



# Annual Report 2012-2013



**Images:**  
*Gathering on the Norfolk Plains 2013*

**Courtesy of:**  
*Elizabeth Butt*

**Artwork:**  
*Kerin-Lea Hall*

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## MISSION STATEMENT

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Northern Midlands Council is committed to providing effective, innovative and efficient service to the community it represents. It aims to encourage active local communities of distinct character and to foster a sense of pride in the Northern Midlands area.

## OUR VISION

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- Northern Midlands communities will be vibrant, sustainable and resilient, promoting diversity and conserving the heritage values of our towns.
- Our competitive strengths will attract more people to the municipality, increase employment, business activity and property values.
- Our community pride will be based on co-operation and self help, evident by our care of natural and constructed assets and our leadership in environmental management.
- Each community's needs will be met with fair and appropriate quality services, creating high community satisfaction with Council's performance and high employee morale and well-being.

## OUR GUIDING PRINCIPLES

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- Respect for people
- Highest levels of integrity and honesty
- Open representation for all ratepayers and residents
- Equitable distribution of services, costs and opportunities for all members of the community
- Provide progressive community leadership by formulating clear, positive policies and strategies



- Continuous quality improvement
- Encourage community confidence through communication, consultation and participation
- Consideration of economic, environmental and social sustainability when making decisions
- Consistency – being fair and accountable in decision-making and actions
- Commitment to working with facts and accurate data.

## THE ANNUAL REPORT

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The Annual Report to the community concludes the annual corporate planning and reporting cycle of Council.

As a Council we have a statutory duty to annually report on how well we have performed as an organisation, the Annual Report is Council's report card and provides Council with the opportunity to formally inform the community of the achievements of Council over the past year and how the monies raised via rates, charges, fees and from grants received have been expended.

It is specifically required by the *Local Government Act 1993* that Council report on

- The context in which Council worked
- An organisational overview
- Council's operations, our achievements
- The key activities and priorities identified in the budget
- A set of audited standard, financial and performance statements.

Each year Council, in consultation with the community, prepares an Annual Budget within the context of the actions identified in the Strategic Plan 2007-2017.

## PROFILE

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The Northern Midlands Council was created on the 2<sup>nd</sup> April 1993 from the merger of the former Municipalities of Longford, Evandale, Campbell Town and Ross, together with the towns of Rossarden, Avoca and Royal George from the Fingal municipality.

It covers an area of 5,130 square kilometres, extending from Liffey Bluff in the west to Mount St John in the east (150 kms) and from Relbia in the north to Tooms Lake in the south (95 kms).

Northern Midlands is one of the largest and most diverse municipal areas in Tasmania. It ranges from mountainous country on its eastern and western boundaries to extensive grazing lands renowned for fine wool production, the rich agricultural river flats of the Esk, Lake and Macquarie Rivers; historic towns and villages, and from small businesses to multi-million dollar enterprises. Many of the towns and villages have distinctive heritage qualities which make them attractive places to live.

The population of the Northern Midlands was estimated to be 12,741 by the June 2013 ABS figures. This was 2.48% of the estimated State population that totalled 512,333.



## MESSAGE FROM THE MAYOR



On behalf of Council, it is my pleasure to present to you the Northern Midlands Council 2012/2013 Annual Report.

Over the past 12 months, the Council and its professional staff have focused their attention and energy on several issues and, in particular, the revision of the Strategic Plan which sets out how Council will continue to do its share towards making our district a better place to live, work and raise our families. With an ongoing need to develop communities, it is hoped that the Plan will guide and take the Northern Midlands forward over the next 5 years.

Other key items and works undertaken during 2012/2013 included:

- Water and Sewerage Reform
- Adoption of an Asset Management and 10 Year Financial Plan
- Consideration given to development applications and general planning matters
- Ongoing review of Council policies
- Introduction of the Interim Planning Scheme in accordance with the State Government issued Planning Directive seeking to have all Tasmanian schemes based on a consistent format
- Reconstructed rural roads including sections of Macquarie Road at Campbell Town, Green Rises Road at Cressy and Norwich Drive at Longford
- Reconstructed town streets including Catherine Street (between Lewis & Talbot Streets) and Union Street (near the boat ramp) at Longford, Bedford Street (between Franklin & Montagu Streets) at Campbell Town, and Mulgrave Street (Arthur to Onyx Court) and Arthur Street (near the railway line crossing) at Perth
  - Replacement of four timber deck bridges with concrete structures on Royal George Road at Royal George, Lake River Road at Cressy and East Panshanger Road at Longford
  - Resurfaced the tennis courts at Evandale
  - Upgraded the Longford Boat Ramp on the South Esk River
    - Installed an outdoor gym at Campbell Town
    - Provision of new bus shelters at Cressy and Perth
    - Intra-town walkways and footpath improvements, and street tree planting across the municipal area



In dealing with day to day issues, it is always important to consider those who shaped our past and in doing so, I wish to take this opportunity and express appreciation to the Norfolk Plains Organising Committee who diligently planned and managed the *2013 Gathering on the Norfolk Plains* event which was held at Longford from 1<sup>st</sup>-3<sup>rd</sup> March 2013. The event was extremely successful and held to commemorate 200 years since the Norfolk Islanders settled the Norfolk Plains. As part of the celebration,

a comprehensive record of the history in a 253 page book titled *The Norfolk Plains – A History of Longford, Cressy, Perth & Bishopbourne, Tasmania* was written by Dr Nic Haygarth and is available for purchase.

Other special events held throughout the year included:

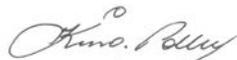
- Anzac Day & Remembrance Day Services
- Longford Blessing of the Harvest
- Art of the Norfolk Plains exhibition at Eskleigh, part of the Gathering on the Norfolk Plains event
- Longford New Years Day Races
- Australia Day Celebrations at Avoca
  - Citizen of the Year Award—Mr Laurie Wotherspoon of Evandale
  - Young Citizen of the Year Award—Mr James Dwyer of Longford
  - Event of the Year Award—Longford Fire Brigade Unit—fundraising efforts for local family
- Volunteer Recognition Program
- Post Vintage Car Club Picnic at Ross
- Ross Rodeo
- Ross Marathons
- Liz Ellis Memorial Fun Run at Longford
- Tasmanian Trout Expo at Cressy
- Rock & Rodz at Longford
- Poatina Village Open Day
- Woolmers Festival of Roses
- Longford (156<sup>th</sup>) and Campbell Town (175<sup>th</sup>) Shows
- Evandale Village Fair & National Penny Farthing Championships
- The Glover Prize

I would like to acknowledge the work of Cr Mary Knowles who organised the Anzac Day service at Avoca, the first service to be held there in 47 years. Over 150 people attended. I spoke to the audience of the contribution made in World War 1 at Passchendaele, Belgium of my great uncle Private Colin Russell Chisholm (Evandale) and Sergeant Lewis McGee (Avoca) who was posthumously awarded the Victoria Cross. Both men died within 24 hours of each other in the mud at Passchendaele.

Council is cognisant of the increasing cost of living pressures on our community. Therefore, Council rates were increased in accordance with a 10 Year Financial forecast to enable long term sustainability and to retain a debt free status.

Finally, I wish to pay tribute to the contribution made by Councillors and staff of the Northern Midlands Council who through their dedication and hard work have made these achievements possible.

I look forward to continuing to represent the community as your Mayor in 2013/2014.



Kim Polley OAM  
MAYOR





## GENERAL MANAGER'S REVIEW

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The 2012/2013 financial year has been busy and seen Council continue to play a major role in the area socially, environmentally and economically as well as maintaining a focus on continually delivering quality infrastructure and other services.

As detailed throughout the content of this report, during the year much was achieved and I look back with pride and satisfaction by Council's workforce who, in all instances, went above and beyond the normal call of duty to ensure challenges were met and difficult deadlines achieved.

Council reviewed and adopted a new Strategic Plan during 2012/2013 which is our principal planning document to guide Northern Midlands strategic direction for the future. The revised plan is a result of community consultation and I thank everyone who contributed to the review. The new Interim Planning Scheme in accordance with the State Government guidelines will ensure adequate infrastructure services can support future growth throughout the municipal area.

Council has continued to promote the area through regional associations and ongoing partnerships with the Heritage Highway Tourism Association, and the Northern Midlands Business Association. This year Council has also sponsored the development of promotional videos for towns and major attractions.

A highlight on last years calendar was the 2013 Gathering on the Norfolk Plains which commemorated the 200 years of settlement of Norfolk Plains. Whilst the event was enjoyed by many people the book 'The Norfolk Plains: A History of Longford, Cressy, Perth and Bishopsbourne, Tasmania' will be enjoyed for a very long time.

In 2012/2013 Council raised \$16 million, with \$15.1 million spent on providing operating services. Constructed/purchased Capital works projects amounting to a \$6.1 million and received donated infrastructure assets amounting to \$1 million for vital community infrastructure to ensure our local community offers a quality lifestyle to live and work.

To assist with the planning for long term sustainability Council adopted a 10 Year Financial Plan, and Asset Management Plan for Transport and Stormwater assets during 2012/2013 .



In October 2012 Council was recognised for its commitment to Emergency Management and was presented with the Local Government Category Resilient Australia Award for prevention, preparedness, response and recovery for its flood brochures.

This year Council supported the establishment of a 5 day week early learning centre at Campbell Town, and continued to provide its most appreciated childcare services at Perth, Cressy and Avoca.

Council has been working to a more efficient and responsive organisation with the implementation of new systems such as the electronic distribution of meeting agendas, worksheets and minutes to council representatives and staff, and growing our social media presence for community members.

Council will be faced with many more challenges in the next few years to upgrade and maintain its infrastructure, but by maintaining financial disciplines and all working together to provide best value services to the community, I believe the Council has good reason to face the future with confidence.

During the past twelve months this Council has participated in the Northern Sub Regional Alliance project which aims to share the knowledge and skills of our staff and other resources to the advantage of the region.

The numerous achievements detailed in this Annual Report would not have happened without the energy and leadership of Council, the valuable feedback from the community, the commitment of Local District Committee Members, and the efforts of our dedicated staff to the improving and wellbeing of our municipal area.





## OUR COUNCIL, PEOPLE & ORGANISATION

### COUNCIL FACTS IN BRIEF

- Approximately 60% of the population resides in 5% of the area, that is, generally in the North which includes Longford, Perth and Evandale.
- Council is responsible for maintenance of 972 kms roads and 10,135m<sup>2</sup> bridge deck area; more than any other council in the state.
- Council's annual turnover (all functions) in 2012/2013 was \$16.0 million (2011/2013 \$16.3 million).
- 52% of the total revenue of the municipality comes from rates; 31% from Government Grants, the remainder comes from user fees and other sundry revenue.
- Council's total ratepayer equity is \$263.6 million.

Many of the features that make the Northern Midlands unique also present some challenges for Council and residents, such as

- the size of the Council area: although large, is an area with overall low population density, generating its financial resources from a comparatively small number of ratepayers;
- the various constituent communities: these have different levels of involvement in local government activities and services, and vary widely in their priorities and objectives.

### FACILITIES MAINTAINED

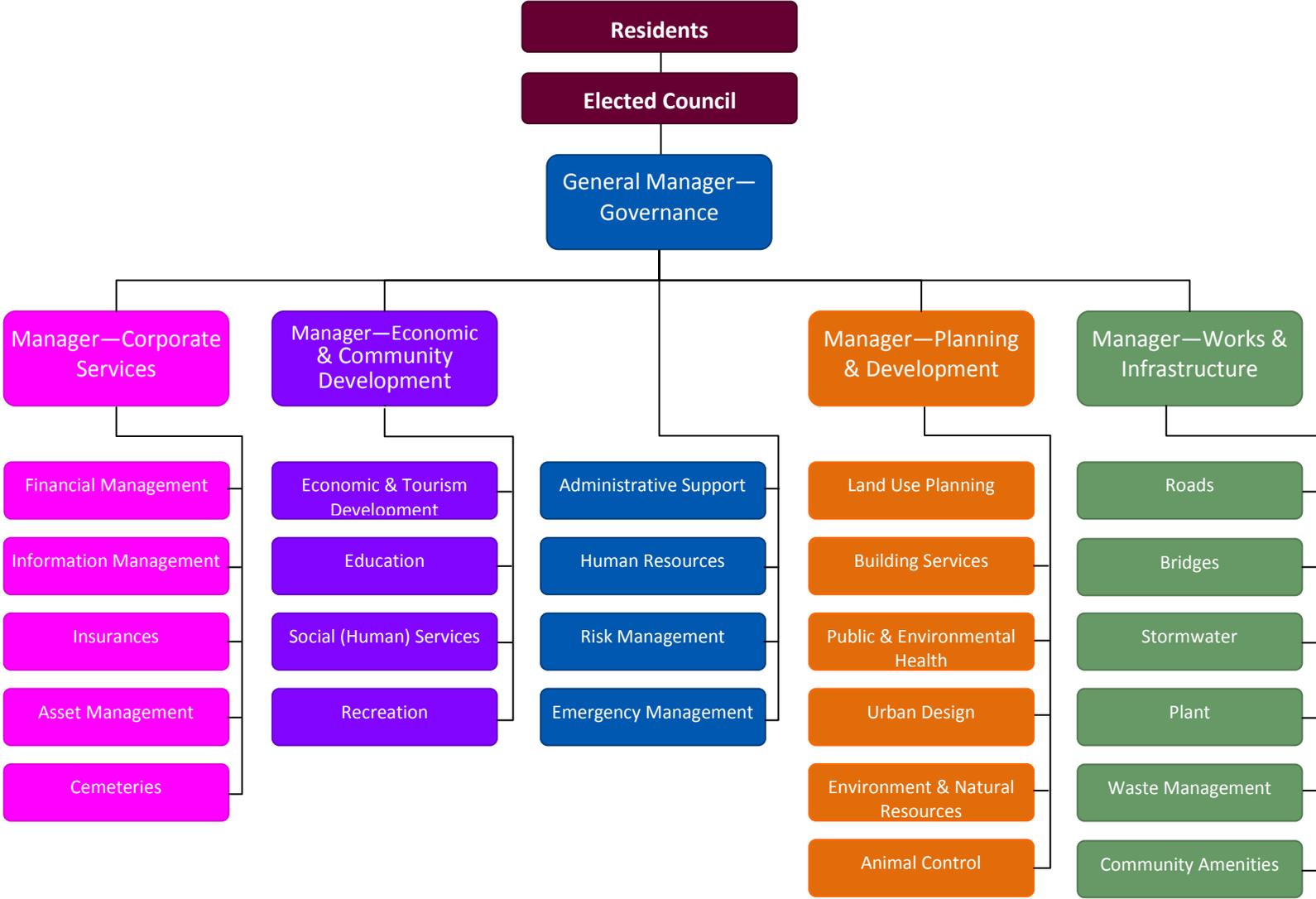
- 572kms of sealed roads
- 118 concrete structures (7,944m<sup>2</sup>)
- 400kms of unsealed roads
- 23 timber deck bridges (1,754m<sup>2</sup> or 18%)
- 8 ovals for sporting activities
- 25 community halls/centres
- 2 caravan parks
- 3 swimming pools
- 7 waste transfer stations

Council controls property, plant and infrastructure assets amounting to \$209.5 million; including \$39.4 million of land and buildings, \$137.6 million of roads and bridges and \$22.6 million of stormwater.

