, the process also involved a condition assessment which increased the written down value by \$17.2M. Taking into account capital expenditure during 2014/15, the net value of road assets decreased by approximately \$1.8M.

\$1,169,000 (excluding depreciation) was expended on the maintenance of roads within the municipal area.

Capital expenditure totaled \$863,855 which included:

- \$436K on re-sheeting unsealed roads
- \$373K on reconstruction and resealing roads – *Richmond Road verges in Colebrook; Stanley Street, Oatlands; Stonor Road, Stonor; Woodsdale Road, Runnymede; Ballyhooly Road, Managalore and Williams Road, Tea Tree.*
- \$37K on road safety improvements, including corner widening, realignments and installation of guard rails.

A new quarry was established at Stonehenge to provide a cost effective source of road materials in the eastern sector of the municipality. The quarry is licensed for 5000 tonnes per annum.

Council completed the realignment/upgrade of the Elderslie Road / Church Road junction following receipt of a grant of \$115,000 through the 2014/15 National Road Building Black Spot Program.

Council continues to work with the Department of State Growth to address a number of road safety issues, and undertake other initiatives aimed at improving both state and local road networks.

The Australian Government has legislated to extend the Roads to Recovery Program through to the end of 2018-19. This provides an additional annual grant that Council can utilise for road and bridge construction projects.

No further action has been taken in relation to the review of existing streetscape plans.

Infrastructure

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

2014 -15 Achievements

There are 152 bridges and major culverts within the municipal area, with a total deck area of 8,214 m².

\$38,500 (excluding depreciation) was expended on the maintenance of bridges within the municipal area. Maintenance expenses continue to decline due to Council's pro-active renewal and replacement program.

A total of \$657,752 was capitalised in 2014/15, which included:

- Brown Mountain Road Bridge - \$442,762
- Rotherwood Road Bridge - \$208,990

The process of tendering bridge replacement structures was refined this year as part of Council's Business Process Improvement Program. The Deputy General Manager is responsible for the "front end" Project Management of the Tender process; Consulting Engineers, Sudgen Gee Pty Ltd undertake the Superintendent function during construction; and Council's Manager – Works & Technical Services (and his team) undertaking the final transition.

A further refinement was made through the Business Process Improvement Program by introducing an "E Procurement Portal" accessible through Council's website. This is an electronic tender management system that provides an efficient and effective process that is fully transparent and auditable. Significant cost savings are also achieved.

The first Request for Tender (RFT) in this year financial year was for the design and construction of a new single lane bridge on Brown Mountain Road to replace an existing bridge where it crosses the Coal River. The bridge is located some 900m east of the Colebrook Main Road junction, which is located some 4km north of the township of Campania. A bypass structure was required to be installed to enable the old bridge to be demolished and the replacement structure to be built.

The third RFT was for the design and installation of new bridge decks for the Muddy Plains Road Bridge, Nala Road Bridge and Sandy Lane Bridge. The tender was accepted and construction will be during the 2015/16 financial year.

Investigations were undertaken during the year for the replacement of the Swanston Bridge over the Little Swanport River at Swanston. The investigation has taken into account the very large catchment upstream from the bridge and the low number of permanent residents on the Easter side of the Little Swanport River. A report was provided to Council to consider lowering the Annual Recurrent Interval (ARI) design criteria to facilitate a more cost effective structural response to the replacement of the old bridge. Tenders will be sought in the 2015/16 financial year for alternative construction methods and ARI capacities.

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

The net value of Council's bridges as at 30 June 2015 was \$16.035 million.



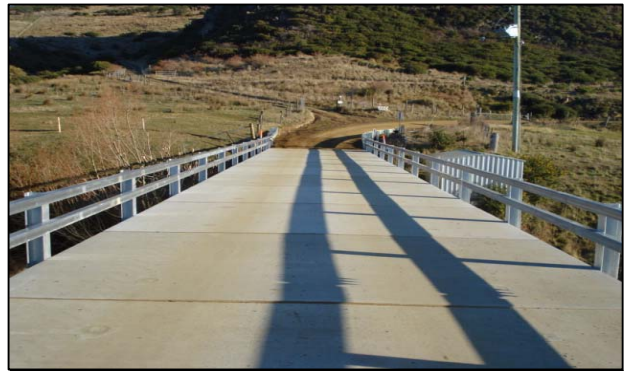
The old Brown Mountain Road Bridge (showing the bypass)



The new Brown Mountain Road Bridge



The old Rotherwood Road bridge deck structure



The new Rotherwood Road bridge deck structure

Infrastructure

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

2014-15 Achievements

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

A total of \$16,908 was spent on capital projects in 2014/15, which included:

- Dulverton Walkway \$10,718
- Tunnack Main Road, Parattah- \$6190

Council, in close cooperation with the Tasmanian Land Conservancy, implemented a joint walking track upgrade project within the Chauncy Vale Wildlife Sanctuary worth \$10,000. This resulted in significant improvements to the caves track, one of the most used within the sanctuary.

The preparation of design plan(s) for the construction of a new footpath in Reeve Street, Campania is progressing.

The Dulverton Walkway continues to be upgraded as funds permit. Several sections of the track were resurfaced to improve safety for users.

In addition to the capital expenditure, \$155,400 was expended on maintenance and minor improvements on footpaths and walkways throughout the municipal area.

Picture: Footpath from East Bagdad Road to the bus stop on the Midland Highway. Constructed recognising the safety implications of school children walking along the edge of the highway.



East Bagdad Road / Midland Highway footpath

Infrastructure

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.

2014-15 Achievements

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

An amount of \$85,555 was paid to Aurora Energy in 2014/15 for street lighting.

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

A preliminary design for the extension of the High Street, Oatlands underground power project has been completed along with an estimate, ready for a Grant program to emerge from State or Federal Governments that will assist Council in funding this project. The extension will cover the High Street from Stanley Street to Tunnack Road.



High Street Oatlands showing the heritage styled lighting lamps

Infrastructure

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.

2014-15 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 \$18.580 million, with a current written down value of \$10.771 million.

A total of \$186,771 was capitalised in 2014/15, which included:

- Oatlands Gaol - \$10,920
- Alexander Circle Park hut, Campania - \$25,537
- Tunbridge Park BBQ shelter - \$29,696
- Kempton Memorial Hall (internal disabled toilet) - \$17,135
- Oatlands Town Hall (forecourt) - \$13,384
- Parks & Reserves infrastructure – other minor capital works - \$90,099

As at June 2015 Council finalised the transfer of ownership of the former Oatlands Primary School (known as Roche Hall) from the Department of Education. Council subsequently entered into an agreement with Rural Alive and Well to lease approximately half of the building to accommodate their head office.

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

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

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

Infrastructure

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.

2014-15 Achievements

At 30 June 2015, 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 \$94,000 to \$11.768 million.

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

WATER

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

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

Key actions:

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

2014-15 Achievements

Refer above comments – Sewers Program.

Infrastructure

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.

2014-15 Achievements

Tasmania Irrigation (TI) completed the construction of the 110 kilometre pipeline to deliver 38,500 ML of irrigation water via the Midlands Irrigation Scheme - Arthurs Lake pipeline. Water became available for landholders around August 2014 after a delayed start due to technical issues associated with linking the 'in scheme' generated electricity supply to the State grid system. The official start date of the scheme was nominated as 1st October which is the start of the summer take water period.

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

Meetings have been held with officers from TI to sort detailed arrangements regarding the water being made available for the front section of Lake Dulverton. Council delivered its full allocation of water to the Lake over the 14/15 year, with Tas Irrigation allowing much of it to be delivered in the summer period (due to the delay in commencing the scheme in the 2014 winter take period), even though the water allocation under the control of SMC is actually classed as winter take water. A valve was placed in the large bund wall on the connecting pipe between the two lake areas. This is to ensure that the Midlands Water Scheme water is retained in the front section of the lake.

Council formally submitted the Draft Southern Midlands Interim Planning Scheme 2015 to the Minister for Planning. Pursuant to the above Council strategic direction, and the strategies contained within the Southern Tasmania Regional Land Use Strategy, areas of good quality agricultural land that have been provided with access to the irrigation scheme were zoned 'Significant Agricultural Zone'. This will ensure the economic resource derived from the coupling of good soil and irrigation water is not lost to other development that could occur elsewhere.

Infrastructure

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.

2014-15 Achievements

A total of \$250,385 was expended on capital works during 2014/15. Projects included:

- Swan Street, Bagdad - \$126,950
- Hyland Crescent, Bagdad - \$14,350
- Reeve Street, Campania - \$70,175
- Esplanade, Oatlands - \$13,907
- Wellington Street, Oatlands (including kerb) - \$25,000

Note: Upgrade of kerb and gutter system in Swan Street, Bagdad forms part of footpath construction project.

In Reeve Street, Campania, adjacent to the Campania Recreation Ground there were some unsightly and indeed quite dangerous “V” drains at the entrance to the Village. Council resolved to enhance to entrance to Campania and remedy a less than adequate stormwater system by piping the open drain from the new subdivision to nearly the entrance of the Recreation Ground.

A Report was provided to Council in respect of drainage issues being experienced by property owners in East Bagdad Road near the highway. There appears to be subterranean ground water that surfaces in or near their respective properties. Council has undertaken an investigation and prepared a design to address this issue. A new stormwater line will be constructed in next financial year to assist in partially alleviating the issue. Whilst the problem cannot be resolved at its source, an efficient and effective stormwater disposal outfall can go a long way into remedying the issue for the residents.

Council continues to appraise and monitor an emerging new method to cope with stormwater; 'Water Sensitive Urban Design', which provides more opportunity for rain water to soak into the local water table. A number of examples in other locations in Southern Tasmania are being reviewed to understand the level of success of the method and the ongoing maintenance costs, which are thought to be higher than for traditional stormwater treatments.

The need for Stormwater gross pollutant traps have also been identified, the requirement of which is being incorporated in planning conditions for subdivision development.

Stormwater upgrades are also considered as part of subdivision developments on an 'as-required' basis.

Council formally submitted the Draft Southern Midlands Interim Planning Scheme 2015 to the Minister for Planning. Pursuant to the above Council strategic direction, and the strategies contained within the Southern Tasmania Regional Land Use Strategy, the subdivision provisions within the new scheme encourage Water Sensitive Urban Design, where appropriate.



The new constructed swale in Reeve Street Campania, note the swale grated pits.

Infrastructure

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.

2014-15 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.

Council continues to be represented on the Southern Waste Strategy Authority (SWSA), which includes representatives from all 12 southern Tasmanian Councils, with Deputy Mayor Alex Green being re-elected as chair of the Authority.

SWSA has continued to promote the need for waste management reform including the introduction of a compulsory waste levy in Tasmania.

Disposal of recyclable materials continues to be a major concern as there is no competitive market within Tasmania that provides any return for the sale of such materials. In fact, the cost of collection and disposal must at some stage be assessed in terms of ongoing viability.

Infrastructure

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.

2014-15 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.

Council and its Officers have made representations in respect of mobile and broadband reception on a number of occasions to State and Federal politicians as well as the NBN for its residents in the Southern Midlands

Additional communication towers have been erected throughout the municipal area to address 'black-spot' areas.

Growth RESIDENTIAL

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

Increase the resident, rate paying population in the municipality.

Key actions:

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

2014-15 Achievements

In the 2011 Census there were 6,049 persons usually resident in the Southern Midlands.

113 Development Applications including 16 Subdivision / Boundary Adjustment Applications, along with 146 Building Applications (dwellings and other buildings/additions) were processed / issued during the 2014/15 reporting period.

Most towns in the municipal area retain sufficient undeveloped land zoned for residential development. There is insufficient developable rural-residential land within the Bagdad-Mangalore corridor and Council pursued planning scheme amendments in an attempt to rectify this situation. Economically un-developable existing rural-residential land, (which also correlated with regionally significant agricultural land), was back-zoned and new, more appropriately located rural-residential zoned land was sought, with such changes holistically considered within the Bagdad Mangalore Structure Plan. Unfortunately, the Tasmanian Planning Commission wrongly found that the new rural-residential zonings were not recommended within the Bagdad-Mangalore Structure Plan. Council subsequently received advice from the State Government to seek to rectify this error through a new planning scheme amendment once the pending Interim Planning Scheme has been declared.

During the reporting period Council initiated a project to develop the Campania Structure Plan with the intention of developing a blueprint for the future development of the town. Key issues set down for the project to examine included planning for the growth of the town and subsequent infrastructure issues, the strengthening of the school, the use and development of the former school farm land, the future of the historic flour mill building if it becomes surplus to school needs and the issue of seasonal fruit-picker camping in flour mill park.

In 2014-2015 Council progressed the implementation of initiatives identified in the Midlands Economic Development & Land use Strategy in partnership with the Department of Economic Development Tourism and the Arts/State Growth. A project aim is to ensure Council does all it can to leverage the maximum economic benefit from the Midlands Water Scheme. It is also examining recommendations to support growth and economic development, including supporting residential growth in targeted localities, identifying and filling gaps in our tourism sector and attracting industries using the area's competitive advantages.

Growth 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.

2014-15 Achievements

Tasmanian Visitor Survey statistics indicate total visitation to Oatlands increased to 79,856 persons during 2014/15 (77,997 in 2013/14). This is consistent with the general upturn in the tourism industry. The demographics of visitors show that Oatlands is most popular with holidaying interstate visitors in the older age brackets.

Approximately 40,200 visitors were recorded through the Callington Mill Visitor Centre during 2014/15 which represents an approximate 4% decrease. However, income received through the Visitor Centre, including sale of flour product, increased by 16%.

The SM Arts Advisory Committee have sought to develop proposals for enhancing the visitor experience at Callington Mill by the development a heritage Vegetable Garden in the Mill Precinct as well as Community Blacksmith, complete with forge and anvils in the stables area of the Mill Precinct. These plans are being funded in the 2015/16 financial year and will add to the “Callington Mill experience”.

Council continues to be a member of the regional body ‘Destination South’ and participates in the direction and activities of this organisation. Deputy Mayor Alex Green is a board member of the organisation.

In relation to the proposed large tourism accommodation facility in Oatlands, which was identified in the Midlands Economic Development and Land use Strategy project as being a key missing element in the area’s tourism infrastructure, Council completed a strategic analysis and comparison of possible sites.

It is now Council's intention to progress with the preparation of a business plan which can be used as a basis for attracting private investment in this type of development. A grant application has been submitted for the necessary funds to prepare a business plan and associated investment prospectus.

2014/15 also saw the launch of the 'Southern Midlands Convict Sites' touring brochure and interpretive installations at six probation station sites.

Council continues to support the Heritage Highway Tourism Region Association and provided a contribution of \$12,000 in 2014-15.

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.



Growth 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

2014-15 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 guaranteed to operate the 'Education Arm'.

Achievements of those entities for the year include:

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

Council continues to look at opportunities associated with use of the former Oatlands Racecourse property and intends to work with the current users to implement long-term management arrangements.

In 2014/15, Council provided base maintenance services on State-owned roads within the municipal area (i.e. Midland Highway, Colebrook Main Road and Tunnack Main Road) through a sub-contract arrangement to Stornoway. Following a review, a decision was made to discontinue this formal contract arrangement from the end of June 2015. Council will continue to provide services on an “as required” basis on a “do and charge” basis.

Through the initiatives identified through the Midlands Economic Development and Land use Strategy (MEDaLS) Council progressed various initiatives focused on leveraging Southern Midlands’ competitive advantages and the industries that might therefore be potentially attracted to the area. These include heritage-based tourism, intensive agriculture and supporting industries capitalizing on the new Midlands Water Scheme, industries that require major transport routes (Midland Highway and Main Line Railway), large properties accommodating large attenuation distances and unique one-off major development opportunities such as the Tasmanian Chinese Buddhist Cultural Park.

Growth 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.

2014-15 Achievements

See comments provided under "Irrigation" Program.

Council continues to identify and monitor opportunities to attract industry to the municipal area. Value adding industries, based on the increased level of agricultural production within the region, are a high priority.

The MEDaLS project included a strategic analysis and comparison of possible sites for a new or expanded rural services precinct in Oatlands, balancing a range of locations requirements and potential impacts.

Growth 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.

2014-15 Achievements

Recommendations from the final Bagdad-Mangalore Structure Plan (BMSP) and the broader Settlement and Open Space Strategy, completed in 2010-11 were incorporated into the Draft Southern Midlands Interim Planning Scheme submitted to the Minister in early 2015. The BMSP provides a detailed spatial strategy for the area up until the Bagdad-Mangalore Bypass is constructed, and an outline for development in the valley following construction. The Settlement Strategy provides a range of recommendations for other major towns in the municipality.

Most towns in the municipal area retain sufficient undeveloped land zoned for residential development. There is insufficient developable rural-residential land within the Bagdad-Mangalore corridor and Council pursued planning scheme amendments in an attempt to rectify this situation. Economically un-developable existing rural-residential land, (which also correlated with regionally significant agricultural land), was back-zoned and new, more appropriately located rural-residential zoned land was sought, with such changes holistically considered within the BMSP. Unfortunately, the Tasmanian Planning Commission wrongly found that the new rural-residential zonings were not recommended within the Bagdad-Mangalore Structure Plan. Council subsequently received advice from the State Government to seek to rectify this error through a new planning scheme amendment once the pending Interim Planning Scheme has been declared.

During the reporting period Council initiated a project to develop the Campania Structure Plan with the intention of developing a blueprint for the future development of the town. Key issues set down for the project to examine included planning for the growth of the town and subsequent infrastructure issues, the strengthening of the school, the use and development of the former school farm land, the future of the historic flour mill building if it becomes surplus to school needs and the issue of seasonal fruit-picker camping in flour mill park.

During the reporting period it became increasingly apparent that the mooted Bagdad-Mangalore highway bypass had been dropped from both the State and Federal Governments' priority lists. Its 'high-priority' status of a few years ago appears to have been replaced with low priority and a long to very-long term planning horizon. Council, nevertheless, continued to lobby the higher levels of government for this important project.

Landscapes

HERITAGE

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

Maintenance and restoration of significant public heritage assets; Act as an advocate for heritage and provide support to heritage property owners; Investigate document, understand and promote the heritage values of the Southern Midlands

Key actions:

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

2014-15 Achievements

- Continued public use of the Oatlands Supreme Court House and Gaol, including Artist in Residence program.
- Conservation and master planning for the Oatlands Commissariat.
- Seeking funding opportunities for the Oatlands Swimming Pool relocation.
- Strong association with the Centre for Heritage at Oatlands.
- Development of an oral history program.
- Continued research into Southern Midlands Convict Sites in support of interpretation projects and wider research frameworks.
- Management of Council’s heritage collections.
- Ongoing support of tourism programs including the Callington Mill Visitor Centre.
- Ongoing promotion of Southern Midlands heritage through talks, presentations and media events.
- Collaboration with key heritage agencies such as the National Trust of Australia (Tasmania) and Heritage Tasmania.
- Review of achievements against the Southern Midlands Historic Heritage Strategy 2009-13 and formulation of the Southern Midlands Historic Heritage Strategy 2014-18.

Council undertook a major overhaul of the heritage precinct provisions in the Southern Midlands Planning Scheme 1998 through a suite of planning scheme amendments. These were also mirrored in the Draft Southern Midlands Interim Planning Scheme 2015 submitted to the Minister for Planning in early 2015. The amendments tailored the previous broad-brush heritage precinct provisions to each particular town. In Oatlands the heritage precinct was essentially split into two: Callington Mill and the township heart.

The heritage landscape in which Oatlands sits was also better recognised and protected through the creation of a heritage landscape precinct covering the open rural land between the highway and the western edge of the town, including the northern and southern highway entrances. (The commercial/industrial area at the middle highway entrance was not included). The heritage precinct at Campania was expanded south from the main intersection to include the Flour Mill Park and hall area and a new heritage landscape precinct was established at Colebrook protecting the rural backdrop of the Pugin-designed church. The heritage precinct at Kempton was marginally reduced in size.

Council also revised its list of locally-significant heritage places by expanding the list contained within the Draft Southern Midlands Interim Planning Scheme 2015. The list expansion was recommended by the Southern Midlands Heritage Survey completed several years before by consultants funding by Council, Heritage Tasmania and Tourism Tasmania. The list included in the Draft Interim Planning Scheme was only finalised after land-owner consultation by Council. The new list will ensure that a large proportion of heritage places of local significance will be developed in ways that respects their heritage values in the future.

Landscapes

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.

2014-15 Achievements

There is an ongoing commitment to managing weeds on roadsides, quarries and public reserves, with a focus on gorse and broome. Other weed infestations are managed as required.

The 2002 Lake Dulverton Management Strategy assists with maintaining the long term sustainability of the Lake. The Lake Dulverton Action Plan 2013 details specific proposals and actions to improve the Lake and its surroundings and continues to be implemented.

Maintenance work and track improvement work continues to be undertaken on the Dulverton Walking Track. This included additional pockets of native vegetation being established. A second seat was purchased by the Midlands Tree Committee and placed on the Oatlands town side of the foreshore at Freds Point, (also known as the flax mill area).

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

Monitoring of the water level in Lake Dulverton continues, particularly as the Midlands Water Scheme water is now available for a section of the lake.

The ‘Bushlinks 500’ Project, which commenced in 2011 was completed by 30th November 2014. The project is, was funded by an Australian Government grant of \$766,400. With a portion of the grant unspent, but committed as at 30th November, arrangements were made for some limited follow up work to be done on some sites in winter 2015. The original Project target of protecting 400 hectares of high conservation value bushland on private land and establishment of 100 hectares of diverse native vegetation

was exceeded by 57 hectares. Site works have been undertaken on 10 properties, selection of which has been principally guided by Natural Resource Planning's (NRP) Regional Ecosystem Model. NRP, together with NRM South are the partners with Southern Midlands Council in the Project. All up, over the life of the project, a total of 18,920 trees and 54,320 native grasses were planted. 157 Kg of native grass seed was sown, 54 hectares of weed was controlled and 55 KM of fencing was erected to protect the various sites.

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 2300 native trees and associated materials to landholders in July 2014, mainly for replacement trees.

The Council has continued to support the Little Swanport Catchment Committee.

Council, in partnership with the Tasmanian Land Conservancy (TLC) and representatives of the community and the Chauncy family continued to manage the Chauncy Vale Wildlife Sanctuary. The sanctuary along with the neighbouring Flat Rock Reserve (owned by the TLC), the Alpha Pinnacle Reserve (owned by the State Government) and a large area of private land subject to a nature conservation covenant collectively provide a consolidated reserve area of around 1,500 ha. This biologically sustainable reserved area is important in a part of Tasmania devoid of National Parks and other large reserves. Chauncy Vale also continues to provide pleasant, low-key visitor facilities for those wishing to access the natural and historic experiences within. During the reporting period the management committee meeting schedule and process was revised to take into account a drop in volunteer numbers.

Landscapes

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.

2014-15 Achievements

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

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

The Oatlands Gallery Group have continued to provide a series of exceptional “shop windows” that attract visitors and locals alike to view and indeed purchase various pieces of artworks created in the Southern Midlands.

The Oatlands Community Shed continues to support the artists in the area by making easels and various other arts related gear that adds value to the broader Community effort in this Local Government area.

Centenary of ANZAC - The RSL sub-branches of Oatlands as well as Kempton/Brighton is working with the four local Southern Midlands schools, Oatlands District School, Campania District School, Kempton Primary School and the Bagdad Primary School in the development of a Memorial Garden at each school. Council were asked to assist the project by developing a Grant Application under the Centenary of ANZAC funding program, to cover the costs of the creation of a sandstone monument and a bronze plaque for each School, acknowledging the 100 years of ANZAC for each of the Memorial Gardens.

Council Officers were successful with the Grant Application to the Commonwealth, through the Members for Lyon, Eric Hutchinson MP. The sandstone for the four monuments was sourced from Mr Carne’s quarry at Colebrook. Connor Grice from Campania District School developed the design and Council Stonemasons, Rob Whitney and Simon Bryant along with their apprentice Tom Whitney shaped / honed the sandstone into elegant pieces of artwork. The end product was greatly appreciated by all parties.

Council undertook a major overhaul of the heritage precinct provisions in the Southern Midlands Planning Scheme 1998 through a suite of planning scheme amendments. These were also mirrored in the Draft Southern Midlands Interim Planning Scheme 2015 submitted to the Minister for Planning in early 2015. The amendments tailored the previous broad-brush heritage precinct provisions to each particular town. In Oatlands the heritage precinct was essentially split into two: Callington Mill and the township heart. The heritage landscape in which Oatlands sits was also better recognised and protected through the creation of a heritage landscape precinct covering the open rural land between the highway and the western edge of the town, including the northern and southern highway entrances. (The commercial/industrial area at the middle highway entrance was not included). The heritage precinct at Campania was expanded south from the main intersection to include the Flour Mill Park and hall area and a new heritage landscape precinct was established at Colebrook protecting the rural backdrop of the Pugin-designed church. The heritage precinct at Kempton was marginally reduced in size.

Investigations into the possible establishment of a new heritage landscape precinct at Mangalore/Pontville, in partnership with Brighton Council, were put on hold during the reporting period. This was partly due to significant levels of landowner concern and partly due to the redirection of council resources to the overhaul of the existing heritage precinct provisions mentioned above.