### OUR STAFF

2012/2013		
Status	No. of Employees	EFT
Permanent	66	60
Casual	24	4
2011/2012		
Status	No. of Employees	EFT
Permanent	67	61
Casual	22	4

# ORGANISATION STRUCTURE



## ROLE OF COUNCIL

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

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

In performing its functions, the Council is to consult, involve and be accountable to the community.

## COUNCIL MEETINGS

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The Northern Midlands Council held Ordinary Council meetings monthly on a Monday in accordance with the following schedule for 2012/2013:

Monday	23 July 2012	Monday	12 November 2012	Monday	18 March 2013
Monday	20 August 2012	Monday	10 December 2012	Monday	15 April 2013
Monday	17 September 2012	Monday	21 January 2013	Monday	27 May 2013
Monday	15 October 2012	Monday	18 February 2013	Monday	24 June 2013

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

- Governance;
- Economic & Community Development;
- Corporate Services;
- Works & Infrastructure; and
- Planning & Development.

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

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

COUNCIL ATTENDANCE		
2012/13	2011/12	2010/11
91%	97%	92%
TOTAL REIMBURSEMENTS		
2012/13	2011/12	2010/11
\$173,445	\$168,742	\$161,151
NUMBER OF ITEMS CONSIDERED BY COUNCIL		
2012/13	2011/12	2010/11
360	360	369

COUNCILLOR ALLOWANCES & REIMBURSEMENTS		
	2012/2013	2011/2012
Mayor Polley	\$48,331	\$47,660
Deputy Mayor Downie	\$26,898	\$25,450
Cr M Brooks	\$13,476	\$12,544
Cr A Calvert	\$13,476	\$12,544
Cr J Carins	\$13,476	\$12,544
Cr M Geeves	-	\$4,099
Cr I Goninon	\$13,745	\$12,544
Cr R Goss	\$14,522	\$13,572
Cr M Knowles	\$16,248	\$16,551
Cr J Lambert	\$13,273	\$11,234

COUNCILLOR ATTENDANCE										
Date	Meeting	Councillor								
		Brooks	Calvert	Carins	Downie	Goninon	Goss	Knowles	Lambert	Polley
09/07/12	Special	✓	✓	x	✓	✓	✓	✓	✓	✓
23/07/12	Ordinary	✓	x	x	✓	✓	✓	✓	✓	✓
20/08/12	Ordinary	✓	✓	x	x	✓	✓	✓	✓	✓
17/09/12	Ordinary	✓	✓	✓	✓	✓	x	✓	x	✓
15/10/12	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	x
12/11/12	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
10/12/12	Annual	✓	✓	✓	✓	✓	✓	✓	✓	✓
10/12/12	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
21/01/13	Ordinary	✓	✓	x	✓	✓	✓	✓	✓	✓
18/02/13	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/03/13	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	x
15/04/13	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
27/05/13	Ordinary	✓	✓	✓	✓	x	✓	✓	✓	✓
24/06/13	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓

## ELECTED MEMBERS OF COUNCIL

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Nine (9) Councillors elected by the community under a single electoral district.

The Mayor and Deputy Mayor were elected by public polls in until the next election, which is to be held in October 2014.



### MAYOR KIM POLLEY

I was elected to Council in early 1999 becoming Mayor in October 2000. I am a former teacher and now run a small beef fattening enterprise. Apart from my interests in family, art and agriculture, I devote my time to my role as Councillor and Mayor. I aim to assist Council to provide effective, innovative and efficient service to all ratepayers in the municipal area. I want all to enjoy living in the Northern Midlands of Tasmania.

### DEPUTY MAYOR DAVID DOWNIE

I am a farmer within the Cressy/Campbell Town area. I have been a Councillor on the Northern Midlands Council since its inception actively steering Council to a strong financial position. I believe our community has great potential for future progress and development that requires a consultative council that works with the people of our communities to develop our region in an appropriate way, whilst respecting the diversity that exists.



### COUNCILLOR MATTHEW BROOKS

I was born and live in Longford with my wife Louisa and our young family. I am currently employed in the transport industry. I consider myself to be a caring and compassionate person who enjoys being with people and working for them throughout the Northern Midlands community. I pride myself in helping people with problems relating to completing forms relating to planning and building applications. I also like to see people get treated the same across the municipality and given a fair go. I suppose you could say I love to help the battler. I have been an active member of local community clubs. My goals are to ensure Council is open and transparent at all times, to work with local communities to progress the Northern Midlands and to represent the public to the best of my ability.



## COUNCILLOR ANDREW CALVERT

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



## COUNCILLOR JEFF CARINS

I was born in 1948, married to Kathryn with six children between us. I have lived and worked most of my life in Northern Midlands. Apart from my business as an electrical contractor and of late, a partner in Roberts Regional North, I have a long history of involvement with the community through sporting bodies, RSL, Show Society and numerous other organisations. I believe we have a strong and efficient Council which should continue to encourage sensible development in all areas of our community.

## COUNCILLOR IAN GONINON

I live in Devon Hills on a hobby farm with my wife. I am involved in owning and managing a variety of successful local businesses as well as being an active member of the community volunteering on various boards and committees within the Northern Midlands region and beyond. As a councillor I am committed to supporting and representing our community to ensure it is a place that we, and those after us, can enjoy. I work hard for the growth of local businesses and strive to see the development of our community's heritage. I will continue to work towards minimising rate rises, encouraging the employment of young people, ensuring our towns are strategically planned, the betterment of our roads and infrastructure as well as developing and assisting local businesses.





### **COUNCILLOR RICHARD GOSS**

First elected in 2007, I am a high school teacher with a mechanical and construction trade background. I gained a tertiary education at the University of Tasmania – Bachelor of Education. I am married with three children and live at Longford. I grew up at Cressy and have gained first hand experience living, working and building my dreams and hopes in the Northern Midlands. I have a strong commitment to the environment and heritage and will ensure that all residents and businesses are fairly represented and consulted on the future decisions of the Northern Midlands.

### **COUNCILLOR MARY KNOWLES**

First elected to Council in October 2009. I live in Gipps Creek where my husband and I run a deer and fine wool farm. For the past 21 years I have been an active community member serving as a Volunteer Ambulance Officer, Chairperson for the Avoca, Royal George and Rossarden District Committee, Secretary for Greater Esk Tourism, Board member for the Heritage Highway Association, Tasmanian Women in Agriculture South Esk Discussion Group coordinator and supporting distance education families. My other interests include the redevelopment of the Avoca Tourist Centre, improving walking tracks, supporting volunteers, renewable energy and employment.



### **COUNCILLOR JANET LAMBERT**

For the past 21 years, my family and I have been proud to call the Northern Midlands home. I am a secondary school teacher, who is an active member within the Northern Midlands area. I am really passionate about seeing our region prosper. This is a wonderful place to live— and I want to do all I can to secure our community's long-term future. Through my community activities and my role within the council, I hope to leave a lasting legacy for the future, ensuring our region is strong and sustainable.



### **COUNCIL'S EXECUTIVE COMMITTEE**

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Council's executive committee consists of Mayor Kim Polley, Deputy Mayor David Downie and Councillor Richard Goss.

## MEMBERS WHO HAVE SERVED ON DISTRICT COMMITTEES IN THE 2012/2013 YEAR

<b>Avoca, Royal George &amp; Rossarden Local District Committee</b>	<b>Chairperson</b>	Mrs C Freeman	<b>Councillor</b>	Cr M Knowles	
	<b>Members</b>	Mrs S Squires	Mrs M Dennis	Ms M Hunt	Mrs S Freeman
		Mr A Hicks	Mr T Gee	Ms C Grey*	Mr H Reynolds
<b>Campbell Town Local District Forum</b>	<b>Chairperson</b>	Mrs M-A Orchard	<b>Councillor</b>	Deputy Mayor D Downie	
	<b>Members</b>	Mrs J Clarke	Mrs J Davis	Mr J Ashman	Mrs J Lyne
		Mr B Perkins	Ms S Hills	Mrs D Thomas	
<b>Cressy Local District Committee</b>	<b>Chairperson</b>	Mrs F Cox	<b>Councillor</b>	Cr R Goss	
	<b>Members</b>	Mrs H Williams	Mr P Goss	Mrs H Howard	Mrs A Jenkins
		Mrs M Cables	Mrs M Taylor	Mrs A Green	
<b>Evandale Local District Committee</b>	<b>Chairperson</b>	Mr J Lewis	<b>Councillor</b>	Cr J Carins	
	<b>Members</b>	Mr R von Bibra	Mr P Page	Mr J Hewlett	Mrs J Crosswell
		Mrs C Brown	Mr A Jobson		
<b>Longford Local District Committee</b>	<b>Chairperson</b>	H Mackinnon	<b>Councillor</b>	Cr M Brooks	
	<b>Members</b>	Mrs V Wallace	Mrs M Stebbings	Mr J Cauchi	Mr R Thomas
		Mr H Galea	Mr L Grant	Mr R Hendley	Mrs D Alty
<b>Perth Local District Committee</b>	<b>Chairperson</b>	Mr M Geeves	<b>Councillor</b>	Cr J Lambert	
	<b>Members</b>	Mr G Eberhardt	Mr O Nilon	Mr J Stagg	Mr P Dell
<b>Ross Local District Committee</b>	<b>Chairperson</b>	Mr A Cameron	<b>Councillor</b>	Cr A Calvert	
	<b>Members</b>	Mrs J Bennett	Mrs G Jenkinson	Mr A Petrie	Mr P Bewg
		Mrs F Doe	Mrs J Cummins	Mr S Kummerow	

\* Part of period

## MAJOR STRATEGIC ISSUES

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### INTRODUCTION

Council worked on a number of key issues which were identified in the Strategic Plan for the period 2007/2017. The Council has undertaken projects to address these issues and further initiatives have been identified in the Annual Plan for 2013/2014.

### ECONOMIC DEVELOPMENT

Council recognises that the future prosperity of the Northern Midlands area depends, in a large measure, on the community's ability to meet its own needs. Council's Economic & Community Development Unit continues to work in close association with the Northern Midlands Business Association, Northern Tasmania Development, Regional Development Australia, Tourism Northern Tasmania and other relevant stakeholders to undertake projects and manage programs that promote local economic, environmental and social sustainability.

Council facilitated the development of the Northern Midlands Business Association in 1999. The agreed objectives of the Association are:

- To identify economic development opportunities in the Northern Midlands and environs,
- To initiate and co-ordinate local community input on the directions and priorities for local economic development,
- To promote and market local economic development,
- To strengthen and diversify the economic base of the Northern Midlands and environs,
- To undertake any other activities that may assist in the development of the Northern Midlands and environs.

The Business Association continued to work closely with Council to lobby the State Government to upgrade Evandale Main Road which has become a major issue given the recent development in the area; and, in particular, the Statewide Independent Wholesalers state distribution centre and Haywards securing the contract to construct the wind turbines for the Musselroe Bay project.

Council, the Business Association and the Heritage Highway Tourism Region Association collaborated to develop the Heritage Highway App in 2012. This venture won the LGMA (Tasmania) State Award for Innovation in 2012.

Council's planned development of the Western Junction TRANSlink area, continued to grow over the last twelve months, with new businesses locating to the precinct on a regular basis. Council collaborated with the Business Association to produce a promotional video on the TRANSlink precinct that is currently being extensively distributed to businesses that maybe interested in relocating to the TRANSlink precinct.

Tourism plays a pivotal role in the economic development of the Northern Midlands, and in acknowledgement of this, Council, in collaboration with the Southern Midlands Council, facilitated the creation of the Heritage Highway Tourism Region Association Inc. (HHTRA) in 1998.

The objectives of the Association are:

- To promote the Heritage Highway as a tourism destination,
- To promote and maintain high levels of expertise within the tourism industry and in Visitor Information centres within the region,
- To represent the region to Governments, Councils and other tourism organisations.

HHTRA continues to promote the region as a 'must see' tourist destination, advertising extensively online and hard copy intra and inter state in a variety of media.

Council employs a part-time Tourism Officer to work closely with the Heritage Highway Tourism Region Association and the local tourism groups to implement their initiatives, including product and interpretation developments, tear-off maps and, as well as coordinating cooperative marketing activities for the Heritage Highway Region Association.

## **SUSTAINABLE DEVELOPMENT**

Council recognises that economic development is not the only measure of progress for our community. Environmental and social issues must be taken into account when encouraging economic development and also in the provision of land use planning, engineering infrastructure, waste management and environmental health. The community is also looking towards Council to play a pro-active role in natural resource management through programs such as Landcare initiatives.

Council continued to work closely with the Regional Natural Resource Management Committee on implementing the Natural Resource

Management (NRM) Strategic Plan for the Region. The Council has worked closely with NRM North, and the local community groups to facilitate and administer a number of projects, including Water Quality in the Nile Catchment, Mill Dam revegetation project and supported the Northern Midlands Council Natural Resource Management Special Committee. It has been pleasing this year to have had the opportunity to work in partnership with students from Cressy District High School, Scotch Oakburn College and TAFE in various revegetation planting projects. Council looks forward to continuing and expanding these relationships in the coming year.

## **COMMUNITY WELLBEING**

Council aims to provide leadership in the community, assisting Northern Midlands communities to identify, articulate and achieve their community and social goals, thereby empowering individuals and groups and achieving community capacity building.