Council also revised its list of locally-significant heritage places by expanding the list contained within the Draft Southern Midlands Interim Planning Scheme 2015. The list expansion was recommended by the Southern Midlands Heritage Survey completed several years before by consultants funding by Council, Heritage Tasmania and Tourism Tasmania. The list included in the Draft Interim Planning Scheme was only finalised after land-owner consultation by Council. The new list will ensure that a large proportion of heritage places of local significance will be developed in ways that respects their heritage values in the future.



Centenary of Anzac Memorial Gardens

- Oatlands District School*
- Campania District School*
- Bagdad Primary School*
- Kempton Primary School*

Landscapes

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.

2014-15 Achievements

113 Development Applications including 16 Subdivision / Boundary Adjustment Applications, along with 146 Building Applications (dwellings and other buildings/additions) were processed / issued during the 2014/15 reporting period.

During the reporting period the State Government's planning reform agenda changed from the regionally-based reform program to a state-wide based program. The Regional Planning Projects undertaken by the regional groupings of councils over the last four years essentially ceased and the State Planning Taskforce commenced work. This led to a reduction in the level of interaction between Council and the reform process. Nevertheless, Council continued to provide input into the State's reform of planning and building regulations as the opportunities arose.

Significantly, Council formally submitted its Draft Southern Midlands Interim Planning Scheme 2015 to the Minister for Planning in early 2015, and awaited the Minister's decision as to when it would be declared and what changes would be required. The government advised Council that the Interim Schemes would be declared but not progressed to 'full scheme' status, as all available state resources were to be diverted to developing a state-wide planning scheme.

Landscapes

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.

2014-15 Achievements

Program achievements are listed under the following categories:

Energy Audits & efficiency measures

Southern Midlands Council's Climate Change Action Plan includes the following elements in relation to energy efficiency:

- Energy auditing (tracking electricity and fuel usage, and associated emissions, across all council functions on a quarterly basis).
- Energy efficiency (using data collected in energy auditing to guide actions that can effectively reduce energy usage and fuel consumption).
- Community programs such as energy efficiency advice and information sessions.

Council's program to track energy usage and implement energy efficiency actions was completed on June 30th 2015 and will remain on hold for the foreseeable future until new opportunities are identified. This program has run since 2008 and has achieved some good outcomes, notably:

- installation of energy efficient hot water systems at the Oatlands, Kempton and Campania Recreation Grounds;
- an energy efficiency retrofit of the Town Hall in Oatlands resulting in a 35% reduction in annual energy usage;
- energy efficiency forums, projects and advice for the local community;
- Council's Home Energy Assessment Toolkit (HEAT toolkit) was available as a take-home kit enabling residents to undertake their own home energy use appraisals; and
- reduction in the fuel usage of Council's fleet.

Regional Climate Change Adaptation Strategy

Along with all southern councils, Southern Midlands Council continues to participate in a regional climate change group. The group meets to discuss climate change matters, look at options for Local Government action in relation to climate change, and where possible implement relevant actions as opportunities arise.

Waste to Energy initiative

Options to efficiently utilise Council's 'green waste' to produce renewable energy products have continued to be pursued, although grant funds required to undertake a feasibility study have not yet been secured.

Lifestyle

COMMUNITY HEALTH & WELLBEING

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

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

Key actions:

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

2014-15 Achievements

The Healthy Communities Initiative program continued through the 2014/15 financial year and provided numerous healthy cooking programs in several townships; purchase of push bikes for use around Lake Dulverton and the Oatlands Village; as well as four of our local parks having outdoor exercise equipment installed during this period. These project initiatives have continued to add value to the health and wellbeing of the Community

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

Rural Alive & Well Inc (RAW) Council has supported, 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 and the first Executive Officer, Vyv Alomes, had his first office in the Roche Hall building in 2008.

Lifestyle

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.

2014-15 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 8 separate days of activities covering the four term breaks period were held, including interesting pursuits such as Southern Tasmanian Kart Club at Orielton, a visit to Zone 3 in the City, paddle boats on Lake Dulverton with expert tuition from M.A.S.T and visiting the new AIRTIME 360 Trampoline Centre in Launceston as well as fun with our friends from Social Circus Tasmania. Further activities included the Port Arthur Historic Site to explore Tasmania's early history including a guided tour of the ruins, then a BYO lunch followed by a harbour cruise. Outings were enjoyed by the 40 + children aged 9-16 who regularly attend these activities.

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

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

The Reclink AFL Football League program was run again this year, with Campania District School (combined with Bothwell) again participating along with Oatlands District High as part of the four rural southern Tasmanian schools teams making up the football league. Roster matches are held in May, June, July and August with a spectacular Gala Day held at football headquarters North Hobart in late September. The electronic scoreboard, full siren, singing of the national anthem, professional umpires and game commentary provided by HOFM's 'Water Boys' with special comments from the inimitable "Knocka Knowles" and Hayden Legro from Reclink Melbourne, made this another Reclink Finals Day to remember for all those involved. Participation and enjoyment are the main objectives of this league, and our young people (boys and girls) performed admirably throughout the year.

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



Lifestyle

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.

2014-15 Achievements

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

The Men's Shed movement is growing across Australia, and now internationally. Southern Midlands has two establishments, one at Woodsdale and one at Oatlands. Volunteer co-ordinators do an excellent job of making their premises welcoming and inclusive and many beneficial community projects are completed during the year. There are local projects that benefit greatly from the excellent co-operation and willingness of the Shed's members to help out where possible. Sheds are now opened up to ladies, on a Friday at Oatlands, and some amazing transformations of recycled materials are produced for resale on a regular basis, at very affordable prices.

Council continues to support the MMPHC Community Advisory Committee by way of having elected members on this committee who consult with the Community and provide feedback and advice on the services delivered by the Centre. This group has been the major linkage through which the Minister for Health has worked through meaning changes at the Midlands Multi Purpose Health Centre.

Lifestyle

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.

2014-15 Achievements

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

Community Family Fun Days are regularly held at various venues across the municipality, in conjunction with the Communities for Children organisation and local Rural Primary Health Service Health Promotions workers.

These days are flooded with young people & parents bussed in from all areas. Clowns, jumping castles, Sumo Suits and more abound for the enjoyment of all the family. It is very pleasing to note that Communities for Children has gained further Federal Government funding for 3 years to continue to deliver services to families and children in the southern midlands municipality – a very good result gained on the back of excellent past performances in engaging and partnering with likeminded organisations and agencies to provide the best possible outcomes.



Southern Midlands Family Fun Day at the Bagdad Community Club

Lifestyle

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.

2014-15 Achievements

Once again, Council conducted its annual Community Small Grants program in September 2014. 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:-

Anglicare Tasmania	Lift the Lid Oatlands	\$ 2,000
Broadmarsh CWA	New P.A System	\$ 249
Broadmarsh/Elderslie Progress Association	Women’s toilet upgrade	\$ 2,500
Kempton Volunteer Fire	Communication UHF’s	\$ 363
Levendale Cricket Club	Pitch resurfacing	\$ 2,000
Midlands Swimming Club	Lane Rope Trolley	\$ 2,800
Oatlands District School	Wooden Rowing Scull	\$ 1,550
Oatlands Football Club	Secure Storage Room	\$ 800
Oatlands RSL & Bowls Club	Uniform Replacement	\$ 1,000
Oatlands School & Community Garden	Stage 2 Garden Development	\$ 1,993
Rural Alive & Well Inc (RAW)	Meal from a Mate	\$ 2,000
SM Community Radio	Outside Broadcast	\$ 2,500
Southern Midlands News		\$ 1,800
Tunbridge Town Hall	Re-furnishing – chairs	\$ 1,500

A total of 22 applications were received totalling \$64,594.86 in projects, with 14 applications funded for a total of \$23,055.

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

Forum at the Oatlands Aquatic Club building on the shore of Lake Dulverton, bringing volunteers and Councillors together to discuss the tremendous value that Volunteers provide in our Community



Rod Lyall, the then President of Oatlands Rural Youth with Mayor Tony Bisdee OAM



John Hay, the Chairman of SM Community Radio with Mayor Tony Bisdee OAM



The amazing Brian Fish and his marvellous Bullock Team represent the Southern Midlands on most public events throughout the State. This one being the Wooden Boat Festival



Brian Fish's regular supporters/volunteers are passionate about Bullocks and providing meaningful experiences to people of all ages (pictured - Jack Lyall, Council's Manager Works & Technical Services) during his spare time he is an avid Bullock Team volunteer supporter

Lifestyle

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.

2014-15 Achievements

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

The Facilities & Recreation Committee has responsibility for the Disability Discrimination Act (DDA) requirements across Council. The policy position was reviewed and a revised policy titled the "Disability Access and Inclusion Policy" was adopted by Council along with a draft Disability Access and Inclusion Plan and a DAIP Checklist. Council officers are working through a consultation process with the Community as well as Council Hall Committees.

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

Lifestyle

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.

2014-15 Achievements

Immunisation Programs conducted for school students at Oatlands and Campania District High Schools and Kempton and Bagdad 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 and Places of Assembly were monitored and licensed in accordance with statutory requirements.

Relevant legislative requirements are specified in:

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

Statutory licences issued for:

- Food Premises – 58
- Places of Assembly – 18
- Water Carriers – 4
- Special Event Licences / Places of Assembly – 7
- Private Water Licences – 13

Lifestyle 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.

2014-15 Achievements

Council continues to develop, refine and implement the various recommendations that were identified in the Southern Midlands Recreation Plan (SMRP) developed in 2006.

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

Council continues to monitor grant opportunities for the Midlands Aquatic & Recreation Centre project, which includes lobbying state government representatives to secure a commitment to provide matching funding with the Australian Government.

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

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

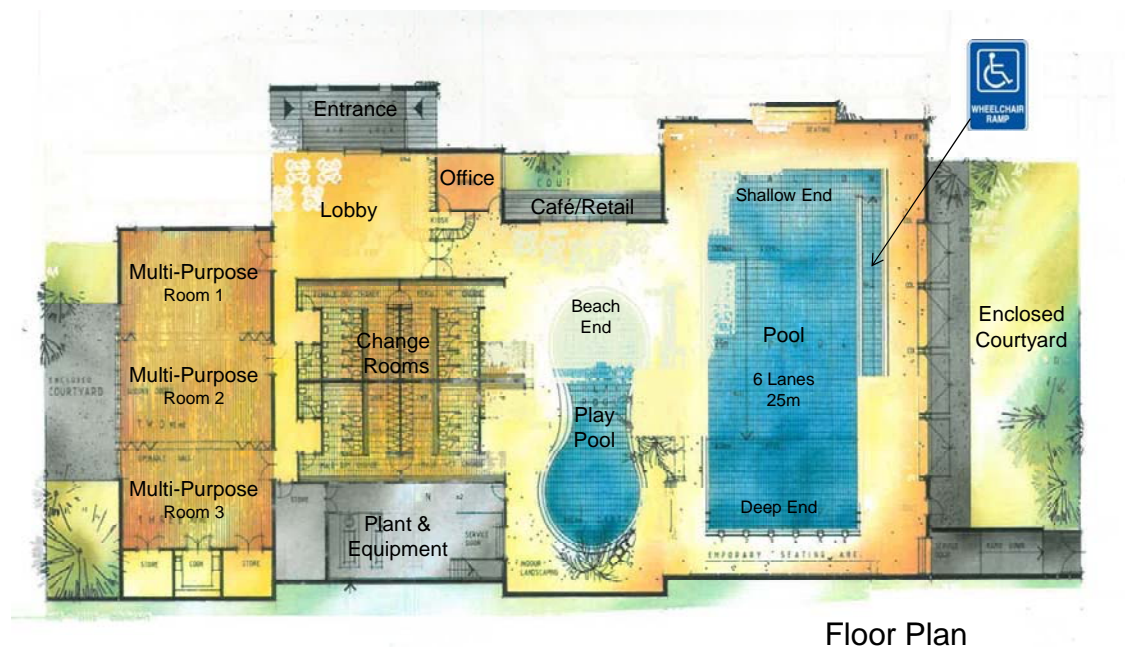


The same issues and opportunities apply with respect to Campania, with the additional benefit that night cricket starting with say four nights per year could become a reality.

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

Midlands Aquatic & Recreation Centre

This is Council's number one strategic priority for our Community. The alternative concept design was prepared during last year, with the aim of reducing the overall capital development cost down to approximately \$5 million dollars. The Pool Committee established by Council has driven this project and Architect Rick Bzowy has produced an excellent result through his and Council's public consultation processes. The project has received Development Approval. Council continues to lobby both Australian and Tasmanian Government representatives to secure funding for the project.