Significant achievements across 2012/2013 included: providing continued support to the Inspiring Futures Program (previously No Dole Program) at Cressy and Campbell Town District High Schools; implementing the Healthy Communities Initiative in partnership with Southern Midlands and Central Highlands Councils; and securing funding for improvements at the Evandale Tennis Club, Perth Recreation Ground, and the installation of an outdoor gym at Campbell Town.

Council has partnered with the University Department of Rural Health and the Tasmanian Health Organisation to undertake a Health and Well-Being Needs Assessment of the communities of Perth, Longford, Evandale and Cressy across 2012/2013.

Council has also actively supported numerous festivals and events throughout the Council area which promote our history and heritage and are an important part of community life. Over the weekend of March 1-3, Council staged a Gathering on the Norfolk Plains to commemorate 200 years since the people expelled from Norfolk island settled on the Norfolk Plains. This attracted many descendants of the Norfolk Islanders to Longford to enjoy a Descendants Day expo, memorabilis displays, theatre performances and a colonial themed harvest festival.

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

## **WATER QUALITY & SEWER SERVICES**

Three council-owned regional water and sewerage corporations were amalgamated to one entity TasWater which assumed responsibility for water and sewerage services from 1 July 2013.

Council continues to lobby Tas Water, as the responsible entity:

- To provide good, clean drinking water to the smaller villages such as Conara, Avoca and Epping Forest;
- To consider options for sewage disposal at Avoca;
- To introduce a not-for-profit community organisation rebate; and
- Not to increase fees in excess of consumer price index.

## MAINTAINING CORE FUNCTIONS OF COUNCIL

One of the Council's core responsibilities is the on-going management of its total asset base. While Council has acknowledged its expanding role in community development, it must balance this with adequate maintenance and renewal of its assets. Council adopted a Long Term Financial Plan & Asset Management Plans during 2012/13 which provide a framework for Council to create, renew and maintain major infrastructure in a sustainable manner.

During 2012/2013 Council spent \$3.6 million towards upgrading the road network and \$1.7 million towards maintaining the road asset base. An amount of \$275,619 was spent on the replacement of four (4) bridges with concrete structures, and \$173,665 on additional stormwater assets recognised.

## FUTURE FUNDING

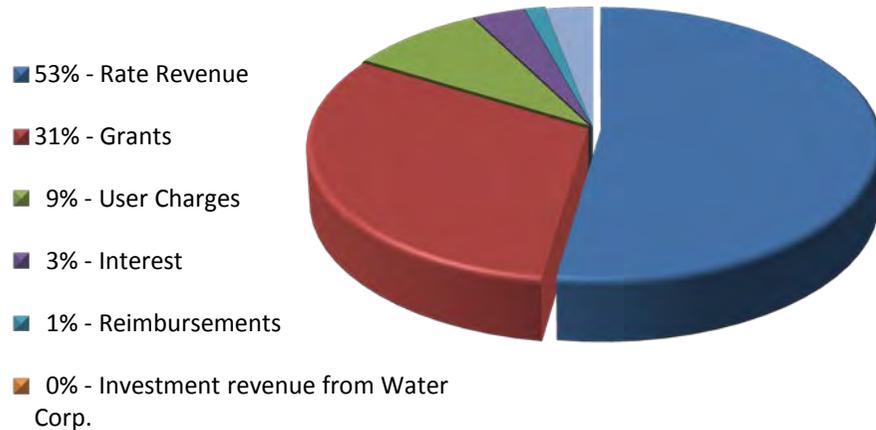
Council continues to object to the problem of continued reallocation of responsibilities to Local Government from the Commonwealth and Federal Government without commensurate financial support. Council is continuing to lobby the Federal Government for the continuation of the Roads to Recovery Program after 2019 as, being the Council with the most road length in the State, it is imperative to ensure maintenance of this important infrastructure into the future.

Council will continue to look for new development and other financial revenue streams to lighten the rate burden on its community. In the short term, however, the reform of water and sewerage in Tasmania has placed financial constraints on Council until dividend distributions start to flow from TasWater.

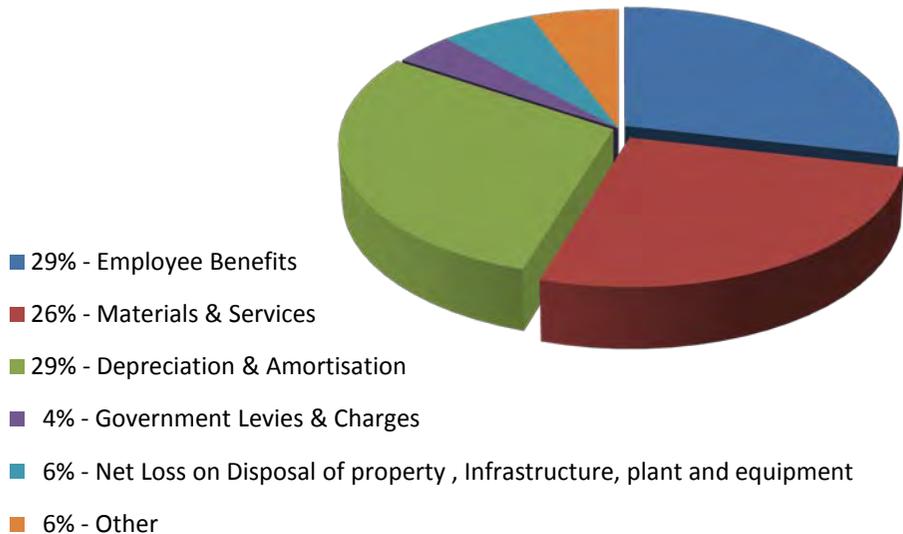
*The Annual Plan sets out the objectives as listed in Council's Strategic Plan  
and shows the performance in each activity.*

## UNDERSTANDING THE FINANCIAL REPORT

Where the dollars come from Operating Income  
\$16,043,135



Where the dollars go Operating Expenditure  
\$15,144,413



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

### WHAT ARE THE FINANCIAL STATEMENTS?

The four major disclosures, which are

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

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

### THE FINANCIAL STATEMENTS

#### *The Statement of Comprehensive Income*

The Statement of Comprehensive Income provides information relating to:

- the sources of revenue earned (where the money comes from); and
- the operating expenses incurred (what the money has been spent on);

during the financial year.

It should be noted that the expenses relate only to the operating expenses (or day-to-day expenses) and do not include costs associated with the purchase or building of assets.

Although the costs of the purchase or building of assets are not included in these operating expenses, provision for the cost of the depreciation of these assets is included in the operating expenses.

The depreciation expense is the equivalent portion of the asset that has been used during the financial year. The inclusion of depreciation on these assets in the operating expenses ensures that Council matches the cost of the asset to the period in which it is used rather than just the period in which it was constructed or purchased.

It is important to note the “Surplus(Deficit)” for the period.

### Statement of Financial Position

The Statement of Financial Position provides a snapshot of Council’s financial situation at the end of the financial year (30 June).

It reflects

- what Council owns – its assets; and
- what Council owes – its liabilities.

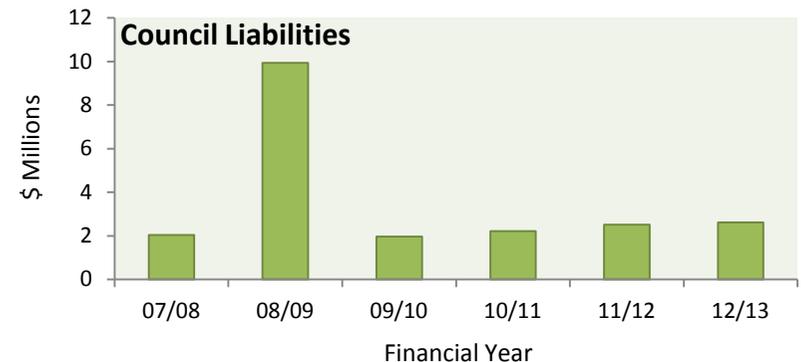
The bottom line of the Statement of Financial Position is Net Assets (Liabilities). This reflects the net worth of Council.

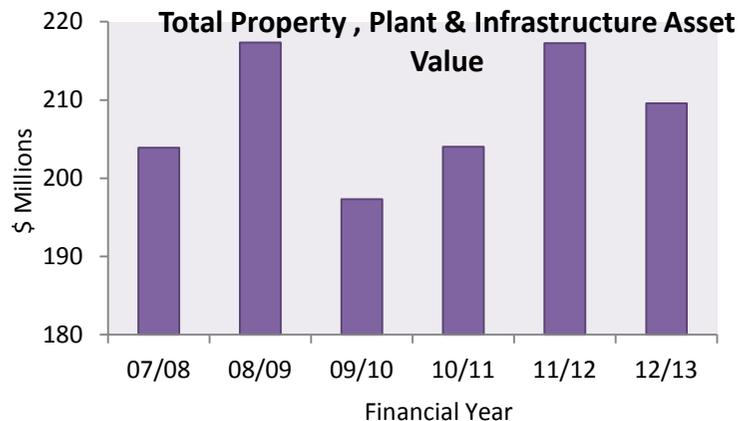
The Assets and Liabilities are separated into Current and Non-Current categories, Current Assets and Liabilities are those which will fall due within the next reporting period (the next financial year).

#### Current & Non-Current Assets

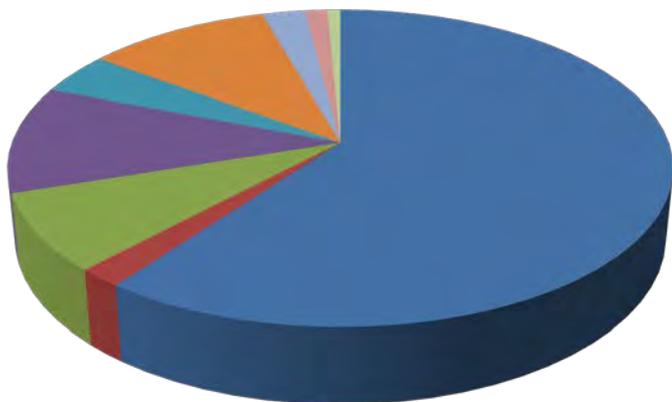
Current & Non-Current Assets include:

- Cash & cash equivalents –cash held in the bank, petty cash and cash investments such as term deposits.
- Trade & other Receivables – monies owed to Council by ratepayers and others who have been invoiced or billed.





**Assets Purchased / Constructed / Received  
\$6,533,114**



- 60.1% -Roads
- 7.9% -Stormwater
- 4.2% -Bridges
- 2.5% -Plant
- 0.7% -Flood Levee Infrastructure
- 1.9% -Land Under Roads
- 10.9% -Fleet
- 10.5% -Land, Buildings & Heritage
- 1.3% -Furniture & Office Equip

- Other Assets – inventory and services which have been prepaid and monies owed to Council for which no invoice had been raised as at 30 June.
- Property held for Resale – land which Council plans to sell in the next financial year.
- Property, Plant & Infrastructure – land, buildings, roads, vehicles, equipment, etc. which have been accumulated by Council.

**Current & Non-Current Liabilities**

Current & Non-Current Liabilities include:

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

**Net Assets**

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

**Ratepayer Equity**

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

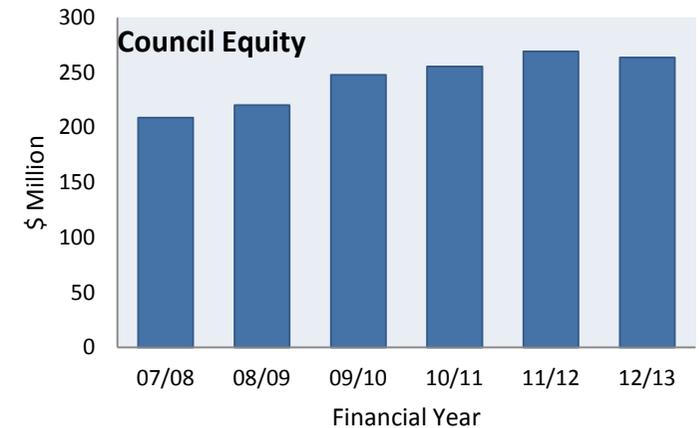
- Accumulated Surplus – the value of all net assets, other than the Asset Revaluation Reserve and Other Reserves (listed below), which have been accumulated over time.
- Asset Revaluation Reserve – the difference between the previously recorded value of assets and their current valuations.
- Other Reserves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

## Statement of Changes in Equity

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

The main reasons for a change in equity stem from:

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



## Statement of Cash Flows

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

### Cash Flows from Operating Activities

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

### Cash Flows from Investing Activities

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

### Cash Flows from Financing Activities

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

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

## ***Notes to the Accounts***

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

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

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

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

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

## ***Certification***

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

## ***Auditor General's Report***

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

# ANNUAL REVIEW OF COUNCIL PROGRAMMES

## GOVERNANCE

Governance includes provision of elected representation, executive support, strategic planning and public relations.

### Objective:

#### Governance

To provide quality governance and effective leadership to support and enrich community life.

### Performance:

12 Ordinary Meetings and 1 Special Meetings were held during 2012/2013. Attendance by the public was welcomed and copies of Meeting Agendas and supporting documentation were made available. A twenty (20) minute public question time was provided at each Council meeting at 6.45 pm.

Council held its Annual General Meeting on 10<sup>th</sup> December 2012.

Councillors had a Bus Tour of the municipal area meeting community groups and assessing budget priorities on 30<sup>th</sup> April 2013.

Mayor Polley attended the ALGA National Roads & Transport Conference in Hobart from 14-16 November 2012.

Local District Committees at Evandale, Campbell Town, Ross, Longford, Cressy, Devon Hills, Perth and Avoca, Royal George & Rossarden, continued to provide valuable input into various issues considered by Council throughout the year.

Adopted/reviewed the following Council policies:

- Code of Conduct for Elected Members
- Recording of Meetings

- Use of Council Chambers
- Risk Management and accompanying Risk Management Strategy
- Communications
- Privacy Policy Statement.

Completed a 5 year review of Council's Strategic Plan.

Received Resilient Australia Award as the Tasmanian Winner in the Local Government Category for Emergency Management prevention, preparedness, response and recovery flood brochures.



## Objective:

### Community Representation & Relations

To strive to advance Council's guiding principle of 'Encouragement of community confidence through communication, consultation and participation' with equitable, transparent, accessible and consistent governance by genuine engagement with the community

## Performance:

Lobbied the Government

- for the upgrade of the Evandale Main Road from the Breadalbane roundabout to Evandale
- to undertake urgent remediation to the intersection on the Midland Highway at Eskleigh and agreed to contribute 20% capped at \$40,000 towards the works
- for bipartisan approach to protect and grow a sustainable forestry industry using both private and public forest assets for the betterment of the community
- to provide a medical practice in the township of Evandale
- retention of the Campbell Town Museum
- concerns about the loss of Express Post service for interstate delivery from a majority of Tasmanian outlets
- number of elected councillors for Northern Midlands municipal area to remain unchanged at 9.

Continued to be an active member of Northern Tasmania Development.

Supported the Regional Tourism Organisation for Northern Tasmania.

Participated in the development of the Greater Launceston Plan.

Supported further Water and Sewer reform moving to a single statewide corporation, TasWater. Mayor Polley appointed as Council's owners' representative. Cr Goninon was appointed to the Director's Selection Committee for TasWater.

Formed and participated in the Sub-Regional Alliance Group.

Joined the Regional Tasmania Keep it Alive campaign for Tasmania.

Endorsed the Tasmanian Municipal Emergency Management Plan for Northern Midlands.

Endorsed the listing of Evandale as a 'RV Friendly Town' by the Campervan & Motorhome Club of Australia.

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

- the Northern Midlands section published by the Examiner's as Your Region section issued on a weekly basis, and
- a one page monthly publication in the Country Courier Newspaper.

Under Council's policy for Australia Day celebrations and award presentations, venues are alternated between venues in the north and south of the municipal area – the 2013 Australia Day Awards were presented as part of a community event held at Evandale.

The following Australia Day Awards were presented:

- Citizen of the Year 2013 –  
Mr Laurie Wotherspoon for outstanding service to local community over a number of years
- Young Citizen of the Year 2013 –  
Mr James Dwyer for his passion for helping others

and outstanding contribution to the local community

- Event of the Year 2013 –  
Longford Fire Brigade Unit in undertaking fundraising for the local Stewart family which faced medical difficulties, raising over \$30,000.



## Objective:

### Human Resources

To provide a workplace that promotes high productivity and job satisfaction

## Performance:



Total payroll cost in 2012/2013 was \$3,827,768 compared to \$3,862,704 in the previous year. Other employee costs including payroll tax, superannuation, workers compensation insurance, corporate uniform and leave provisions amounted to \$803,350.

Continued to allocate a minimum of 2% of wage expenditure to staff training.

Service Certificates were presented for the following staff member milestones:

- Ray Webb - 30 Years Service
- Jan Cunningham - 10 Years Service.

During the past twelve months Kerin-Lea Hall completed Certificate III in Printing & Graphic Arts, and Natalie Horne completed a Diploma of Record Keeping.

Beth Butt completed a traineeship for Certificate III in Business.

Provided performance appraisal and salary reviews for all staff.

Implemented third year of a 3 year Enterprise Bargaining Agreement effective July 2010 providing staff with a 3.4 percent wage increase per annum.

Developed a draft Northern Midlands Council Workplace Agreement 2013-2016 for implementation on 1 July 2013.

Rebadged the annual Longford Fun Run as the 'Liz Ellis Memorial Fun Run' in recognition of the significant contribution to the health and well being of Northern Midlands residents made by Liz as an employee.

Continued a commitment to Workplace Health and Safety with the Employee Safety & Risk Management Committee meeting regularly throughout the year.

Reviewed to following policies:

- Human Resource Management;
- Private Use of Council Motor Vehicles;
- Anti-Discrimination & Harassment policy; and
- Light Vehicle Replacement Policy.

Senior Staff Remuneration		2012/2013	2011/2012	2010/2011	2009/10
Between \$ 160,000 - \$ 180,000		1	1		
Between \$ 140,000 - \$ 160,000			1		
Between \$ 120,000 - \$ 140,000		2	1		
Between \$ 100,000 - \$ 120,000		4	4	5	6
Total Remuneration		\$ 862,403	\$ 874,000		

Specific Data	2012/2013	2011/12	2010/11	2009/10
Payroll costs	\$ 3,827,768	\$ 3,862,704	\$ 3,653,041	\$ 3,421,815
Superannuation contributions	\$ 456,001	\$ 450,352	\$ 430,165	\$ 397,946
Workers Compensation Insurance/Expenses	\$ 85,015	\$ 59,828	\$ 67,159	\$ 38,519
Annual & Long Service Leave Provisions	\$ 1,423,231	\$ 1,399,360	\$ 1,382,668	\$ 1,098,700
% of Payroll Capitalised	8.1%	8.0%	6.4%	7.5%
Permanent Staff	60 EFT	61 EFT	61 EFT	61 EFT
Casual	4 EFT	4 EFT	3 EFT	4 EFT
Sick Leave Taken/Permanent Employees (paid days)	9.0	8.4	9.6	4.7



## CORPORATE SERVICES

Corporate Services includes provision of financial services and information systems.

### Objective:

#### Financial Resources

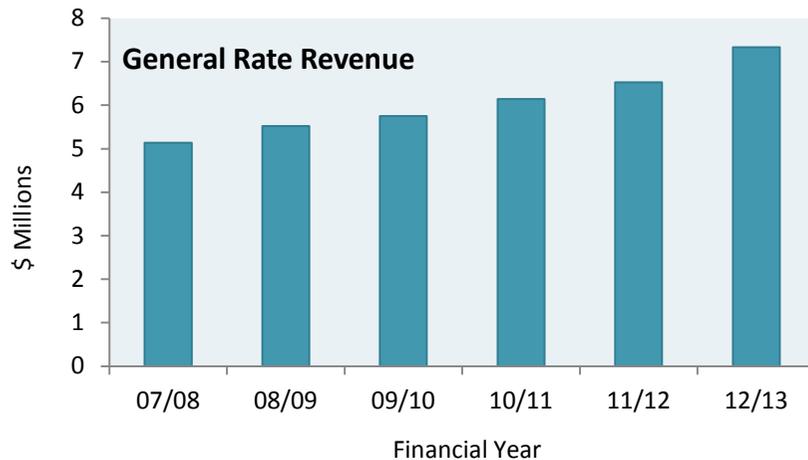
To provide practical, viable, sustainable financial management policies and procedures.

### Performance:

Adopted a 2012/2013 Annual Plan and Budget on the 9 July 2012.

The Financial Statement for the year ended 30 June 2013 is appended to this report; included is the Independent Audit report provided by the Tasmanian Audit Office.

Council's recurrent revenue during 2012/2013 was \$16.04 million, capital income \$1.2 million resulting in total income of \$17.3 million. Operating expenditure was \$15.1 million, which resulted in a surplus of \$2,185,526.



The surplus was greater than the 2012/2013 budgeted surplus of \$1.07 million mainly due to unbudgeted contributions of non-monetary assets from subdividers of \$1.1 million.

Rate Revenue continued to be raised via a differential rating system in 2012/2013 based generally on the same amount of rate revenue, plus indexation and development, as previous years for each land use category. The General Rate in the dollar of assessed annual value was increased by 4% resulting in total rate revenue amounting to \$8.4 million or 52.3% of operating revenue and was generally within budget expectations. Rate receivables at 30 June 2013 represent 4.2% (June 2012 \$7.1%) of rate revenue. The Longford Flood Levee Separate Rate was raised for the 9<sup>th</sup> rating period.

Commonwealth Financial Assistance Grant Revenue increased by \$33,697 in 2012/2013 to \$3.693 million (adjusted for advance payments). In addition, Council received \$1,528,543 special grant funding for projects including:

▪ Roads to Recovery	\$ 908,533
▪ Rural & Remote Child Care	\$ 164,751
▪ Longford Velodrome Upgrade	\$ 135,000
▪ Heavy Vehicle Motor Tax	\$ 100,529
▪ Perth Recreation Ground Amenities	\$ 80,000

■ Perth Child Care Service	\$ 40,290
■ Longford Boat Ramp	\$ 30,000
■ Kids Club	\$ 24,316
■ Roads Black Spot	\$ 21,000
■ Longford Bus Shelter	\$ 9,600
■ Employee Training Programs	\$ 6,500
■ Toy Library establishment	\$ 5,700
■ Neighbourhood Watch Project	\$ 1,999
■ Keep Australia Beautiful Project	\$ 325

Reimbursement Revenue was higher than budget which was mainly due to additional revenue for fuel tax rebates \$32,218.

Investment revenue from Ben Lomond dividend distributions and tax equivalent income reduced from \$159,712 to \$4,325 due to only tax equivalent distributions being received during 2012/2013.

Operating Expenditure for the year was \$1,098,373 higher than budgeted mainly due to loss on disposal of property, infrastructure, plant and equipment which was not budgeted for of \$929,532.

Depreciation cost decreased for the year by \$193,679 to \$4.4m.

Council recorded a net decrease in asset revaluation of non-current assets of \$8.5 million, and total decrease in equity of \$5.5 million for the year.

Council recorded non-current infrastructure assets with a written down value of \$209.5 million (or Gross Value of \$293.7 million) as at 30 June 2013. (Note 13 in the financial statement provides a breakdown of asset values recognised).

**Note:**

Ratios are as prepared by the Tasmanian Audit Office (TAO) for inclusion in the Auditor Generals Report to be tabled in Parliament in November 2013. In calculating the ratios the TAO makes a number of adjustments to the figures in Council Financial report, to more consistently report figures statewide, these adjustment include grants received in advance. Bench marks where quoted are as provided by the TAO.

Payments for purchase/construction of fixed assets totaled \$6.1 million, representing 36.2% of annual cashflow during 2012/2013.

Proceeds of \$50,673 was received from sale of land, and \$238,236 from sale of fleet/plant items during 2012/2013.

Cash and investments totaling \$10.3 million were on hand at the end of the reporting period, which is an increase compared to last year of \$9.5 million. Cash and investments on hand represent money quarantined for the following areas:

■ Infrastructure Reserve	\$ 2.937m
■ Advanced/unused Grant Payments	\$ 2.162m
■ Trust Funds & Employee Entitlements	\$ 1.824m
■ Special Committees	\$ 0.172m
■ General Funds	\$ 3.205m

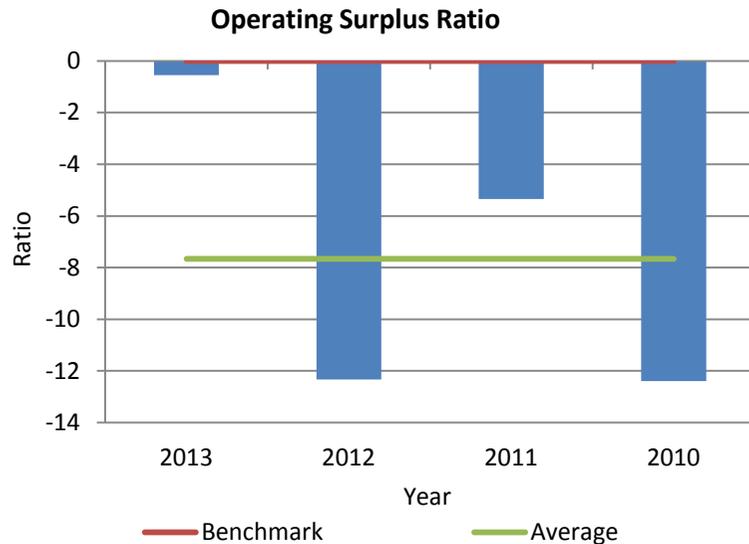
Trade Receivables increased by \$32,331 as at 30 June 2013 mainly due an increase in the value of specific purpose grant funding allocated but not received, offset by a reduction of outstanding rate debtors due to sale of properties for unpaid rates.

The Tasmanian State Audit Office was appointed auditor for financial period ending 30 June 2013 at a cost of \$19,590 (2011/2012 \$18,840).

Council adopted a 2013/2014 Annual Plan and Budget on 24<sup>th</sup> June 2013.

The Auditor General advised that to be sustainable, local government needs to have sufficient capacity to be able to manage future financial risks and shocks without having to radically adjust their current revenue or expenditure policies. The following six financial ratios have been selected by the Auditor General for assessment of local government financial sustainability.

## Operating Surplus Ratio

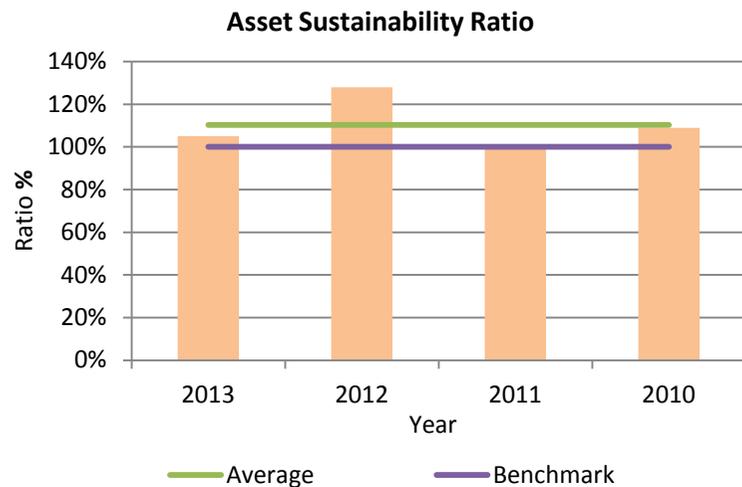


**Operating Surplus Ratio:** Indicates Council's capacity to generate sufficient revenue to fulfil its operating requirements including depreciation (Net Operating surplus (deficit) divided by Operating Revenue)

**Benchmark:** > 0

**Audit Office Comment:** "Councils Operating surplus ratio reflects deficits recorded in each of the past four years. The negative ratios indicate council did not generate sufficient revenue to fulfil its operating requirements, including its depreciation charges. The Deficits were impacted by significant losses on disposal of assets in each year under review. These losses related predominantly to write-offs of roads, bridges and stormwater and drainage assets due to their complete replacement. Apart from situations where assets are written-off due to damage, the extent of these write-offs may indicate that depreciation rates being applied may not properly reflect the consumption of the economic benefits embodied in these assets."