Lifestyle

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.

2014-15 Achievements

In the 2014/15 financial year, 1,867 dogs were registered, and 31 kennels licenced.

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

Lifestyle 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:

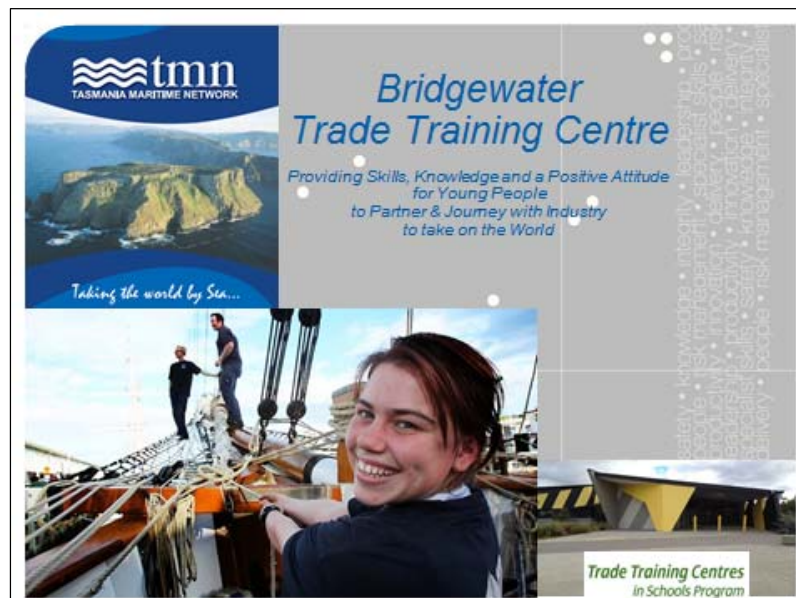
- Develop partnerships increasing educational opportunities within the Southern Midlands for the entire community.
- Provide heritage skills learning opportunities through the Centre for Heritage.
- Continue to work with the schools in the Southern Midlands to address and respond to reform initiatives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

2014-15 Achievements

Bridgewater Trade Training Centre

The Deputy General Manager is a Member of the Advisory Board of the Trade Training Centre and has been a driving influence in the development of the Centre's strategic direction. He has prepared presentations and delivered them with the Chairman and the Principal to the Tasmanian Maritime Network and the Polar Network, with a view to creating work experience and employment for the students of the Centre. The Oatlands District High School and the Campania District School both have students that attend the Trade Training Centre.

Council Officers embrace every opportunity possible to interact and add value to the schools across the Southern Midlands. This includes working with the Edmund Rice Foundation to establish meaningful support to students and their families. There are exciting plans in the process of development for this relationship with the Foundation, an organisation called the Regional Community Learning & Development Centre – Levendale Inc. and Council to add tremendous value to the lives of the young people in the region.



Community

RETENTION

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

Maintain and strengthen communities in the Southern Midlands.

Key actions:

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

2014-15 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.

Refer comments provided within this Report.

Community 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.

2014-15 Achievements

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

Since its inception the SMC Community Grants Program, alone has provided in excess of \$200,000 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 are also part of the State Men's Shed Association and support a volunteer from our shed to be an office bearer on the Association. Guy Barnett MP has joined the Shed participants and Coordinators on a number of occasions during the year to catch up and offer support.



Paul Worldon, President of the Tunbridge Community Town Hall Committee receiving his cheque from Mayor Tony Bisdee OAM, on Australia Day



Members of the Oatlands Community Shed receiving a visit from Guy Barnett MP

PCYC Bridgewater are strong supporters of the area and have conducted a number of activities over the year.

The Kempton Festival Committee and Melton Mowbray Rodeo Committee are just two of many groups who work tirelessly to provide exceptional festivals showcasing many talented locals and visitors alike on an annual basis.

Part of the profits raised at these events are directed to worthwhile local charities and Community groups which assists them remain sustainable and gives them capacity to continue to provide benefit to the local community. Council provides substantial in kind support to both of these groups.



Clr Don Fish demonstrating the traditional blade shearing methods at the Kempton Festival

Community

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”.

2014-15 Achievements

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

The Southern Midlands Emergency Management Plan is due to be reviewed in the latter part of 2015 and the Southern Midlands Emergency Management Planning Committee will be convened for that purpose.

The Oatlands based Ambulance continues to operate in accordance with the Deed of Agreement between the Tasmanian Ambulance Service, the Department of Health and Human Services, (Primary Health) and the Southern Midlands Council, noting that the State Government has made a decision to base a full-time paramedic at Oatlands (*due to commence in November 2015*). Initial planning meetings have been held to implement this decision.

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.

The former Levendale School at Levendale is shortly to be taken over by Council from the Department of Education and that location, with the benefit of an amazing Amenities Facility donated by Lions Tasmania will be a Disaster Recovery Centre for the region

Community 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’.

2014-15 Achievements

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

Campania, Tunbridge, Woodsdale and Broadmarsh.

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

Four newsletters were issued during 2014/15. 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. This was identified as a major priority over this year as a core component of Council’s Business Process Improvement Strategy.

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



The Minister for Health the Hon Michael Ferguson MP and Mayor Tony Bisdee OAM at a Community Forum arranged by the Mayor to address Community concerns about the Midlands Multi-Purpose Health Centre. There were approximately 600 attendees at the forum in November 2014.

Organisation

IMPROVEMENT

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

Improve the level of responsiveness to Community needs; Improve communication within Council; Improve the accuracy, comprehensiveness and user friendliness of the Council asset management system; Increase the effectiveness, efficiency and use-ability of Council ICT systems; Develop an overall Continuous Improvement Strategy and framework.

Key actions:

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

2014-15 Achievements

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

In January 2015, Council amended its Code for Tenders and Contracts to recognise and enable the use of an Electronic Procurement Portal. Council’s Business Process Improvement Program has provided substantial savings with the electronic Tendering of Council contracts from an administrative as well as a customer engagement strategy. An E Procurement Portal was established. The use of an E Procurement Portal does away with the need for a Tender Box, where the Tenderers are required to travel to Oatlands to deposit the Tender in a Tender Box prior to the closing time/date. The E Procurement Portal houses the Request for Tender (RFT) document prepared by Council Officers and when the Portal is accessed by a potential Tender it requires a password along with other details prior to the Portal releasing the RFT. The Tenderer can lodge a range of documents at any time of the day or night and on a progressive basis. All such transactions are logged and captured in a detailed Audit Report, which is provided to Council when the Portal releases all of the Tender submissions to Council, as a fully compliant and transparent audit record.

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

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

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

Organisation

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.

2014-15 Achievements

The ‘InfoXpert’ Records Management System was substantially upgraded during 2014/15. This was necessary to improve the archiving and disposal schedule components of the system.

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

In addition to resource sharing with other Councils, Council entered into a sub-contract arrangement with Stornoway to provide basic road maintenance services associated with the State Government’s Southern State Road Maintenance Contract. This was for the period 1/7/14 to 30/6/15 and a joint decision was made to terminate the arrangement at the end of the financial year.

An election was held in October 2014 to fill all seven Councillor positions. The reduction in the number of elected members to seven (7) was the outcome of a Local Government Board review and the issue of a Ministerial Order in February 2014.

A further election (by recount) was required in February 2015 following the unfortunate passing of Deputy Mayor M Jones OAM. It was also necessary to fill the vacant position of Deputy Mayor (by internal ballot) and Clr A O Green was elected to serve as Deputy Mayor of the Southern Midlands Council through to the next election due in October 2018.

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

A new Enterprise Bargaining Agreement (effective from 1st January 2014) was negotiated and finalised in the reporting period. This will remain in force until 31st December 2016.

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

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

Council officers continue to monitor and improve their Workplace Health & Safety regime as well as their Risk Management processes. The Audit & Risk Management Committee of Council are kept abreast of activities and initiatives within Council's operating framework. As part of the forums and meetings undertaken throughout the year, the training materials and information from the Integrity Commission now form a key component of those forums and meetings, with meaningful discussions emanating, which add value to the day-to-day operations of Council. Training and development of the Council team is spread across a range of roles and functions to enable the skill acquisition required to manage a vibrant and energetic business in this day and age.

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

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

Risk Management - Staff continue to invest considerable time and effort in implementing Council's Risk Management Strategy. Regular inspections of Council assets are undertaken to identify (and rectify) any potential risks. Suitability assessments have been undertaken of all Council's sporting grounds and facilities. The MAV Insurance Risk Audit Review talked in glowing terms of Council's gradual and systematic improve in performance, which is close to its zenith for a small rural local authority.

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

Organisation

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 ration of 0%).
- Achieve a new financial liabilities ration within the range 0% to 100%.
- Decisions in relation to borrowing are to be consistent with the Southern Midlands Council Financial Management Strategy.

2014-15 Achievements

The 2014-15 General Purpose Financial Statement forms part of this Annual Report. An unqualified Audit Report has been issued by the Tasmanian Auditor General.

Total equity increased by \$4.978M, primarily due to:

- Recognition and valuation of land under roads – valued at \$2.979M;and
- Receiving approximately 50% of Council's Financial Assistance Grant in advance (i.e. relates to the 2015-16 period) - \$1.597M.

Taking into account the above, together with other adjustments to the valuation of assets etc., Council did report an actual underlying surplus of \$67K. This compares favourably to the long-term Financial Management Plan.

Council revised its Financial Management Strategy, including the long-term Financial Management Plan. The amended Strategy extends for the period 2014-15 to 2023-24.

A major revaluation and condition assessment of Road Assets was completed during the reporting period. This is reflected in the write-down of the Gross Carrying Amount of the Asset Class by \$18.30 million, offset by an adjustment in the amount of accumulated depreciation of \$17.21 million. The information is now being used to update the Road Asset Management Plan.

Council transferred its banking services to the Commonwealth Bank in September 2014. This followed closure of the ANZ Oatlands Branch and a review of the fees and charges between the two institutions.

Reporting on Legislative Requirements

In alphabetical order, following are the reports that Council is required to provide under various legislation for the 2014/2015 financial year:

Allowances and Expenses Statement

(Under the *Local Government Act 1993*)

In 2014/15 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This included telephone rental, telephone calls and travelling.

Allowances \$103,464
 Expenses \$17,330

Attendance at Council and Council Committee Meetings Statement

(Under the *Local Government Act 1993*)

Twelve (12) regular Council meetings were held during the year, not including the Annual General Meeting which was held on the 15th December 2014.

There were two (2) meetings of Council's Southern Midlands Facilities & Recreation Committee, being the only Council Committee established in accordance with section 23 of the *Local Government Act 1993*.

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	11	1	1	2	0
Deputy Mayor M Jones OAM <i>(Deputy Mayor Mark Jones passed away in January 2015)</i>	7	2	0	0	2	1
Deputy Mayor A Green <i>(Appointed Deputy Mayor in February 2015, was an existing Councillor)</i>	12	12	1	1	2	0
Clr A Bantick	12	11	1	1	2	2
Clr E Batt <i>(Elected October 2014)</i>	8	8	N/A	1	2	1
Clr R Campbell	12	9	0	1	2	0
Clr D Fish	12	12	1	1	2	2
Clr D Marshall <i>(Elected February 2015)</i>	5	5	N/A	N/A	2	0
Clr J Jones OAM <i>(Did not stand for re-election in October 2014)</i>	4	4	1	N/A	2	1

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
Clr M Connors <i>(Did not stand for re-election in October 2014)</i>	4	3	1	N/A	2	1

Contracts

In accordance with Section 23(5) of the *Local Government (General) Regulations 2005*, Council is required to report on contracts for the supply or provision of goods and services in excess of \$100,000 (excl. GST) entered into during the year to 30th June 2015.