## Asset Sustainability Ratio



**Asset Sustainability Ratio:** Measure of maintenance of asset levels (expenditure on replacement and renewal of fixed assets divided by depreciation charge)

**Benchmark:** 100%

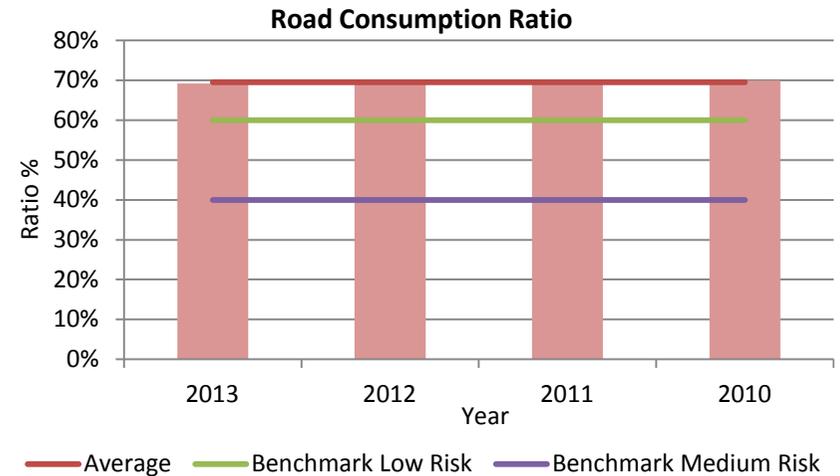
**Audit Office Comment:** "Asset sustainability ratios were above the 100% benchmark in three of the four years under review. Over the four year period, Council's average ratio was 110%, indicating it maintained its investment in existing assets at levels in excess of its annual depreciation charges. However, as mentioned previously, the magnitude of infrastructure write-offs may indicate that assets are being depreciated at too lower a rate."

### Road Consumption Ratio

**Road Consumption Ratio:** Measure of Council's utilisation of road infrastructure assets (written down value of road assets divided by gross value of road assets)

**Benchmark:** > 60% Low Risk <60% & > 40% Medium risk <40% high risk

**Audit Office Comment:** "The ratio at 30 June 2013 indicated Council has used (consumed) approximately 31% of the service potential of its road infrastructure assets. This was consistent with the average ratio over the four year period being 69%. This indicates Council's road assets had sufficient capacity to continue to provide services to ratepayers. However, as mentioned previously, the magnitude of infrastructure write-offs, which including road assets, may indicate that these assets are depreciated at too low a rate. This could negatively impact the consumption ratio."

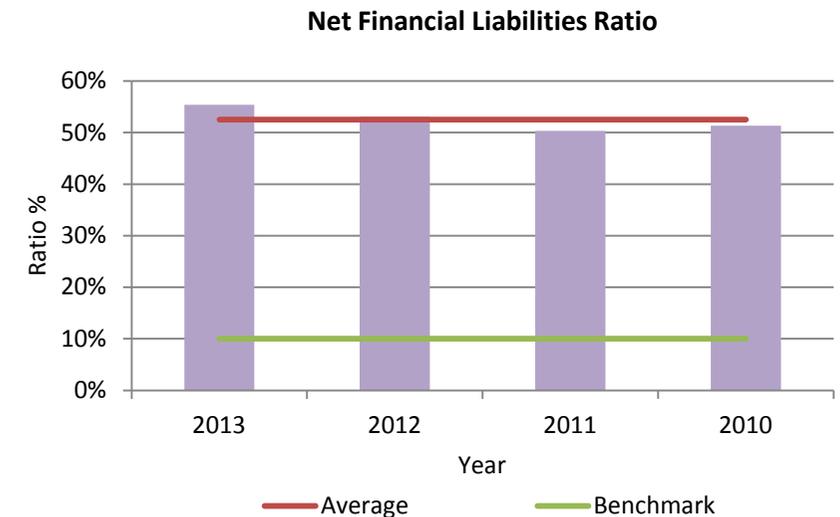


### Net Financial Liabilities Ratio

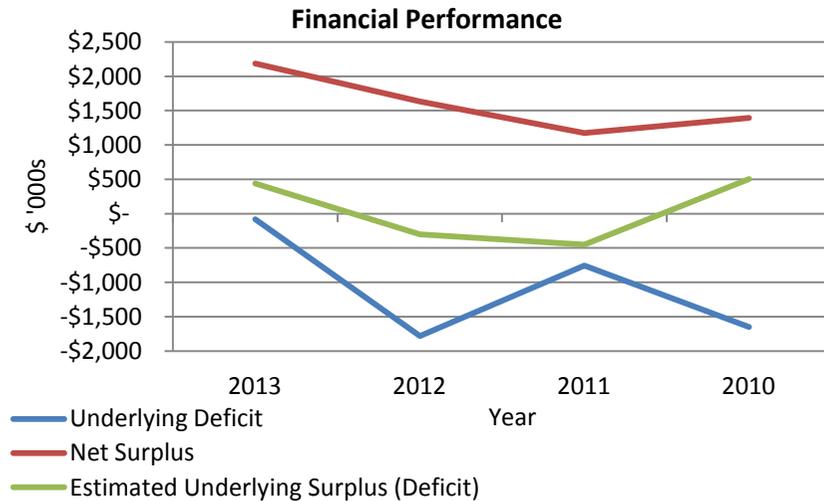
**Net financial liabilities Ratio:** Measure of Council's Liquidity position (liquid assets divided by current and non current liabilities)

**Benchmark:** > 0% to -50 %

**Audit Office Comment:** "Council recorded a positive Net financial liabilities ratio with liquid assets greater than than current and non-current liabilities in each year under review. This indicates a strong liquidity position, with Council able to meet existing commitments. Council's total liabilities consisted of payables and employee provisions. It is noted, that Council has contractual commitments totalling \$3.763m (2011-12, \$4.510m) which are not recognised on the statement of financial position nor are they factored into the net financial liabilities ratio. Similarly, Council received grants during the year which have not yet been applied to the purpose for which they were provided, totalling \$2,162m (\$1.882m). In addition, Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit the amount available for discretionary use. Restricted funds represent \$7.096m or 68.9% of the total cash and cash equivalents balance of \$10.301m. Commitments, unspent grants and restrictions on funds need to be taken into consideration when assessing Council's overall liquidity position."



## Financial Performance



**Financial Performance:** Measure of Council's financial performance, net surplus (deficit), underlying surplus (deficit) and estimated underlying surplus (deficit) over a four year period

**Benchmark:** > = \$0

**Audit Office Comment:** "Council significantly improved its underlying result in 2012-13. Nevertheless it still reported an Underlying Deficit of \$0.083m and continued to perform below budget. The improved result this year was due to a combination of an increase in rating income of \$0.844m and a lower loss on disposal of assets following significant write-offs of roads and bridges damaged by flood during the previous year. Over the period under review, Council's underlying result was consistently below its underlying budget. The variance is mainly attributable to Council not budgeting for losses on disposals of assets, which over the period averaged \$1.173m per annum. However, the Underlying result has been improving."

## Financial Position



**Financial Position:** Measure of Council Total Asset Value as well as its Net Asset Value (Total Assets less Total Liabilities)

**Benchmark:** N/A

**Audit Office Comment:** " Council's Total assets and Net assets increased slightly over the period Net assets increased by \$15.843m, or 6.4%, primarily due to an increase in the value of infrastructure assets, Council's investment in Ben Lomond Water and surpluses generated as a result of capital grants and contributed assets. In 2012-13 Council reported a decrease in Net assets of \$5.523m to \$263.689m at 30 June. The decrease was largely due to a downward movement in the replacement value of bridges and stormwater assets, \$2.090m, capital grants, \$1.184m, and contributed assets \$1.011m. Council has a number of functional activities that provide a broad level of services to its ratepayers, with the majority of its funding and assets relating to works and infrastructure management. Infrastructure assets comprised of roads, bridges and stormwater and drainage assets which represent 76.5% of total Property, plant and equipment and 60.8% of total Net Assets."

## Objective:

### Information Systems

To provide practical, viable, sustainable financial management policies and procedures.

To deliver information management services to meet organisation, statutory and community needs

## Performance:

Active member of the Tasmanian Technology One (Record Management) User Group.

Improvements to Information Technology systems as follows:

- Replacement/upgrade of servers, \$44,000;
- Upgraded 19 staff desktop/ laptop/ iPad computers, \$12,705;
- Purchased several mobile phones and sundry electronic items, \$3,560;
- Community Television at Information Centre;
- Upgraded to the latest version of finance software products for all users and network servers \$7,001;
- Introduced secure electronic Councillor website for all Council documents, meeting dates, corporate documents, and provided electronic Council Meeting agendas on iPads;
- Continued to upgrade Council website, and create individual accessed websites for major towns and community organisations;
- Implemented the provision of up to date demographic data via .id Profile system on website; and
- Maintained a facebook presence for the community.



## ECONOMIC & COMMUNITY DEVELOPMENT

The Economic and Community Development Unit's areas of responsibility include : Economic Development, Tourism, Social (Human) Services and Recreation

### Objective:

#### Economic Development

To encourage sustainable economic development for the Northern Midlands region in conjunction with the Northern Midlands Business Association Inc., Northern Tasmania Development, Regional Development Australia and other relevant stakeholders

### Performance:

Supported the Northern Midlands Business Association Inc. (NMBA) \$4,241 plus secondment of Council's Economic and Community Development Manager to serve as the Association's Executive Officer for the equivalent of one day per week.

Collaborated with NMBA on:

- The planning for the development of a Northern Midlands Economic Development Strategy which included holding an economic development workshop, facilitated by Economic Development Australia;
- The resurrection of HeartFM radio station;
- The ongoing management of the Northern Midlands Business Promotion and Visitor Information Centre at JJ's Bakery, Longford.
- The ongoing implementation of the TRANSlink marketing strategy – with the major activities being the Evandale Main Road Upgrade Campaign and intersection signboard upgrades;
- The provision of educational and networking forums and visits for business owners and operators in the Northern Midlands, including a tour of businesses in the TRANSlink precinct and a Longford business famil in collaboration with the Longford Rotary Club and Longford Local District Committee;
- Working in partnership with the Beacon Foundation to provide a 'Work Inspiration' work experience program at the Northern Midlands Council for Cressy District High School students;
- The ongoing management and maintenance of the Heritage Highway interactive iPhone, Android and iPad app; and
- The management of the TRANSlink billboard that promotes Northern Midlands businesses and events.

**Objective:**

**Recreation**

To promote the use of existing Sport & Recreation facilities and plan for the development of new projects to meet the communities needs.

**Performance:**

Ongoing management of the Northern Midlands Community Sports Centre including the contracting of a private provider to lease the centre.

Assist with organisation of the Longford Fun Run 2012 in collaboration with Longford Rotary, with the fun run being renamed the Liz Ellis Memorial Fun Run.

Ongoing management of the leases of the Longford Riverside and Ross Caravan Parks.

Secured funding to install an outdoor gym at Campbell Town.

Secured funding for:

- The development of a multi-functional amenities building at Perth Recreation Ground; and
- The restoration of the Longford velodrome.



Northern Midlands Community Sports Centre, Longford	2012/2013	2011/2012	2010/2011	2009/10
Gym Membership fees	\$31,184	\$24,764	\$25,870	\$26,326

## Objective:

### Tourism Promotion

To promote Northern Midlands as a tourist destination to the benefit of the local economy, and to maximum advantage for residents.

## Performance:

Supported Tasmania's Heritage Highway Tourism Region Association Inc. (HHTRA) with \$17,294.

Worked with HHTRA's Board to:

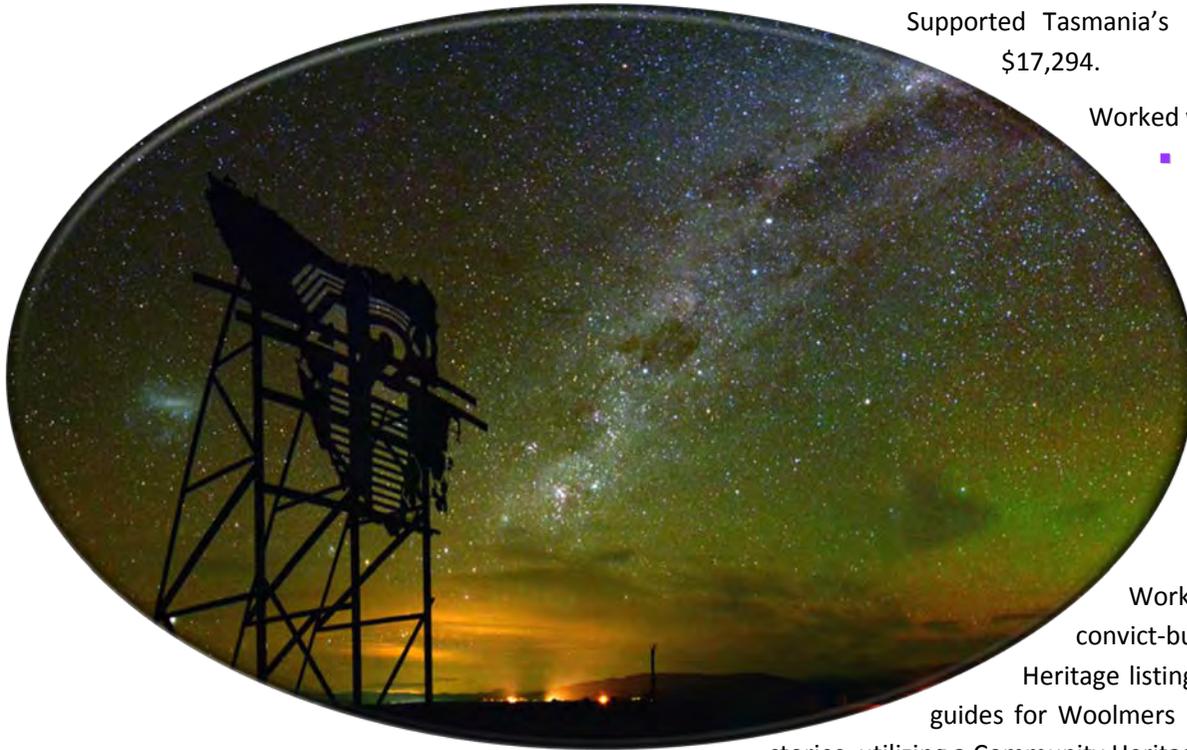
- Develop and implement a business plan for the Association 2013/2014;
- Blog, twitter and facebook the Heritage Highway website;
- Develop a new contemporary, cutting edge website for the Heritage Highway Region;
- Continue the process to upgrade the town welcome signs across the Northern Midlands;
- Advocate for regulation of accommodation businesses; and
- Develop and write a doggy tourism guide to the Heritage Highway region, to be available; late 2013.