Contact Name & Address	Description of Contract	Value of Contract <i>(excl. GST)</i>	Period of Contract <i>(plus extension options if applicable)</i>
Bridge Pro Engineering Pty Ltd	Brown Mountain Road Bridge replacement	\$268,900	N/A
Stowe Australia Pty Ltd	Sports Lighting – Campania and Oatlands Recreation Grounds	\$458,550	N/A
Vernarchie Contracting Pty Ltd	Road pavement rehabilitation / stabilisation and road sealing program	\$341,768.00	N/A
Tas Marine Construction	Rotherwood Road Bridge renewal	\$169,260	N/A

Donation of Land Statement

(Under the Local Government Act 1993)

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

Enterprise Power Statement

(Under the Local Government Act 1993)

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

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

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

The purpose of the respective Companies is as follows:

Heritage Building Solutions Pty Ltd

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

This includes:

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

Heritage Education and Skills Centre Ltd

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

This includes:

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

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

Remuneration Statement

(Under the Local Government Act 1993)

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

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

Reporting on Community Involvement 2014/2015 Grants and Assistance

Name	Description	Amount \$
Samuel Banks	Sporting Representation Sponsorship	100.00
Thomas Birchall	Sporting Representation Sponsorship	100.00
Broadmarsh/Elderslie Progress Association	Subsidise Public Liability Insurance	352.25
Zoe Horgan	Sporting Representation Sponsorship	100.00
Emma Watkins	Sporting Representation Sponsorship	100.00
Brighton Family Day Care	Child Care Support Grant	5,000.00
Runnymede Cricket Club	Annual Donation 2013/2014	1,000.00
Runnymede Cricket Club	Annual Donation 2014/2015	1,000.00
Tunbridge Town Hall Inc	Donation (from sale of land)	5,000.00
Tasmania's Heritage Highway	Annual Grant	12,000.00
Oatlands District Football Association	Association Sponsorship	145.00
Friends of the Oatlands School	Community Small Grant Program	1,811.82
Midlands Initiatives for Local Enterprise	Community Small Grant Program	1,636.36
Midlands Initiatives for Local Enterprise	Annual Support Funding	4,545.45
Midlands Swimming Club Inc	Community Small Grant Program	2,545.45
Tunnack Progress Association	Subsidise Public Liability Insurance	503.30
Levendale Cricket Club	Community Small Grant Program	2,000.00
Rural Alive & Well	Community Small Grant Program	1,818.18
Anglicare Tasmania Inc	Community Small Grant Program	1,818.18
Melton Mowbray Community Rodeo Assoc	Annual Donation	500.00
Bagdad Primary School	Annual Donation	50.00
Campania District High School	Annual Donation – Primary	50.00
Campania District High School	Annual Donation – Secondary	100.00
Kempton Primary School	Annual Donation	50.00
Oatlands School	Annual Donation – Primary	50.00
Oatlands School	Annual Donation – Secondary	100.00
Tunbridge Town Hall Inc	Community Small Grant Program	1,500.00
Oatlands School	Community Small Grant Program	1,409.09
Colebrook Online Access Centre	Subsidise Public Liability Insurance	258.00
Colby Dodge	Sporting Representation Sponsorship	100.00
Johanna Dodge	Sporting Representation Sponsorship	100.00
Tiarna Glennon	Sporting Representation Sponsorship	100.00
James Pearce	Sporting Representation Sponsorship	100.00
Oatlands Football Club	Community Small Grant Program	727.27
Oatlands Exservices & Community Club Inc	Community Small Grant Program	909.09
Oatlands Bowls Club	Christmas Pageant Prize Donation	60.00
CWA Broadmarsh Branch	Community Small Grant Program	249.00
Kempton Festival Inc	Annual Donation	1,500.00
Levendale Cricket Club	Annual Donation	1,000.00
Southern Midlands Community Radio Station	Community Small Grant Program	2,500.00
Colebrook Golf Club	Coal River Classic Sponsorship	200.00
Phillip Howes	Sporting Representation Sponsorship	100.00
James Foster	Sporting Representation Sponsorship	100.00
Hunter Wright	Sporting Representation Sponsorship	100.00
Jack Allen	Sporting Representation Sponsorship	100.00
Broadmarsh/Elderslie Progress Association	Community Small Grant Program	2,500.00
Levendale Hall Committee	Subsidise Public Liability Insurance	350.02
Parattah Jubilee Hall Committee	Subsidise Public Liability Insurance	319.74
TOTAL		\$56,758.20



Financial Statements

2014/2015

SOUTHERN MIDLANDS COUNCIL



COMPLETE SET OF FINANCIAL STATEMENTS 2014/2015 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.

SOUTHERN MIDLANDS COUNCIL

COMPLETE SET OF FINANCIAL STATEMENTS

For the reporting period ended 30/06/2015

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

1. the financial report fairly represents:
 - (a) the financial position of the council;
 - (b) the results of the council's operations; and
 - (c) the cash flow of the council.

2. the financial report has been prepared in accordance with the requirements of the Local Government Act 1993 (as amended), and Australian Accounting Standards, including Australian Interpretations.



T F Kirkwood
General Manager

Dated at Oatlands this 14th day of August 2015.

Independent Auditor's Report

To the Councillors of Southern Midlands Council

Consolidated Financial Report for the Year Ended 30 June 2015

Report on the Consolidated Financial Report

I have audited the accompanying consolidated financial report (the financial report) of Southern Midlands Council (Council), which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement on the consolidated entity comprising Council and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2015 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

...1 of 2

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

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information or the asset renewal funding ratio in Council's financial report.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

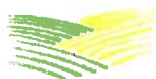
Tasmanian Audit Office



Jara K Dean
Assistant Auditor-General Financial Audit
Delegate of the Auditor-General

Hobart
18 September 2015

...2 of 2


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

For the year ended 30 June 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Income from continuing operations				
<i>Recurrent income</i>				
General rates		4,385	4,420	4,245
User fees	3	615	1,049	814
Interest	4	245	204	244
Grants – Operating	5	3,250	4,965	2,319
Government subsidies		28	8	16
Contract Income		750	718	614
Donations		2	0	0
Other		522	253	210
		<u>9,797</u>	<u>11,617</u>	<u>8,462</u>
<i>Capital income</i>				
Assets taken up – Land under roads	14	0	2,979	0
Grants – Capital	5	445	702	480
Net gain/(loss) on disposal of non-current assets	11	340	63	(180)
		<u>785</u>	<u>3,744</u>	<u>300</u>
Total income from continuing operations	2 (a)	<u>10,582</u>	<u>15,361</u>	<u>8,762</u>
Expenses from continuing operations				
Employee benefits	6	4,383	3,803	3,686
Materials and contracts	7	3,581	3,163	3,190
Depreciation and amortisation	8	2,654	2,547	2,746
Finance costs	9	53	49	58
Contributions		178	178	169
Other	10	162	276	209
		<u>11,011</u>	<u>10,016</u>	<u>10,058</u>
Total expenses from continuing operations	2 (a)	<u>11,011</u>	<u>10,016</u>	<u>10,058</u>
Operating result from continuing operations	2 (a)	<u>(429)</u>	<u>5,345</u>	<u>(1,296)</u>
Operating result from discontinued operations		<u>0</u>	<u>0</u>	<u>0</u>
Net operating result for the year		<u>(429)</u>	<u>5,345</u>	<u>(1,296)</u>
Other comprehensive income				
<i>Item that will not be reclassified to surplus or deficit</i>				
Fair value revaluation of non-current assets		0	(461)	1,370
<i>Items that may be reclassified subsequently to surplus or deficit</i>				
Fair value adjustment on Available for Sale Assets	22	0	94	(2,171)
Total other comprehensive income		<u>0</u>	<u>(367)</u>	<u>(801)</u>
Comprehensive result		<u>(429)</u>	<u>4,978</u>	<u>(2,097)</u>

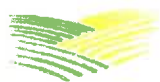
The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
CURRENT ASSETS			
Cash & cash equivalents	12	10,212	8,183
Assets classified as held for sale		253	0
Receivables	13	993	758
Stores and materials		192	142
Subsidiary work in progress		43	25
Total Current Assets		11,693	9,108
NON-CURRENT ASSETS			
Land	14	7,444	4,033
Buildings	15	10,771	10,888
Plant, machinery & equipment	16	2,353	2,423
Minor plant	17	64	66
Office furniture & equipment	18	168	184
Infrastructure assets	19	61,729	63,117
Work in progress	20	647	427
Intangibles – software & valuation fees	21	128	107
Investment in TasWater	22	11,768	11,674
Total Non-Current Assets		95,072	92,919
TOTAL ASSETS	2(a)	106,765	102,027
CURRENT LIABILITIES			
Payables	23	569	669
Interest bearing liabilities	24	94	98
Employee benefits	25	1,166	1,186
Total Current Liabilities		1,829	1,953
NON-CURRENT LIABILITIES			
Interest bearing liabilities	26	701	797
Employee benefits	25	161	181
Total Non-Current Liabilities		862	978
TOTAL LIABILITIES		2,691	2,931
NET ASSETS		104,074	99,096
EQUITY			
Accumulated surplus		45,937	40,592
Reserves	27	58,137	58,504
TOTAL EQUITY		104,074	99,096

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

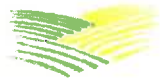


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2015

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

2014	Accumulated Surplus \$'000	Assets Revaluation Reserve (Note 27) \$'000	Fair Value Reserve (Note 27) \$'000	Bridge Maintenance Reserve (Note 27) \$'000	Other Reserves (Note 27) \$'000	Total Equity
Balance at beginning of financial year	41,888	55,547	107	1,666	1,985	101,193
Comprehensive result	(1,296)	1,370	(2,171)	0	0	(2,097)
Transfers to reserves	0	0	0	0	0	0
Balance at end of financial year	40,592	56,917	(2,064)	1,666	1,985	99,096

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



CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2015

	NOTES	INFLOWS (OUTFLOWS) 2015 \$'000	INFLOWS (OUTFLOWS) 2014 \$'000
Cash flows from operating activities			
Receipts			
Rates		4,474	4,148
User charges		760	816
Interest received		204	244
Subsidies		8	16
Other revenue grants		4,965	2,319
GST Refunds from ATO		393	420
Other		785	709
Dividends		186	115
		<u>11,775</u>	<u>8,787</u>
Payments			
Employee costs		(3,843)	(3,565)
Materials & contracts		(3,692)	(3,455)
Interest		(49)	(58)
Other		(486)	(378)
		<u>(8,070)</u>	<u>(7,456)</u>
Net cash provided by (used in) operating activities	31	<u>3,705</u>	<u>1,331</u>
Cash flows from investing activities			
Payments for property, plant & equipment		(2,519)	(2,484)
Proceeds from sale of property, plant & equipment		241	167
Capital grants		702	480
Net cash provided by (used in) investing activities		<u>(1,576)</u>	<u>(1,837)</u>
Cash flows from financing activities			
Repayment of borrowings		(100)	(93)
Proceeds from borrowings		0	0
Net cash provided by (used in) financing activities		<u>(100)</u>	<u>(93)</u>
Net increase/(decrease) in cash and cash equivalents		2,029	(599)
Cash and cash equivalents at beginning of reporting year		<u>8,183</u>	<u>8,782</u>
Cash and cash equivalents at the end of the financial year	12	<u>10,212</u>	<u>8,183</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

30 June 2015

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NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

STATEMENT OF COMPLIANCE

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

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

Judgements and Assumptions

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

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

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

Employee entitlements

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 30.

Fair Value of Property Plant & Equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 14 to 19 and in note 1.

Investment in water corporation

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

(b) Revenue recognition

Rates, grants and government subsidies

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

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

Revenue is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 12.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants.

Unreceived contributions over which Council has control are recognised as receivables.

User fees

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

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



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

Sale of property, plant and equipment, infrastructure

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

Contract income

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

Interest

Interest is recognised progressively as it is earned.

Rents

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

(c) Expense recognition

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

Employee benefits

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

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

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

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

Road earthworks 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.

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

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

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

Repairs and maintenance

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

Finance costs

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the year (2014: \$nil).

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

(d) Recognition and measurement of assets

Acquisition and Recognition

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

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

The following classes of assets have been recognised in notes 14 – 21. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

Revaluation

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

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 37.

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

Assets held for sale

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

Land under roads

Council recognised the value of land under roads it controls at fair value.

(e) Cash and cash equivalents

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

(f) Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**30 June 2015

(g) Inventories

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

(h) Work in Progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the consolidated entity's contract activities based on normal operating capacity.

(i) Investment in Water Corporation

Council's investment in TasWater is valued at fair value at balance date. Fair value was determined by using Council's ownership percentage against the water corporation's net asset value at balance date. At 30 June 2015, Council held a 0.76% (2014: 0.76%) ownership interest in TasWater which is based on schedule 2 of the corporation's constitution which reflects the Council's percentage voting rights. Any recognised gains and losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income to a Financial Assets Available For Sale Reserve each year (refer Note 33).

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

(j) Investments

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

(k) Employee Benefits*Short term obligations*

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

Other long term employee benefit obligations

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

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.

Sick Leave

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

Retirement benefit obligations

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

Defined benefit plans

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

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

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

Defined contribution plans

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

(l) Leases

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

Operating leases as lessor

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

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

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

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

Leasehold Improvement

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

Operating leases as lessee

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

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

(m) Interest bearing liabilities

The borrowing capacity of Council is limited by the Local Government Act 1993. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

30 June 2015

difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period of the liability using the effective interest method.