Working with Woolmers and Brickendon Estates World Heritage Listed convict-built properties to leverage tourist number growth off the World Heritage listing. Projects undertaken include the development of children's activity guides for Woolmers Estate, and the development of digital interpretation of the convict stories, utilizing a Community Heritage Grant.

Working with a Special Committee of Council to plan the Longford 200 years celebration across the weekend of March 1-3 2014.

Served on a steering committee comprising representatives of the University of Tasmania, the Tasmanian Spatial Sciences Institute and the Ross Tourism Group, to Mark the 42<sup>nd</sup> Parallel at Ross, with the project being launched by the Governor in November 2012.

Collaborated with Woolmers Foundation Inc. to hold Carols by Candlelight at Woolmers on the evening of December 8<sup>th</sup> 2012.

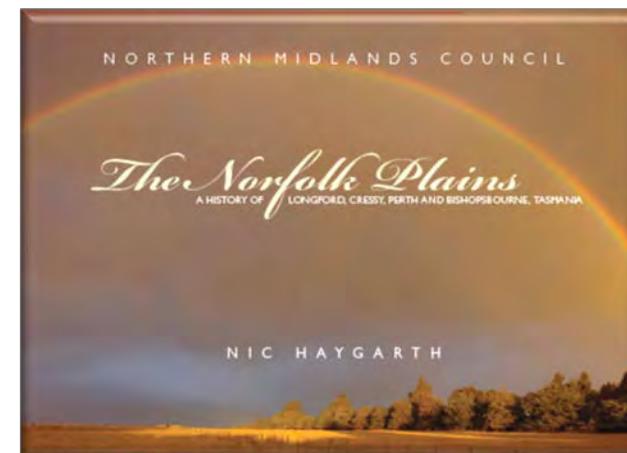


Participating in the forums and focus groups facilitated by Tourism Northern Tasmania towards development of a Northern Tasmania Destination Strategy and Destination Management Plan.

Ongoing project management of the Northern Midlands Historic Cemeteries Preservation project.

Worked with a Special Committee of Council to plan and carry through the 2013 Gathering on the Norfolk Plains which commemorated 200 years of settlement of the Norfolk Plains. Key components managed included:

- The overseeing of the researching and writing of the book *The Norfolk Plains: A History of Longford, Cressy, Perth and Bishopsbourne, Tasmania*;
- Production of a commemorative medallion;
- Planning of the event highlight, Descendants Day, on 2 March 2013;
- Managing the production and stocking of a time capsule; and
- Working with local schools to introduce 'Discovering the Norfolk Plains' into the schools' curriculum and to display the students work at an exhibition in the Parish Hall Christ Church.



Manager Economic & Community Development undertook a professional development study tour to Norfolk Island to assist with the planning and carry through of the Gathering on the Norfolk Plains events. This resulted in a collaborative partnership with the Norfolk Island Tourism Bureau to plan the production of a documentary on the relationship between Norfolk Island and the Norfolk Plains, told through the eyes of one of the Norfolk Islander convicts.

Assisted with the production of video clips promoting the Heritage Highway app and the towns across the Northern Midlands.

Supported and promoted Special Events within the area and provided \$14,003 Grants to:

■ Ten Days on the Island	\$3,000.00	■ Woolmers Carols by Candlelight	\$371.00
■ John Glover Society Arts Festival	\$1,772.73	■ Volunteer Recognition Event	\$309.09
■ Evandale Village Fair - Neighbourhood Watch Stand	\$1,293.41	■ Ross Marathon	\$305.63
■ Longford Fun Run	\$1,151.85	■ P E Green memorial Cycling Road Race	\$276.36
■ Midlands Military Meet	\$1,050.87	■ Orienteering Championship September 2012	\$253.68
■ Australia Day Celebrations	\$1,043.75	■ RSL Longford-National Servicemen's Reunion	\$247.75
■ Tas Trout Fishing Expo (Cressy)	\$1,000.00	■ Ross Rodeo Inc Assoc	\$203.70
■ World Rotary Conference Cressy	\$616.46	■ Melbourne Cup 40th Anniversary BBQ Piping Lane	\$73.50
■ Camp Quality , Rock & Rod Fundraiser	\$485.04	■ Remembrance Day	\$64.93
■ Longford Show	\$452.16	■ Woolmers Festival of Roses	\$31.77



## Objective:

### Social (Human) Services

To develop a system for provision of human services within the limits of resource availability and without detriment to existing 'traditional' provision. Emphasis on provision by private and government services rather than Council.

### Performance:

Continued to manage the Northern Midlands Child Care Service which provides a long day care service at Perth (5 days per week) and a mobile service 3 days per week at Cressy 1 day per week at Avoca and 1 day operating the Northern Midlands Toy Library; and before and after school care at Perth.

Supported Northern Children's Network to establish a five day week early learning centre at Campbell Town; opened in December 2012.

Partnering with the Northern Midlands RSL Branch to plan the Northern Midlands ANZAC Day 2014 and 2015 celebrations.

Assisted the Truckie Memorial Wall Association with their proposed memorial wall at the Epping Roadhouse.

Secured funding to enable the installation of security cameras at the Devon Hills fire station.

Continued the implementation of Council's Youth Policy through the activities of Council's Youth Development Officer which included:

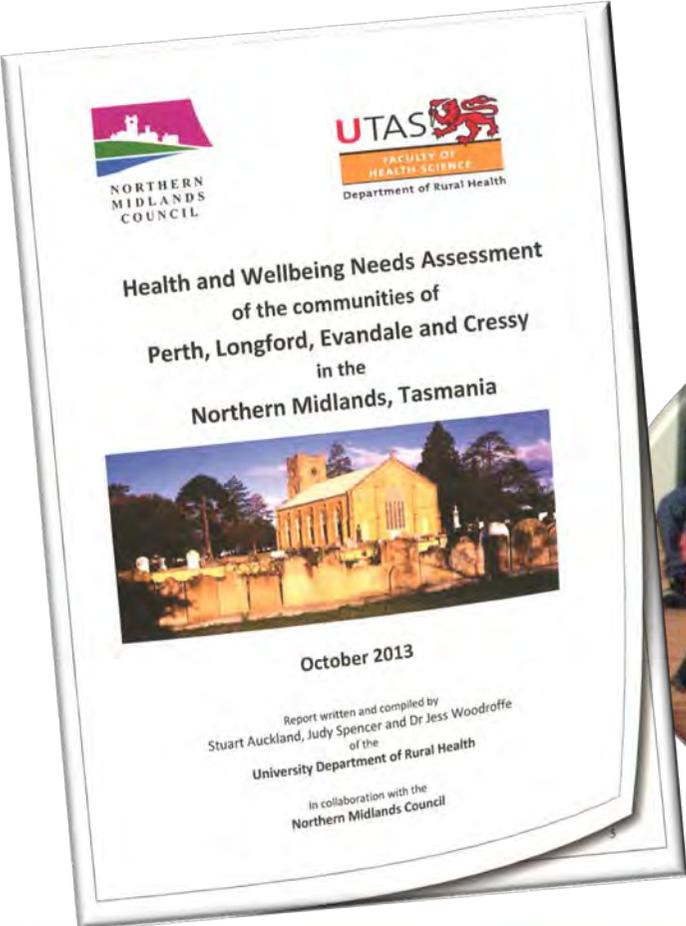
- Assisting local young people to provide input to local issues by strengthening the two Youth Support Networks;
- Representation on the Inter-Agency Support Team and liaising with Tas Police;
- Continued the implementation of the Northern Midlands Employment Intensive Assistance Initiative;
- Working with at-risk young people and their families, providing individualised assistance/ referral as appropriate;
- Supporting the Inspiring Futures (formerly 'No Dole') Program in the two District High Schools;
- Promoting a positive image of youth through National Youth Week and Leadership projects;
- Establishing YASAG in Longford, a group combining social activities and support for young people aged 16-24 years;
- Providing a weekly mobile youth activities program in Perth and Longford; and
- In collaboration with Campbell Town Health and Community Services, managing a weekly Youthspace after-school program.

Continued to advocate for the provision of community health services for Northern Midlands Part A (the communities of Poatina, Cressy, Longford, Perth, Evandale and Devon Hills).

Collaborated with the University Department of Rural Health and the Department of Health and Human Services to manage the Northern Midlands Rural Health Teaching Site in Campbell Town.

Collaborated with Central Highlands and Southern Midlands councils to implement the 'Healthy Communities' funding program.

Collaborated with the University Department of Rural Health to undertake a Health Needs Assessment in Part A of the Northern Midlands.



## Objective:

### Community Services

To develop a system for provision of human services within the limits of resource availability and without detriment to existing 'traditional' provision. Emphasis on provision by private and government services rather than Council.

### Performance:

Participated on the Regional Community Recovery Committee.

Collaborated with the Road Safety Branch, Tas Police, Longford Rotary and Cressy District High School to conduct a road safety clinic for Cressy District High School students.

In accordance with Council's Volunteer Recognition Policy, held an award function recognising service organisations in the municipal area.

Secured funding for the upgrade of the Avoca cenotaph.

Secured funding for the upgrade of the Rossarden museum.

Council provided donations totalling \$25,611 under *Section 77* of the *Local Government Act* to:

■ Cressy School - No Dole & student achievement awards	\$8,090	■ Campbell Town SES (in-kind support)	\$ 896
■ Campbell Town School -No Dole & student achievement awards	\$8,090	■ Crimestoppers Tasmania	\$ 500
■ Tasmanian Bush Fire Appeal January 2013	\$5,160	■ Avoca, Evandale, Longford & Perth Primary School student achievement awards	\$ 120
■ Campbell Town School Chaplaincy	\$1,500	■ Vinnies Sleep Out	\$ 80
■ Planning Fee & Waste Disposal Remission for community groups	\$1,050	■ Other flowers/cards	\$ 74
		■ Perth Fire Brigade	\$ 50

Sporting Achievement Donations totalling \$2,750 were provided to:

▪ Miss K Murfet	AIPA Dancing in United States	\$ 110
▪ Miss Georgia Baker	World Cycling Championships	\$ 110
▪ Mr Cole Clifford	Kizuna Scholarship in Japan	\$ 110
▪ Miss Kee Mansell	U18 Tasmanian Women's Indoor Hockey	\$ 55
▪ Mr Jock Tate	Triathlon Championships	\$ 55
▪ Mr Jake Kolodjashnij	U18 Tasmanian AFL Academy	\$ 55
▪ Mr Kade Kolodjashnij	U18 Tasmanian AFL Academy	\$ 55
▪ Mr Chayce Jones	U13 Tasmanian Little Athletics	\$ 55
▪ Miss Faith Leaman	U14 Northern Tasmanian Basketball	\$ 55
▪ Miss Bianca White	U14 Northern Tasmanian Basketball	\$ 55
▪ Miss Madeline Berry	U14 Northern Tasmanian Basketball	\$ 55
▪ Miss R Gleeson-Natoli	U13/U16 Little Athletics Championships 2013	\$ 55
▪ Cressy District High School	International Summer Camp - Beijing China 2013	\$ 1,650
▪ Mr Brad Murray-Skey	State Primary Athletics National Championships	\$ 55
▪ Ms Tereasa Morris	Australian Darts Championships	\$ 55
▪ Mr Kurtis Franklin	U14 - 2013 Kanga Soccer Cup	\$ 55
▪ Mr Samuel Lutrell	Duke of Edinburgh - Kokoda Trail	\$ 110



Burials/Placements performed in:	2012/2013	2011/2012	2010/2011	2009/2010
▪ Lawn Cemetery	19	24	26	31
▪ Rose Gardens	10	8	13	12
▪ Niche Wall	3	3	2	3
<b>Animal Control</b>				
▪ Dog Registration	3,666	3,651	3,180	3,074
▪ Kennel Licences	71	69	63	53
▪ No. of Impounded Animals	107	83	96	84

## Objective:

### Committees of Management & Non-Profit Organisations

To support Council Committees of Management and Community Organisations.

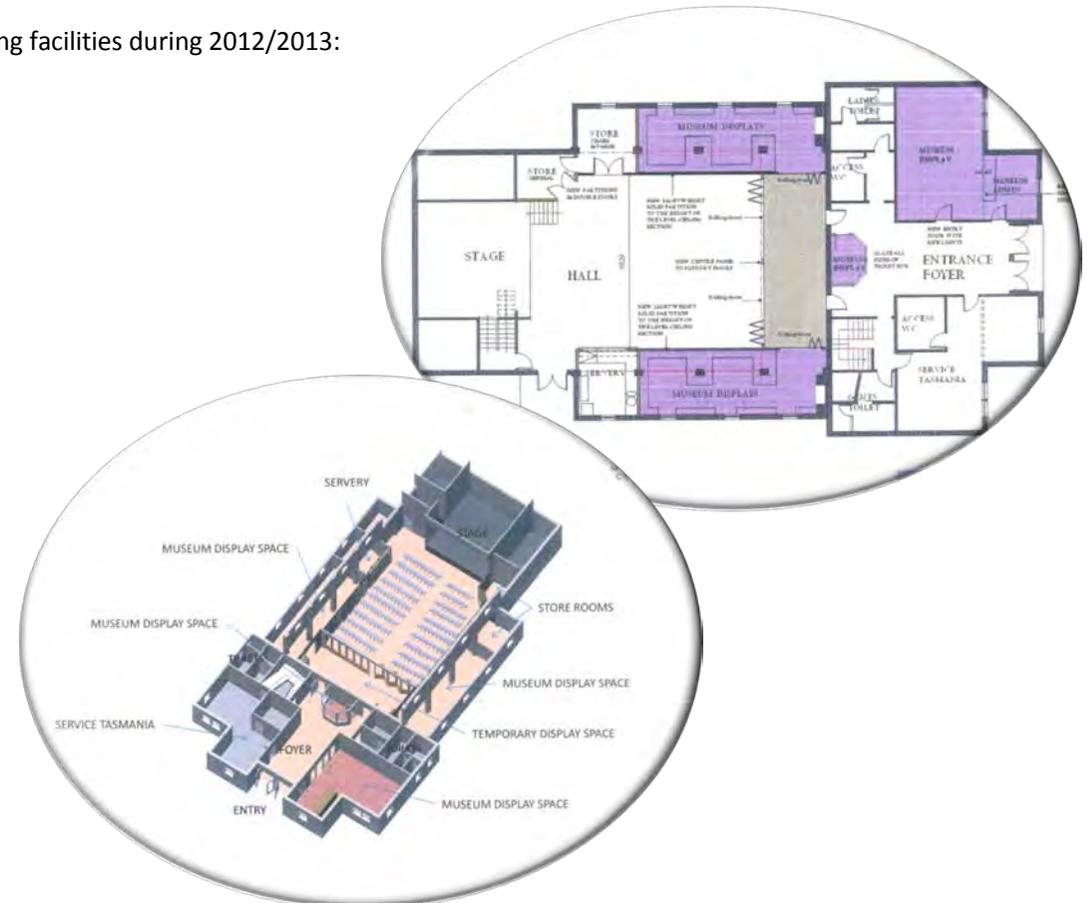
## Performance:

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

Special Committees represent \$214,379 (including Council maintenance grants) operating income and \$235,977 operating expenditure in Council's financial statement. Special Committees capitalised assets of \$18,579 in 2012/2013 and ended the year with \$335,743 net assets.

Special committees of Council managed the following facilities during 2012/2013:

- Avoca Hall/Community Centre
- Avoca Tourism Centre
- Bishopsbourne Community Centre
- Campbell Town Pool
- Campbell Town Court House/Museum
- Cressy Memorial Hall
- Cressy Recreation Ground
- Cressy War Memorial Pool
- Epping Hall
- Evandale Community Centre
- Evandale War Memorial Hall
- Liffey Hall
- Longford Recreation Ground
- Morven Park Recreation Ground (Evandale)
- Perth Community Centre
- Perth Recreation Ground
- Ross Recreation Ground & Swimming Pool



Council allocated Special Project grants totalling \$39,573 to sporting and community groups as follows:

■ Evandale Tennis Club – Court Resurfacing	\$ 5,000.00
■ Perth Cricket Club – Clubroom Floor Repairs	\$ 8,520.40
■ Perth Football Club – Clubroom Kitchen Improvements	\$ 5,000.00
■ Perth Community Centre – Kitchen Upgrade	\$ 5,000.00
■ Cressy Hall Committee –Toilet and Bar Upgrade	\$ 2,450.00
■ Rossarden Progress Association – Museum Access Ramp	\$ 2,375.00
■ Cressy Scouts – Equipment Shed	\$ 1,900.00
■ Perth Recreation Ground – Oval Resurface and Cricket Mats	\$ 1,818.18
■ Perth Tennis Club – Court Facelift	\$ 1,698.00
■ Longford Mens Shed – Ride on Mower	\$ 1,000.00
■ Campbell Town Golf Club - Purchase of Fairway Mower	\$ 1,000.00
■ Longford Show Society – Arena Upgrade	\$ 909.09
■ Longford Junior Footy Club – Training Equipment	\$ 810.91
■ Perth Scouts – Kitchen Tent Gazebo	\$ 500.01
■ Longford Show Society – Arena Rail Upgrade	\$ 454.55
■ Yellow Bins for Community Events	\$ 400.00
■ Evandale History Association – Portable Display Boards	\$ 325.00
■ Campbell Town Pool – Picnic Tables	\$ 272.73
■ Mill Dam Action Group – Reserve Restoration	\$ 139.52



## PLANNING & DEVELOPMENT

Planning & Development includes the provision of the following: Building, Health, Planning Services & Environmental Management:

### Objective:

#### Building Services

To provide the regulatory framework to ensure all private and public buildings are constructed in accordance with the Building Code of Australia and other regulatory standards.

### Performance:

Issued 236 building approvals totalling \$25 million.

#### Amended

- the Licensing of Stall Holders and Kerbside Vendors policy,
- Footpath Trading,
- Non-Conforming Signs,
- Lake Leake Guidelines

#### Adopted

- A policy on the installation of panels and turbines.
- Fire Abatement policy.

Issued 723 Property Certificates (Sec 132 & 337), compared to 1,050 last year.

Specific Data	2012/2013	2011/2012	2010/2011	2009/2010
Applications approved	273	236	284	288
Dwellings	50	75	84	109
Add. to dwelling & out buildings	200	146	165	155
Industrial/Commercial	23	15	35	24
Value	\$24.94m	\$25.00m	\$83.13m	\$41.75m
Average Processing Time (Days)				
▪ Building Permit	6	5	3	4
▪ Certificate of Likely Compliance	11	6	5	10
▪ Plumbing Permit	14	17	14	11
No of Inspections	842	785	829	997
Septic Tank & AWTS Applications	10	19	23	11
Licensed places of assembly	57	50	46	40

## Objective:

### Land Use & Planning

To provide a co-ordinated land use plan to facilitate controlled growth within the parameters of infrastructure availability, while maintaining certainty and harmony with local environments and community expectations.

## Performance:

Interim Planning Scheme commenced 1 June 2013: in which single dwellings became exempt in General Residential and Village zones if they meet the acceptable solutions.

Approved 263 planning applications including:

- Office extension and barbecue shelter at Longford Caravan Park, 2A Archer Street, Longford.
- Visitors centre, gallery, function centre, use of part of Woolmers Cottage as antique centre/art gallery, at 'Woolmers', Longford.
- Eliza Forlong sculpture, Valentines Park, Campbell Town.
- Ambulance station and house, 176 High Street, Campbell Town.
- Rural fire station at 'Pisa', 3979 Macquarie Road, Cressy.
- Gas off-take station at poppy processing plant, 701 Mount Joy Road, Cressy.
- Freezer and cutting room, amenities block, 5 Burlington Road, Cressy.
- Wind turbine - 12m high, 78 Hop Valley Road, Blackwood Creek.
- 13-lot subdivision in 3 stages, 9 Norfolk Street, 52 Charles Street, Drummond Crescent, Perth.
- Alterations and use of heritage-listed place as a wine bar, 2 Russell Street, Evandale.
- Barrel store extension at Josef Chromy Vineyard, 370 Relbia Road, Relbia.
- Translink:
  - Transport depot (prepare & store rental cars), 1 Hudson Fysh Drive.
  - Printing premises extension, 25 Boral Road;
  - Change of use of warehouse to showroom and offices, 2 Richard Street;



- Maintenance depot, warehousing & truck depot, 41 Translink Avenue South;
- Medium-term storage, minor repairs and maintenance facility for portable buildings & site sheds, 46 Translink Avenue South;
- Truck refuelling depot, 41 Translink Avenue South; and
- Telecommunications facilities:
  - Tunbridge Tier Road, Interlaken;
  - Stony Gully Road, Ross; and
  - Spencers Lane, Cressy.
- Longford Main Street:
  - Warehouse development, 66 Wellington Street;
  - Change of use to craft shop, 23 Marlborough Street;
  - Coffee lounge/barista station at Brave Gallery, 61 Wellington Street; and
  - Motel units (19) at rear of Country Club Hotel, 9 Wellington Street.

Approved applications included 34 new houses, 18 new units, 32 new lots and 65 new sheds.

Received 3 Notices of Appeal from Resource Management and Planning Appeal Tribunal (RMPAT).

Refused 3 applications and continued increased follow-up of illegal works and non-compliance with planning permits.



## Objective:

### Health

To provide for community well being through a healthy living environment, promoting healthy lifestyles and reducing disease.

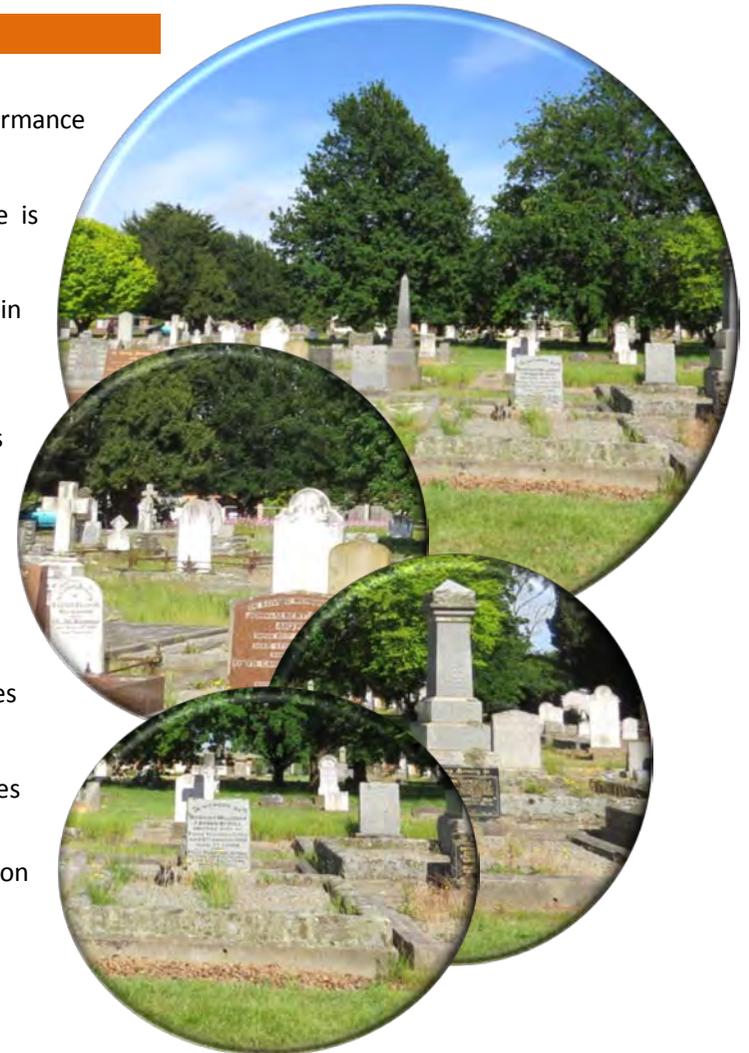
## Performance:

Endorsed a Community Health Report and adopted the targets, desired outcomes, strategies and performance measures. The Report is available from the Council Chambers, Longford.

Supplied an emergency drinking water supply to residents of Royal George until such time as the mine is reinstated to a standard so as to prevent mine tailings from entering the St Paul's river.

Council environmental health officers have worked in conjunction with the Environment Protection Authority in the assessment and resolution of incidents of potential environmental harm, including:

- Plant emissions at Mt Joy Road
  - Mine tailings and river water quality at Royal George
  - Smoke from agricultural burn-offs.
  - Environmental Protection
    - Refuse Transfer Stations
    - Environmental Incidents & Environment Nuisance Complaints
  - Food Surveillance
    - Registered food premises
    - Food sampling program
    - Temporary food premises
  - Cemeteries
  - Management and Administration
- The Community Health Report addressed targets within the areas of:
- Infection Disease Control
  - Prevent and Control of Disease
  - Unhealthy Premises
  - Public Health Risk Activities
  - Regulated Systems for Air (Cooling Towers)
  - Water Quality
    - Recreation water quality
  - Environmental waterways



Specific Achievements/Issues within the Community Health Report	2012/2013	2011/2012	2010/2011	2009/2010
Notifiable diseases investigated	6	2	5	8
School immunisations administered	266	190	343	272
Recreation water tests	80.4%	75%	60.2%	64.2%
Environmental nuisance complaints	53	36	35	19
Registered food premises	122	126	135	136
Food premises inspected	122	126	142	144
Registered temporary food premises	104	74	74	58
Public environmental incidents	0	1	4	4



## Objective:

### Environmental Management

To facilitate and co-ordinate Council and community projects that protect and enhance the environment in a sustainable manner.

## Performance:

Managed Council's NRM Facilitator position – which delivers mechanisms as outlined in the Caring for Our Country Business Plan and Regional Strategy. For further details of these projects, visit [www.nrm.gov.au](http://www.nrm.gov.au) or [www.nrmnorth.org.au](http://www.nrmnorth.org.au)

Ongoing facilitation of Natural Resource Management Special Committee of Council.

Ongoing facilitation of Mill Dam Action Group – Special Committee of Council.

Member of Tamar Estuary and Esk River program – Steering Committee.

Support and facilitation of devolved grant submissions for landholders.

Ongoing collaboration with Department of Primary Industries, Parks, Water and the Environment.

Supervised NRM exhibition at the Royal Campbell Town Show and Longford Show.

Supervised NRM exhibition at Cressy Trout Fishing Expo and Woolmers Rose Festival.

Adoption of Northern Midlands Council Integrated Weed Action Plan and facilitation of weed training for Council Infrastructure staff in collaboration with NRM North & DPIPWE.

State Partnership Agreement – Investigating opportunities to resolve the Nile River Log Jam.

Ongoing participation the Nile Catchment Community Forum.

Participation on the Macquarie River Water Management Consultancy Group.



## WORKS & INFRASTRUCTURE

Works includes the provision of maintenance and construction of Council infrastructure and facilities

Engineering Services includes the provision of the Engineering Design and Services, Waste Management & Infrastructure Management

### Objective:

#### Roads

To maintain by cost effective operations, a safe and effective road network to meet the needs of residents and visitors.

### Performance:

#### Road Reconstruction

Reconstructed 6,412.3m<sup>2</sup> of urban, and 42,211m<sup>2</sup> rural pavement at a total cost of \$1,350,000.

Resheeted gravel roads at a total cost of \$282,000.

#### Reseals

Sealed 385m<sup>2</sup> new or reconstructed pavement; and resealed 206,645m<sup>2</sup> of the total sealed road network at a cost of \$1,107,558.

Roads to Recovery Projects (included in above):

- Section of Macquarie Road, Campbell Town – reconstruction
- Norwich Drive, Longford – reconstruction

at a cost of \$792,860.

#### Footpaths

Constructed/reconstructed footpaths at a cost of \$687,645:

- 1,629m<sup>2</sup> hotmix
- 281m<sup>2</sup> washed concrete
- 4,569m<sup>2</sup> concrete.

Initiated an assessment of heritage brick walls near footpaths within municipal area.

#### Other Road Infrastructure

- Constructed 1,209m kerb and channel at a cost of \$162,188.
- Purchased road plant/ vehicles at a net cost of \$644,120.
- Recognised subdivision road assets transferred to Council, \$330,358.
- Supported the retention of the 100km/h default speed limit on rural roads.
- Approved new street name – Tabernacle Place at Perth.
- Supported a campaign for government to recognize the successful delivery of the Roads to Recovery program on a permanent basis and increase the level of funding.

#### Stormwater

Installed various stormwater pipes and associated manholes and gully pits at a cost of \$173,665. Installation of penstock valves in Longford Flood Levee \$48,507.

Committed to being a member of the Northern Stormwater Program, \$5,000.

## Objective:

### Bridges

To manage bridges to ensure safety and maximum life span.