(n) Allocation between current and non current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being

Council's operational cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(o) Taxation

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

Goods and Services Tax (GST)

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

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

(p) Impairment of assets

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

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

(q) Investments in subsidiaries

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

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

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

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

(s) **Budget**

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

(t) **Rounding**

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

(u) **Changes in accounting policies**

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and the relevant amending standards, AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards, AASB 1012-10 Amendments to Australian Accounting Standards – Transition Guidance and other amendments (effective from 1 January 2014)

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. Council has undertaken an assessment and no material changes to the composition of Council's accounts are required from the application of the new standard.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. Council has undertaken an assessment and no material changes to the composition of Council's accounts are required from the application of the new standard.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council has determined that there is no impact on Council's accounts of these amendments.

AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control Structured Entities adds guidance to AASB 10 regarding criteria for determining whether one entity controls another entity from the perspective of not-for-profit entities.

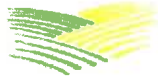
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards gives effect to many consequential changes to a number of standards arising from the issuance of the new consolidation and joint arrangements standard.

AASB 1012-10 Amendments to Australian Accounting Standards – Transition Guidance and other amendments provides guidance on amendments to AASB 10, AASB 11, and AASB 12 to simplify transition and provide relief from the disclosures in respect of unconsolidated structure entities on transition to the suite of consolidation standards. Also, provides guidance on the additional amendments to AASB 10 and related standards to revise their application paragraphs, so that they apply mandatorily to not-for-profit entities.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014)

This standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard has not changed the reported financial position and performance of Council.

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30 June 2015

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (effective from 1 January 2014)

This standard amends the disclosure requirements of AASB 136. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The adoption of this standard has not impacted Council's accounting policies or disclosures.

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part A – Conceptual Framework effective from 20 December 2013; Part B – Materiality effective from 1 January 2014; Part C – Financial Instruments effective from 1 January 2015)

Part A of this standard updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of AASB CF 2013-1 in December 2013.

Part B of this standard deletes references to AASB 1031 Materiality in various other standards. Once all references to AASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn.

Part C of this standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015.

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

Interpretation 21 Levies

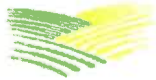
This Interpretation provides clarity that a liability to pay government imposed levies, other than income taxes, is deferred until thresholds are exceeded.

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

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

This amendment to AASB 13 Fair Value Measurement provides relief for not-for-profit public sector entities from certain disclosure requirements applicable to fair value measurements categorised as Level 3 in the fair value hierarchy. Specifically, relief from disclosure of quantitative information about the significant unobservable inputs used in the fair value measurement and a description of the sensitivity of the fair value measurement to changes in those unobservable inputs. The relief is limited to property, plant and equipment (including infrastructure assets) within the scope of *AASB 116 Property, Plant and Equipment* that is held for its current service potential rather than to generate future cash inflows.

The standard is able to be early adopted for 30 June 2015 reporting periods and Council has elected to adopt this standard in the current financial year. The impact of the application is the reduction in disclosures shown at note 37 in the prior year for significant unobservable inputs.



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

(v) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. They have not been adopted in preparation of the financial report at reporting date. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

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

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

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

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

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

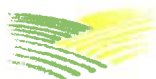
However, investments in equity instruments can be designated as 'fair value through other comprehensive income' assets. This designation is irrevocable. Council is likely to designate its investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

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

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

Under AASB 2014-3 business combination accounting is required to be applied to acquisitions of interests in a joint operation that meets the definition of a 'business' under AASB 3 Business Combinations.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS**
30 June 2015

This amendment introduces a rebuttable presumption that the use of revenue- based amortisation methods for intangible assets is inappropriate. In addition to this, there is limited opportunity for the presumption to be overcome and clarifies that revenue-based depreciation for property, plant and equipment cannot be used.

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

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

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

The amendments extend the scope to AASB 124 Related Party Disclosures to include not-for-profit public sector entities.

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

Under the new standard, a single model that applies to contracts with customers and two approaches to recognising revenue, at a point in time or over time is proposed. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised.

The new standard will apply to contracts for non-for-profit entities that are exchange contracts. AASB 1004 Contributions will continue to apply to non-exchange transactions until the Income from Transactions of Non-for-Profit Entities project is completed.

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

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

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

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)

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

2014	Roads/ Bridges	Storm- Water	Waste Manage.	Employment & Economic Development	Environmental Management	Development Services	Community Services	Recreational Services	Council/ Corporate	Unclass.	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	4,281	118	588	1,211	525	1,010	327	766	651	581	10,058
Revenue											
Grants	455	0	0	10	664	0	27	0	0	1,643	2,799
Other	19	0	574	269	0	164	14	71	140	4,712	5,963
Total Revenue	474	0	574	279	664	164	41	71	140	6,355	8,762
Change in net assets from operations	(3,807)	(118)	(14)	(932)	139	(846)	(286)	(695)	(511)	5,774	(1,296)
Assets	63,163	1,966	272	5,329	144	219	1,550	5,982	2,364	21,038	102,027

NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)

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

	2015	2014
	\$'000	\$'000
Current Assets	11,693	9,108
Non-Current Assets	95,072	92,919
	106,765	102,027

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

Roads and Bridges

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

Stormwater

Maintenance and provision of stormwater reticulation systems.

Waste Management

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

Environmental Management

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

Employment and Economic Development

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

Development Services

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



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)

Community Services

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

Recreational Services

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

Council/Corporate

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

Unclassified

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

3. USER FEES

	2015	2014
	\$'000	\$'000
Community safety	6	7
Growth tourism	313	269
Growth business	329	97
Landscapes regulatory	132	126
Landscapes natural	9	10
Lifestyle recreation	58	58
Lifestyle animals	48	38
Organisation sustainability	118	134
Organisation finances	19	46
Other	17	29
	1,049	814

NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

	2015 \$'000	2014 \$'000
4. INTEREST		
Interest on financial assets	30	213
Interest on cash & cash equivalents	174	31
	<u>204</u>	<u>244</u>

5. GRANTS

Grants were received in respect of the following:

Grants – Recurrent

Commonwealth Government – Financial Assistance Grants	3,234	1,643
Commonwealth Government – Financial Assistance Grants (in advance)	1,597	0
Growth integration	0	10
Landscapes natural	5	651
Landscapes Heritage	5	0
Lifestyle youth	8	14
Lifestyle public health	4	0
Lifestyle recreation	0	1
Other	112	0
	<u>4,965</u>	<u>2,319</u>

Grants – Capital

Commonwealth Government – roads	612	445
Infrastructure Waste	0	9
Landscapes natural	0	14
Lifestyle public health	0	12
Lifestyle recreation	90	0
	<u>702</u>	<u>480</u>

The Australian Government (“the Commonwealth”) provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2012-13 the Commonwealth made early payment of the two quarterly instalments for the following year. In the May 2014 Budget the Commonwealth announced it would discontinue the approach of prepaying instalments. Therefore there was no prepayment in 2013-14 for the 2014-15 year. In accordance with AASB 1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. This has impacted the Statement of Profit and Loss and Other Comprehensive Income with the early receipt of 2013-14 instalments in 2012-13 resulting in Council’s operating result being lower in 2013-14 by \$1,584,000. However, in 2014-15 the Commonwealth made early payment of two quarterly instalments for the following year. This early receipt of 2015-16 funding has increased the operating result in 2014-15 by \$1,597,000.


NOTES TO AND FORMING PART OF THE ACCOUNTS
 30 June 2015

	2015 \$'000	2014 \$'000
6. EMPLOYEE BENEFITS		
Wages and salaries	2,840	2,670
Other employee costs	1,163	1,192
	<u>4,003</u>	<u>3,862</u>
Less Amounts capitalised	(200)	(176)
	<u>3,803</u>	<u>3,686</u>
7. MATERIALS & CONTRACTS		
Advertising	50	42
Bank Charges and Commissions	15	20
Callington Mill	137	88
Computer System Operations	118	104
Consultancies	193	177
Contractor Labour and Services	347	598
Donations and Grants	57	57
Household Garbage & Recycling Collection Contract	196	190
Insurance Premiums	70	68
Council Plant & Machinery	212	325
Legal Expenses	49	21
Landcare Materials	215	184
Office Expenses	96	45
Plant & Machinery Hire (External)	154	236
Power Costs (includes street lighting)	185	178
Repairs & Maintenance	255	203
Subscriptions and Publications	55	54
Telecommunications	44	36
Waste Transfer, Transport and Disposal Contracts	200	220
Valuation Fees (Supplementary Valuations)	10	18
Water Purchases	45	13
Other	460	313
	<u>3,163</u>	<u>3,190</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

	2015 \$'000	2014 \$'000
8. DEPRECIATION AND AMORTISATION		
Depreciation and amortisation expense was charged in respect of:		
Depreciation		
Buildings	278	275
Plant, machinery & equipment	218	264
Office furniture & equipment	30	35
Minor plant	11	11
Roads	1,617	1,747
Waste management	12	8
Stormwater	53	55
Bridges	303	320
	<u>2,522</u>	<u>2,715</u>
Amortisation		
Valuation fees	13	26
Software	12	5
Total Depreciation & amortisation	<u>2,547</u>	<u>2,746</u>
9. FINANCE COSTS		
Gross interest paid/payable	<u>49</u>	<u>58</u>
10. OTHER EXPENSES		
External auditors' remuneration: Tasmanian Audit Office	30	34
Councillors allowances	114	114
Other	132	61
	<u>276</u>	<u>209</u>
11. NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
Net proceeds from disposal of non-current assets	241	167
Carrying amount of non-current assets retired / sold	178	347
	<u>63</u>	<u>(180)</u>


NOTES TO AND FORMING PART OF THE ACCOUNTS
 30 June 2015

	2015 \$'000	2014 \$'000
12. CURRENT ASSETS – CASH & CASH EQUIVALENTS		
Cash at bank and on hand	3,264	806
Term deposits	6,948	7,377
	<u>10,212</u>	<u>8,183</u>

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

Trust funds and deposits	146	146
Heritage Building Solutions Pty Ltd	156	79
Heritage Education and Skills Centre Ltd	54	4
FAG grant in advance	1,597	0
Restricted Funds	<u>1,953</u>	<u>229</u>
Total unrestricted cash and cash equivalents	<u>8,259</u>	<u>7,954</u>

13. ASSETS – RECEIVABLES
Current Assets

Rates receivable	494	548
Other debtors	499	210
	<u>993</u>	<u>758</u>

Non-Current Assets

Other debtors	<u>0</u>	<u>0</u>
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Significant Terms and Conditions

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

Rate Debtors

Payment is required either by four instalments or alternatively within thirty days (which provides a discount of 1.3%). The discount provided is shown as an expense of the entity in the Consolidated Profit or Loss and Other Comprehensive Income statement. A penalty of 5% applies to any rate or charge that is not paid on or before the date it falls due and in addition to the penalty, interest under section 128 of the *Local Government Act 1993* will be charged at the rate of 9.5% per annum.

Other Debtors

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

Should amounts remain unpaid outside the adopted payment options, Council will instigate collection proceedings in accordance with the provisions of the *Local Government Act 1993* (as amended).


NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

	2015 \$'000	2014 \$'000
14. NON-CURRENT ASSETS – LAND		
Gross Carrying Amount		
Fair Value as at 1 July	4,033	4,028
Assets taken up - Land under roads	2,979	0
Disposals	(32)	(15)
Addition	0	20
Adjustment from Revaluation	717	0
Transfer to assets classified as held for sale	(253)	0
Net Book Value 30 June – at fair value	<u>7,444</u>	<u>4,033</u>

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

15. NON-CURRENT ASSETS – BUILDINGS

Gross Carrying Amount		
Fair Value as at 1 July	18,652	12,224
Additions	187	496
Disposals	(259)	(182)
Adjustment from Revaluation	0	6,114
Balance at 30 June	<u>18,580</u>	<u>18,652</u>
Accumulated Depreciation		
Balance at 1 July	7,764	2,140
Disposals	(233)	(40)
Depreciation expense for the year	278	275
Adjustment from Revaluation	0	5,389
Balance at 30 June	<u>7,809</u>	<u>7,764</u>
Net Book Value 30 June – at fair value	<u>10,771</u>	<u>10,888</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

	2015 \$'000	2014 \$'000
16. NON-CURRENT ASSETS – PLANT, MACHINERY & EQUIPMENT		
Gross Carrying Amount		
At cost at 1 July	3,681	3,373
Addition	255	737
Disposals	(177)	(429)
Balance at 30 June	<u>3,759</u>	<u>3,681</u>
Accumulated Depreciation		
Balance at 1 July	1,258	1,234
Disposals	(70)	(240)
Depreciation expense	218	264
Balance at 30 June	<u>1,406</u>	<u>1,258</u>
Net Book Value 30 June – at cost	<u><u>2,353</u></u>	<u><u>2,423</u></u>

17. NON-CURRENT ASSETS – MINOR PLANT

Gross Carrying Amount		
At cost at 1 July	265	245
Additions	9	20
Disposals	(1)	0
Balance at 30 June	<u>273</u>	<u>265</u>
Accumulated Depreciation		
Balance at 1 July	199	189
Disposal	(1)	0
Depreciation expense for the year	11	10
Balance at 30 June	<u>209</u>	<u>199</u>
Net Book Value 30 June – at cost	<u><u>64</u></u>	<u><u>66</u></u>

18. NON-CURRENT ASSETS – OFFICE FURNITURE & EQUIPMENT

Gross Carrying Amount		
At cost at 1 July	754	732
Additions	26	22
Disposals	(232)	0
Balance at 30 June	<u>548</u>	<u>754</u>
Accumulated Depreciation		
Balance at 1 July	570	535
Disposals	(220)	0
Depreciation expense for the year	30	35
Balance at 30 June	<u>380</u>	<u>570</u>
Net Book Value 30 June – at cost	<u><u>168</u></u>	<u><u>184</u></u>



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

	2015 \$'000	2014 \$'000
19. NON-CURRENT ASSETS – INFRASTRUCTURE ASSETS		
a) Roads		
Gross Carrying Amount		
Fair Value as at 1 July	103,474	102,477
Additions	864	997
Adjustment from Revaluation	(18,301)	0
Balance at 30 June	<u>86,037</u>	<u>103,474</u>
Accumulated Depreciation		
Balance at 1 July	58,092	56,345
Adjustment from Revaluation	(17,212)	0
Depreciation expense for the year	1,617	1,747
Balance at 30 June	<u>42,497</u>	<u>58,092</u>
Net Book Value 30 June – at fair value	<u><u>43,540</u></u>	<u><u>45,382</u></u>
b) Bridges		
Gross Carrying Amount		
At cost at 1 July	23,882	23,882
Additions	652	159
Disposals	(575)	(110)
Adjustment from Revaluation	386	(49)
Balance at 30 June	<u>24,345</u>	<u>23,882</u>
Accumulated Depreciation		
Balance at 1 July	8,106	8,372
Disposals	(575)	(110)
Adjustment from Revaluation	475	(476)
Depreciation expense for the year	304	320
Balance at 30 June	<u>8,310</u>	<u>8,106</u>
Net Book Value 30 June – at fair value	<u><u>16,035</u></u>	<u><u>15,777</u></u>



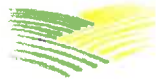
NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

	2015 \$'000	2014 \$'000
19. NON-CURRENT ASSETS – INFRASTRUCTURE ASSETS (CONTINUED)		
c) Stormwater		
Gross Carrying Amount		
Fair Value as at 1 July	3,152	2,769
Additions	250	19
Adjustment from Revaluation	0	364
Balance at 30 June	<u>3,402</u>	<u>3,152</u>
Accumulated Depreciation		
Balance at 1 July	1,275	1,075
Adjustment from Revaluation	0	148
Depreciation expense for the year	53	52
Balance at 30 June	<u>1,328</u>	<u>1,275</u>
Net Book Value 30 June – at fair value	<u><u>2,074</u></u>	<u><u>1,877</u></u>
d) Waste Management		
Gross Carrying Amount		
At cost at 1 July	227	214
Additions	11	13
Balance at 30 June	<u>238</u>	<u>227</u>
Accumulated Depreciation		
Balance at 1 July	146	138
Depreciation expense for the year	12	8
Balance at 30 June	<u>158</u>	<u>146</u>
Net Book Value 30 June – at cost	<u>80</u>	<u>81</u>
Total Infrastructure Assets	<u><u>61,729</u></u>	<u><u>63,117</u></u>

20. NON-CURRENT ASSETS – WORK IN PROGRESS

Work in progress at cost	<u>647</u>	<u>427</u>
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Work in progress represents capital works not completed and not ready for use as at 30 June 2015. Depreciation has not been charged against these amounts.



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

	2015 \$'000	2014 \$'000
21. NON-CURRENT ASSETS – INTANGIBLES – SOFTWARE & VALUATION FEES		
Gross Carrying Amount		
At cost at 1 July	424	421
Additions	46	3
Disposals	(168)	0
Balance at 30 June	<u>302</u>	<u>424</u>
Accumulated Amortisation		
Balance at 1 July	317	285
Disposals	(168)	0
Amortisation expense for the year	25	32
Balance at 30 June	<u>174</u>	<u>317</u>
Net Book Value 30 June – at cost	<u><u>128</u></u>	<u><u>107</u></u>
22. INVESTMENT IN TASWATER		
Opening balance	11,674	13,845
Fair value adjustment on Available for Sale Assets	94	(2,171)
Total investment in water corporation	<u>11,768</u>	<u>11,674</u>
23. CURRENT LIABILITIES – PAYABLES		
Payables and accruals	513	599
Payroll tax and workers compensation on employee entitlements	56	70
	<u>569</u>	<u>669</u>

Significant Terms and Conditions

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


NOTES TO AND FORMING PART OF THE ACCOUNTS
 30 June 2015

	2015 \$'000	2014 \$'000
24. CURRENT LIABILITIES – INTEREST BEARING LIABILITIES		
Borrowings – Bank	94	98

Significant Terms and Conditions

The loans of Council are secured by trust deed. In accordance with Section 80 of the *Local Government Act 1993*, the borrowing capacity of Council is limited to:

- Except with the approval of the Minister, a council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year.
- Grants made to a council for specific purposes are to be excluded in calculating 30% of revenue of the council.

The current annual payments of loans (principal and interest) by Council, based on the debenture loan schedules, equate to 1.81% of the total revenue for the preceding year (2014 1.5%).

25. EMPLOYEE BENEFITS
Current

Annual leave	429	485
Long service leave	495	476
Other leave	242	225
	1,166	1,186

Non Current

Long service leave	161	181
	161	181



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

	2015 \$'000	2014 \$'000
26. NON-CURRENT LIABILITIES – INTEREST BEARING LIABILITIES		
Borrowings – Bank	701	797
Security for Borrowings		
The bank loans are secured over the general rates of the Council		
Credit Standby Arrangements		
Bank overdraft limit – online payroll facility	55	55
Direct Debit Facility	20	20
Business credit cards	8	8
Total amount of credit unused	83	83

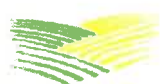
Refer to Note 24 for disclosure in relation to *Significant Terms and Conditions*.

27. RESERVES

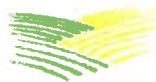
b) Composition

Asset Revaluation Reserve	56,456	56,917
Bridge Maintenance Reserve	1,666	1,666
Fair Value Reserve	(1,970)	(2,064)
Other Reserves		
Plant Replacement Reserve	686	686
Capital Works Reserve	1,239	1,239
Quarry Reinstatement Reserve	31	31
Public Open Space Reserve	29	29
	1,985	1,985
	58,137	58,504

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


NOTES TO AND FORMING PART OF THE ACCOUNTS
 30 June 2015

	2015 \$'000	2014 \$'000
27. RESERVES (CONTINUED)		
b) Movements		
Asset Revaluation Reserve		
Balance at the beginning of the financial year	56,917	55,547
Revaluation of land assets	717	0
Revaluation of road assets	(1,089)	0
Revaluation of bridge assets	(89)	427
Revaluation of stormwater assets	0	218
Revaluation of building assets	0	725
Balance at the end of the financial year	<u>56,456</u>	<u>56,917</u>
Bridge Maintenance Reserve		
Balance at the beginning of the financial year	<u>1,666</u>	<u>1,666</u>
Balance at the end of the financial year	<u>1,666</u>	<u>1,666</u>
Fair Value Reserve		
Balance at the beginning of the financial year	(2,064)	107
Amount transferred from (to) accumulated surplus	94	(2,171)
Balance at the end of the financial year	<u>(1,970)</u>	<u>(2,064)</u>
Other Reserves		
Plant Replacement Reserve		
Balance at the beginning of the financial year	<u>686</u>	<u>686</u>
Balance at the end of the financial year	<u>686</u>	<u>686</u>
Capital Works Reserve		
Balance at the beginning of the financial year	<u>1,239</u>	<u>1,239</u>
Balance at the end of the financial year	<u>1,239</u>	<u>1,239</u>
Quarry Reinstatement Reserve		
Balance at the beginning of the financial year	<u>31</u>	<u>31</u>
Balance at the end of the financial year	<u>31</u>	<u>31</u>
Public Open Space Reserve		
Balance at the beginning of the financial year	<u>29</u>	<u>29</u>
Balance at the end of the financial year	<u>29</u>	<u>29</u>
Total Other Reserves	<u>1,985</u>	<u>1,985</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS

30 June 2015

28. COMMITMENTS FOR EXPENDITURE

a) Operating Commitments

Council had contractual operating commitments totalling \$170,580 for the next financial year. This relates to the household garbage and recycling collection service.

b) Capital Commitments

Council had contracted capital expenditure commitments totalling \$571,376 at reporting date (2013-2014 \$nil).

c) Operating Lease Commitments

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

d) Finance Lease Commitments

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

29. COMMITTEES

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

	2014 \$000 Balance	2015 \$000 Revenue	2015 \$000 Expenses	2015 \$'000 Balance
Committee:				
Campania Halls	13	9	11	11
Colebrook Hall	1	0	0	1
Woodsdale Hall	8	2	3	7
Oatlands Community Hall	7	8	6	9
Colebrook Recreation Ground	3	0	1	2
Parattah Recreation Ground	7	5	4	8
Lake Dulverton Management	3	0	0	3
Parattah Railway	1	0	0	1
	<u>43</u>	<u>24</u>	<u>25</u>	<u>42</u>

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

30. SUPERANNUATION

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

For the year ended 30 June 2015 the Council contributed 11.0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

The actuarial review concluded that:

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

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

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

30. SUPERANNUATION (CONTINUED)

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

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

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

- The 2014 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is different from the method used at the previous actuarial review in 2011.
 - Under the aggregate funding method of financing the benefits, the stability of the Councils’ contributions over time depends on how closely the Fund’s actual experience matches the expected experience. If the actual experience differs from that expected, the Councils’ contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members’ benefits.
 - In terms of Clause 1.9.2 of the Scheme 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 Clause 1.9.2(b). However in terms of Clause 1.9.2 (d), the only contributions that can be sought from the Employer and its employee Members are any arrears of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Clause 1.22.2(a) requiring the Employer to make good any shortfall before the cessation of participation is approved.
 - Clause 1.22.2(b) specifically provides that employers participating in the Fund will not be liable for the obligations of other Employers in other funds within the Scheme.
 - The application of Fund assets on the Fund or the Scheme being wound-up is set out in Clause 1.21.3. This Clause provides that expenses, pensions in payment and the Superannuation Guarantee benefits of other members should have first call on the available assets. Additional assets will initially be applied proportionately to providing Member’s benefits in respect of completed service. If additional assets are available they are applied to increasing members’ benefits.
The Trust Deed does not contemplate the Fund withdrawing from the Scheme. However it is likely that Clause 1.9.2 would be applied in this case (as detailed above).
 - The Fund is a defined benefit Fund.
 - The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund’s assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
-



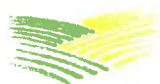
NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

30. SUPERANNUATION (CONTINUED)

- During the reporting period the amount of contributions paid to defined benefits schemes was \$28,781 (2013-14: \$26,970), and the amount paid to accumulation schemes was \$317,848 (2013-14: \$338,587).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$30,827, and the amount to be paid to accumulation schemes is \$353,222.
- 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. Favourable 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.

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

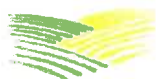
	2015 \$'000	2014 \$'000
Net operating result for the year	5,345	(1,296)
Assets taken up – Land under roads	(2,979)	0
Depreciation and amortisation	2,547	2,746
Capital grants	(702)	(480)
(Gain) Loss on disposal of non-current assets	(63)	180
Increase (Decrease) in employee provisions	(40)	134
Increase (Decrease) in payables	(100)	51
(Increase) Decrease in receivables	(235)	(117)
(Increase) Decrease in work in progress	(18)	75
(Increase) Decrease in stores and materials	(50)	38
Net cash from (used in) operating activities	3,705	1,331



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

32. RELATED PARTY TRANSACTIONS

	2015 \$'000	2014 \$'000
(a) Allowances and Reimbursements	121	133
(b) Register of Interests	2015	2014
Interests of Councillors notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings in the current or prior financial year.	Nil	Nil
Councillor & Position		
Mayor A E Bisdee OAM		No interest declared.
Deputy Mayor Clr M Jones OAM (Deceased January 2015)		No interest declared.
Clr A R Bantick		No interest declared.
Clr E Batt (Commenced October 2014)		No interest declared.
Clr B Campbell		No interest declared.
Clr M Connors (Retired October 2014)		No interest declared.
Clr D F Fish		No interest declared.
Clr A O Green (Appointed Deputy Mayor Feb 2015)		No interest declared.
Clr J L Jones OAM (Retired October 2014)		No interest declared.
Clr D Marshall (Commenced February 2015)		No interest declared.

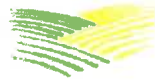


NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

33. FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	12	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p>	<p>On call deposits returned a floating interest rate of 1% (1% in 2013-14). The interest rate at balance date was 1% (1% in 2013-2014).</p> <p>Term deposits returned fixed interest rates of between 3.05% (3.05% in 2013-2014), and 3.75% (3.75% in 2013-2014) net of fees.</p>
Investment in TasWater	22	Investment is valued at fair value at balance date	Terms and Conditions are disclosed in Note 22.
Trade and other receivables Other debtors	13	<p>Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	Terms and conditions are disclosed in Note 13.



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities

Trade and other payables	23	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	Terms and conditions are disclosed at Note 23.
Interest-bearing liabilities	24	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Terms and conditions are disclosed at Note 24.

(b) Interest Rate Risk

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

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

WAEIR - weighted average effective interest rate.

NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

33. FINANCIAL INSTRUMENTS (CONTINUED)

b) Interest Rate Risk Exposure (Continued)

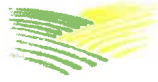
2014	WAEIR	Floating interest rate	1 year or less	1 to 5 years	over 5 years	Non interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash & cash equivalents	2.81%	806	7,377	0	0	0	8,183
Receivables							
- Rates		0	0	0	0	570	570
- Other		0	0	0	0	188	188
Investment in TasWater		0	0	0	0	11,674	11,674
Total Financial Assets		806	7,377	0	0	12,432	20,615
Liabilities							
Interest Bearing Liabilities	6.09%	0	98	427	370	0	895
Payables		0	0	0	0	669	669
Total Financial Liabilities		0	98	427	370	669	1,564
Net Financial Assets/ (Liabilities)		806	7,279	(427)	(370)	11,763	19,051

WAEIR - weighted average effective interest rate

c) Fair Value

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and cash equivalents	10,212	8,183	10,212	8,183
Receivables	993	758	993	758
Investment in TasWater	11,768	11,674	11,768	11,674
Total Financial Assets	22,973	20,615	22,973	20,615
Financial Liabilities				
Payables	569	669	569	669
Interest-bearing liabilities	795	895	795	895
Total Financial Liabilities	1,364	1,564	1,364	1,564

**NOTES TO AND FORMING PART OF THE ACCOUNTS**
30 June 2015

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

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

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

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

- conformity with State and Federal regulations and standards,
 - capital protection,
 - appropriate liquidity,
 - diversification by credit rating, financial institution and investment product,
 - monitoring of return on investment,
 - benchmarking of returns and comparison with budget.
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NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

33. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Risks and mitigation (continued)

Credit risk

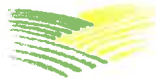
Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and causes Council to make a financial loss. Council have exposure to credit risk on some financial assets included in our Consolidated Statement of Financial Position. To help manage this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

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

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

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

	Financial Institutions	Other	Total
	(min BBB+ credit rating)	(min BBB+ credit rating)	
2015			
Cash and cash equivalents	10,212	0	10,212
Trade and other receivables	0	993	993
Total Contractual Financial Assets	10,212	993	11,205
2014			
Cash and cash equivalents	8,183	0	8,183
Trade and other receivables	0	758	758
Total Contractual Financial Assets	8,183	758	8,941



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

33. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Risks and mitigation (continued)

Ageing of Trade and Other Receivables

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

	30 June 2015		30 June 2014	
	Gross \$'000	Impairment \$'000	Gross \$'000	Impairment \$'000
Receivables				
Not past due	84	0	106	0
Past due 0-30 days	244	0	17	0
Past due 31-60 days	37	0	2	0
Past due 61-90 days	0	0	1	0
More than 90 days	134	0	84	0
Total trade receivables	499	0	210	0
Rates receivable	494	0	548	0
Total Receivables	993	0	758	0

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No allowance for impairment in respect of receivables has been recognised at 30 June 2015.

Liquidity Risk

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

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

To help reduce these risks we:

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



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

33. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Risks and mitigation (continued)

Liquidity Risk (continued)

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

The table below lists the contractual maturities for Financial Liabilities. These amounts represent the discounted cash flow payments (ie principal only).

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

2014	Less than 1 year \$'000	1-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Payables	669	0	0	669	669
Interest bearing liabilities	98	427	370	895	895
Total financial liabilities	767	427	370	1,564	1,564

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months.

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



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

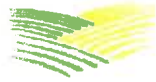
33. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Sensitivity disclosure analysis (continued)

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

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

2014	Interest rate risk			
	+1% +100 basis points		-0.5 % -50 basis points	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:				
Cash and cash equivalents	82	82	(41)	(41)
Receivables	8	8	(4)	(4)
Financial liabilities:				
Interest bearing liabilities	(9)	(9)	4	4



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

33. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Fair Value Hierarchy

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

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

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

2014	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Available for sale financial assets	0	0	11,674	11,674

Reconciliation of Level 3 Fair Value Movements	2015	2014
	\$'000	\$'000
Opening balance	11,674	13,845
Gains (losses) recognised in other comprehensive income:		
Change in fair value of investment in Water Corporation	94	(2,171)
Closing balance	11,768	11,674

34. EVENTS OCCURRING AFTER BALANCE DATE

Nil.



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

35. INVESTMENTS IN SUBSIDIARIES

(a) Heritage Education & Skills Centre Pty Ltd

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

The following transactions were recorded for the year ended 30 June 2015. The balances disclosed, as mentioned at note 1(q), have been incorporated into Councils balances. All inter-company balances and transactions between Council and HESC have been eliminated.

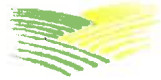
	2015 \$'000	2014 \$'000
Statement of Comprehensive Income		
Revenue	106	3
Expenses	(46)	(8)
Total Comprehensive Income for the Year	<u>60</u>	<u>(5)</u>
Statement of Financial Position		
Assets	97	38
Liabilities	(62)	(63)
Total Equity	<u>35</u>	<u>(25)</u>

(b) Heritage Building Solutions Pty Ltd

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

The following transactions were recorded for the year ended 30 June 2015. The balances disclosed, as mentioned at note 1(q), have been incorporated into Councils balances. All inter-company balances and transactions between Council and HBS have been eliminated.

	2015 \$'000	2014 \$'000
Statement of Comprehensive Income		
Revenue	806	781
Expenses	(762)	(812)
Total Comprehensive Income for the Year	<u>44</u>	<u>(31)</u>
Statement of Financial Position		
Assets	329	240
Liabilities	(347)	(302)
Total Equity	<u>(18)</u>	<u>(62)</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

36. MANAGEMENT INDICATORS

	Benchmark	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
(a) Underlying surplus or deficit					
Recurrent income* less recurrent expenditure		10,083	10,045	8,650	8,892
Underlying deficit	>0	67	(193)	(553)	(1,315)

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

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

(b) Underlying surplus ratio

Underlying surplus or deficit		67	(193)	(553)	(1,315)
Recurrent income*		10,083	10,045	8,650	8,892
Underlying surplus ratio %	>0%	0.7%	(1.9)%	(6.4)%	(14.8)%

The underlying surplus ratio assesses overall financial operating effectiveness. The positive result in 2015 indicates that sufficient operating revenue has been raised by council to cover its operational expenses in that period. The long term financial management plan aims to ensure a breakeven situation is maintained each financial year.

(c) Net financial liabilities

Liquid assets		11,205	8,941	9,423	8,772
Less total liabilities		2,691	2,931	2,839	2,688
Net financial assets	>0	8,514	6,010	6,584	6,084

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

(d) Net financial liabilities ratio

Net financial assets		8,514	6,010	6,584	6,084
Recurrent income*		10,083	10,045	8,650	8,892
Net financial liabilities ratio %	0% - (50%)	84.4%	59.8%	76.1%	68.4%

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



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

36. MANAGEMENT INDICATORS (CONTINUED)

	Benchmark	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
(e) Asset consumption ratio					
<i>Transport Infrastructure</i>					
Depreciated replacement cost		59,575	61,159	61,642	58,731
Current replacement cost		110,382	127,356	126,359	119,620
Asset consumption ratio %	>60%	54.0%	48.0%	48.8%	49.10%
<i>Buildings</i>					
Depreciated replacement cost		10,771	10,888	10,084	9,793
Current replacement cost		18,580	18,652	12,224	11,636
Asset consumption ratio %	>60%	58.0%	58.7%	82.5%	84.2%
<i>Drainage</i>					
Depreciated replacement cost		2,074	2,040	1,694	1,719
Current replacement cost		3,402	3,432	2,769	2,748
Asset consumption ratio %	>60%	61.0%	59.4%	61.2%	62.6%

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

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


NOTES TO AND FORMING PART OF THE ACCOUNTS
 30 June 2015

36. MANAGEMENT INDICATORS (CONTINUED)

		2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
(f) Asset renewal funding ratio					
<i>Transport Infrastructure</i>					
Projected capital funding outlays		23,137	23,022	26,940	
Projected capital expenditure funding		26,887	17,813	19,792	
Asset renewal funding ratio %	90-100%	86%	129.2%	136.1%	N/A
<i>Buildings</i>					
Projected capital funding outlays		2,758	2,502	2,780	
Projected capital expenditure funding		2,758	1,627	1,808	
Asset renewal funding ratio %	90-100%	100.0%	153.8%	153.8%	N/A
<i>Drainage</i>					
Projected capital funding outlays		437	405	450	
Projected capital expenditure funding		169	324	360	
Asset renewal funding ratio %	90-100%	258.6%	125.0%	125.0%	N/A

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

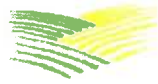


NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

36. MANAGEMENT INDICATORS (CONTINUED)

	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
(g) Asset sustainability ratio				
Capex renewal of existing assets	2,076	1,520	1,927	3,050
Annual depreciation expense	2,547	2,746	2,655	3,114
Asset sustainability ratio %	100%	81.5%	72.6%	98.0%
	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure	
	\$'000	\$'000	\$'000	
Land		1	1	
Roads	939	76	1,015	
Bridges	544		544	
Stormwater	56	115	171	
Buildings	93	251	344	
Waste Management	9		9	
Office Furniture & Equipment	81		81	
Intangibles	98		98	
Other plant and equipment	255		255	
Total	<u>2,076</u>	<u>443</u>	<u>2,519</u>	

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



NOTES TO AND FORMING PART OF THE ACCOUNTS
30 June 2015

37. FAIR VALUE MEASUREMENTS

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

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

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

(a) Fair Value Hierarchy

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

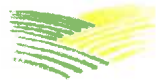
- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable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

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

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

As at 30 June 2015

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



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37. FAIR VALUE MEASUREMENTS (CONTINUED)

As at 30 June 2014

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements				
Land	14	0	4,033	0
Buildings	15	0	0	10,888
Roads	19	0	0	45,382
Bridges	19	0	0	15,777
Drainage	19	0	0	1,877
		0	4,033	73,924

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

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

(b) Highest and best use

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

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

Council adopted AASB 13 Fair Value Measurement for the first time in 2013-14 and has reviewed each valuation to ensure compliance with the requirements of the standard. There have been no changes in valuation techniques as a result of this review.

Land

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

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

Buildings

The fair value of buildings have been determined on the basis of replacement with a new asset having similar service potential as at 1 July 2013. The gross current values have been derived from unit rates determined by Council Officers with reference to market data for recent projects and costing guides.

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



NOTES TO AND FORMING PART OF THE ACCOUNTS 30 June 2015

37. FAIR VALUE MEASUREMENTS (CONTINUED)

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

Infrastructure assets

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

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

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

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

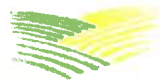
The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation.

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

Roads

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

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



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

A full valuation of bridges assets was undertaken by independent valuers, Auspan, effective December, 2013. 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.

Drainage

A full valuation of drainage infrastructure was undertaken by Brighton Municipal Council's Engineer effective 1 July 2013. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

(e) Changes in recurring level 3 fair value measurements

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

(f) Valuation processes

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

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

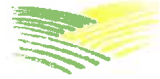
Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. (refer note 33)

The fair value of borrowings disclosed in note 33 equates to the carrying amount as the carrying amount approximates fair value (Level 2).

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

38. SIGNIFICANT BUSINESS ACTIVITIES

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



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

39. CONTINGENCIES

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