### Performance:

Replaced 4 bridges or 193m<sup>2</sup> of timber bridge deck area with concrete structures and associated guard rail on Royal George Road; Lake River, Cressy; and East Panshanger Road, Longford; at a total cost of \$275,619.



### Waste Management

To manage the disposal of all forms of waste economically and effectively with a high level of environmental awareness. Strategy emphasises recycling, waste minimisation, litter reduction and service availability.

### Performance

Participated in the Northern Tasmanian Development Regional Waste Management Committee, and adopted the Waste Management Budget for 2012-13.

Provided a 'Special' refuse collection service for all urban areas for the purpose of assisting those with limited access to dispose of unwanted goods to Council's Waste Transfer Stations.

Extended contract for Avalon Waste Management to supervise the Avoca waste transfer station.

Replaced mobile garbage bins as required.



## Objective:

### Building Services & Property Management

To provide and also manage the infrastructure needs of Council's public buildings

### Performance:

Construction of Eliza and the Ram statue at Valentine Park, Campbell Town funded largely by the community \$150,000.

Extension of 18 new serviced camp sites, new kiosk and barbeque shelter at the Longford Caravan Park, \$140,989.

Replaced heat pumps \$59,773, and installation of shade sails \$7,000 at Campbell Town Swimming Pool.

Resurfaced the Evandale Tennis Courts, \$51,790.

Refurbished the Longford Boat Ramp with assistance of MAST, \$43,171.

Extension of the Hay Street Depot Shed at Longford, \$39,548.

Constructed new bus shelters in Main Street, Cressy and Drummond Crescent, Perth \$29,505.

Constructed a new office/shelter at the Campbell Town Waste Transfer Station, \$17,450.

Improvements to the Lake Leake camp site amenities, \$13,252.

Upgrade of Evandale Memorial Hall heating, \$8,408.

Sold vacant block of land at Mary Street, Perth.



## MAJOR WORKS

Action Plan Checklist - Legend		
<input checked="" type="checkbox"/> Completed	 In Progress/on track	<input checked="" type="checkbox"/> Ceased

### ROAD INFRASTRUCTURE:

	Action
<b><i>Campbell Town</i></b>	
High Street – footpath reconstruction	<input checked="" type="checkbox"/>
Bedford Street – road reconstruction Montague north	<input checked="" type="checkbox"/>
High Street– southern entrance eastern side	<input checked="" type="checkbox"/>
<b><i>Cressy</i></b>	
Saundridge Road – footpath reconstruction	<input checked="" type="checkbox"/>
Macquarie Road – road reconstruction Chn 13.79 to 17.20	
Green Rises Road– road reconstruction Chn 0.00 to 0.20	<input checked="" type="checkbox"/>
<b><i>Evandale</i></b>	
Leighlands Road – footpath reconstruction	
Macquarie Street – verge reconstruction Arthur to Rodgers Lane	<input checked="" type="checkbox"/>
<b><i>Longford</i></b>	
Catherine Street – footpath reconstruction Malcombe to Hobhouse	<input checked="" type="checkbox"/>
Tannery Road – footpath reconstruction railway to factory entrance	
Wellington Street – footpath reconstruction JJ’s to Archer	<input checked="" type="checkbox"/>
Wellington Street – footpath reconstruction Archer to Lyttleton	<input checked="" type="checkbox"/>
Archer Street – footpath reconstruction Wellington to Latour	<input checked="" type="checkbox"/>
Norwich Drive – road reconstruction Chn 0.00 to 2.60	<input checked="" type="checkbox"/>
Catherine Street – kerb & gutter and verge reconstruction no. 91 to Talbot	<input checked="" type="checkbox"/>

### Perth

George Street – footpath reconstruction 159 Fairtlough to 425 Clarence	✗
William Street – footpath reconstruction 48 Elizabeth to vehicle access	✓
Eskleigh Road – reconstruction intersection contribution to DIER	🕒
Recreation Ground – reconstruction of roadway and parking area	✗
Napoleon Street – road reconstruction Edward to Philip	🕒
Mulgrave Street – road reconstruction Arthur to Sassafras	🕒
Arthur Street – road reconstruction 110m west of railway	✓
Frederick Street – road reconstruction Chn 0.24 to 6.21	✓
Main Street – verge reconstruction for parking opposite Train Park	✓

### Ross

Main Street – 42 <sup>nd</sup> parallel footpath and stormwater	✓
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## URBAN STORMWATER:

Action

### Cressy

Spencer Street	✓
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### Longford

Flood Levee – Paton Street detention basin and drain from Hobhouse	🕒
Flood Map Modelling	🕒
Village Green	✓

### Perth

Napoleon Street – Edward to Philip	🕒
Edward Street	🕒

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## **BRIDGES:**

	<b>Bridge</b>	<b>Action</b>
Royal George Road, Rockhouse Creek – replace deck	1009	<input checked="" type="checkbox"/>
Royal George Road, Stable Creek –timber to concrete	2197	<input checked="" type="checkbox"/>
Lake River Road, Lake River – timber to concrete	2452	<input checked="" type="checkbox"/>

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## **RECREATION, BUILDING & COMMUNITY:**

### **Action**

### ***Avoca***

- Ash Centre – improvements
- Public Toilets – septic tank improvements

### ***Campbell Town***

- Recreation Ground – gym equipment
- Lake Leake – septic tank improvements
- Swimming Pool – replace heat pumps
- Recreation Ground – improvements
- Waste Transfer Station – improvements

### ***Cressy***

- Recreation Ground – gym equipment
- Main Street Trout Park - barbecue
- Hall – improvements
- Pool – water pressure improvements

### **Evandale**

Morven Park – parking area reconstruction	<input checked="" type="checkbox"/>
Falls Park – replace hedge	<input checked="" type="checkbox"/>
Walkways – bollard lighting	<input checked="" type="checkbox"/>
Russell Street – heritage lighting	<input type="checkbox"/>
Hall – floor & toilet upgrade	<input checked="" type="checkbox"/>
Falls Park – paint exterior and improvements	<input checked="" type="checkbox"/>

### **Lake Leake**

Lake Leake - septic tank improvements	<input checked="" type="checkbox"/>
---------------------------------------	-------------------------------------

### **Longford**

Public Open Space – Stokes Park Area	<input type="checkbox"/>
Little Athletics – improvements	<input checked="" type="checkbox"/>
Longford Entrance - landscaping	<input checked="" type="checkbox"/>
Depot – shed extension	<input checked="" type="checkbox"/>
Dog/Stock Pound	<input type="checkbox"/>

### **Perth**

Recreation Ground – amenities building	<input type="checkbox"/>
Recreation Ground – topdressing ground	<input checked="" type="checkbox"/>
Sassafras Street – walkway fencing	<input type="checkbox"/>
Entrance Sign Structure	<input type="checkbox"/>

### **Ross**

Hall – improvements	<input checked="" type="checkbox"/>
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## REPORTING ON LEGISLATIVE REQUIREMENTS

List of Contracts Awarded Over \$100,000 excl GST (Local Government Act)

### Public Tenders:

Description of Contract	Period of Contract	Periods of any option for extending the contract	Value of Tender Awarded (excl. GST)	Business Name (successful contractor)	Business Address (successful contractor)	Minute Reference	Contract No.
Kerbside Waste Collection	1 July 2010 to 1 May 2019	4 years	\$128,775 p.a. plus cpi	Aussie Waste Management	128 Mornington Road, Mornington 7018	132/10	10/01
Kerbside Recycling Collection	1 July 2010 to 1 May 2019		\$155,439 p.a. plus cpi	Veolia Waste Management	PO Box 431, Rosny 7018	133/10	10/02
Kerbside Recycling Processing	1 July 2010 to 1 May 2019		\$59,587 p.a. plus cpi	Veolia Waste Management	PO Box 431, Rosny 7018	134/10	10/03A
Management of Waste Transfer Stations	1 July 2012 to 30 June 2016		\$318,969 p.a. plus cpi	Avalon Waste Management	186 Forest Hall Road, Cleveland	107/12	12/02
Clearance of Waste Material from Waste Transfer Stations	1 July 2011 to 30 June 2014		\$148,000 p.a. plus cpi	Aussie Waste Management	128 Mornington Road, Mornington 7018	144/11	11/01
Replacement of Royal George Road Bridge No. 1009			\$104,653	Bridge Pro	PO Box 3253, Ulverstone 7315	80/13	12/08
Replacement of Barton Road Bridge No. 3415			\$343,140	Bridge Pro	PO Box 3253, Ulverstone 7315	81/13	12/07
Installation of Stormwater Hobhouse Street			\$155,065	Blenkhorn Plumbing	281 Gravelly Beach Road, Gravelly Beach	290/12	12/05
Installation of Stormwater Napoleon Street			\$121,148	J & W Sherriff	PO Box 230, Mowbray 7248	104/13	13/01
Purchase Hyundai HL 730-9 Loader			\$91,863	Onetrak	PO Box 4457, Dandenong South 3164	28/13	12/56

***Non Application of Public Tender Policy:***

	Value of Tender Awarded (excl. GST)	Business Name (successful contractor)	Business Address (successful contractor)	Minute Reference	Contract No.
No item during 2012/13					

***Attendance at Council and Committee Meetings by Councillors (Local Government Act)***

Please refer to table on page 13 for details of attendance.

***Elected Member Allowances and Expenses (Local Government Act)***

During 2012/2013 Council provided allowances and reimbursements of all reasonable expenses to the Mayor, Deputy Mayor and Councillors. The total amount of these payments was \$173,445 (compared to \$168,742 the previous year). Please refer to page 13 for further breakdown of allowance and expense payments.

***Remuneration Statement (Local Government Act)***

The remuneration statement is provided for those positions designated by Council as senior positions under the Act, and includes salary payable plus any other allowances or benefits paid or provided for the benefit of the employee. Refer table on page 30.

***Grants & Benefits (Local Government Act)***

During 2012/2013 Council donations under section 77 as listed on page 45, and rate remissions under its Rate Remission Policy totaling \$43,491 (2011/2012 \$41,173); plus \$91,013 under *Policy 17 - Rate Incentive For New Development*.

***Donation of Land (Local Government Act)***

During 2012/2013 Council made no donations of land under section 177.

***Public Interest Disclosures Statement (Public Interest Disclosures Act 2002)***

There were no disclosures raised or determined during the year.

### Environmental Health Statement (Public Health Act 1997 and the Food Act 2003)

Council is committed to protect and promote the health and well being of its communities and spent \$91,744 on health projects in 2012/2013 (2011/2012 \$119,232). Please refer to page 52 for further details of Council’s Community Health Report.

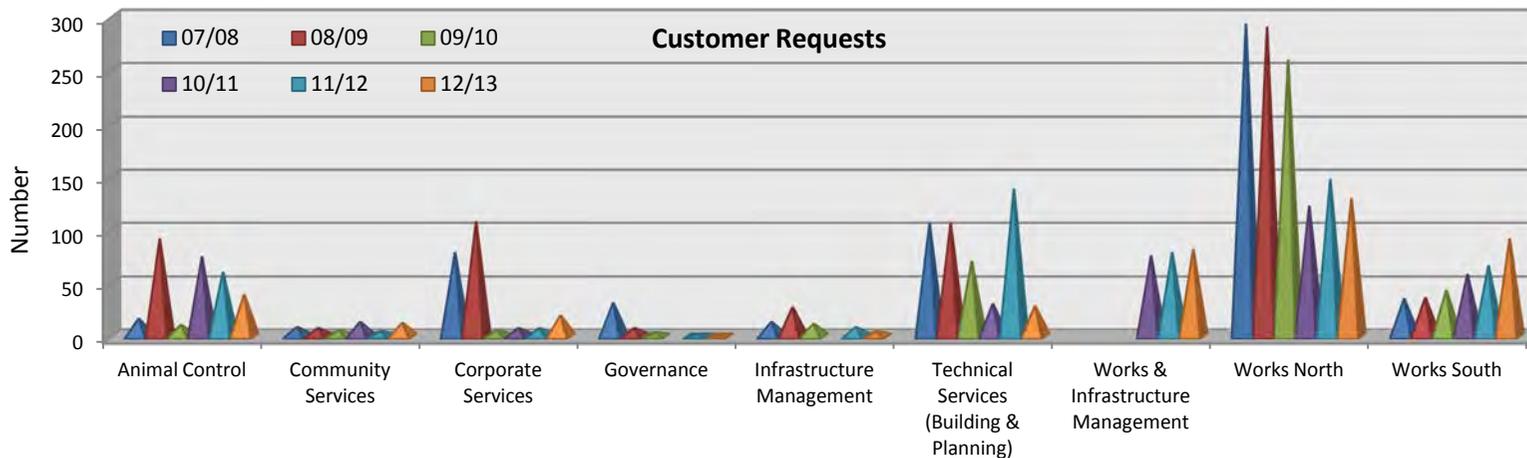
### Right to Information Act

The Right to Information Act provides the opportunity for public access to Council documents. The Act establishes a legally enforceable right for the community to access information in document form held by Council. Council received no new applications under the Right to Information for the period 1 July 2012 to 30 June 2013. Requests for access to information under the Right to Information Act should be in writing. Requests are to be lodged with the General Manager at the Council Chambers in Longford. Enquiries regarding Right to Information can also be made by telephone.

### Customer Requests/Complaints Received (Local Government Act)

In accordance with s339F(5) of the *Local Government Act*, the general manager is to provide the council with a report at least once a year of the number and nature of complaints received.

The following graph depicts the number of all customer requests/complaints received during the relevant period.



# Financial Statement

30 June 2013



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## STATEMENT OF COMPREHENSIVE INCOME – FOR YEAR ENDED 30 JUNE 2013

	Note	2013		2012		2013 Budgeted	
		\$	%	\$	%	\$	%
<b>INCOME</b>							
<b>Recurrent Income</b>							
Rate Revenue		8,400,335	52.36	7,556,504	46.18	8,242,535	
Grants	3	5,020,318	31.29	6,197,283	37.87	4,782,994	
User Charges		1,389,355	8.66	1,383,250	8.45	1,393,164	
Interest		539,244	3.36	582,899	3.56	535,759	
Reimbursements		207,070	1.29	155,913	0.95	155,049	
Investment revenue from Water Corporation	4	4,325	0.03	159,712	0.98	-	
Other		482,488	3.01	329,292	2.01	304,817	
		<u>16,043,135</u>		<u>16,364,853</u>		<u>15,414,318</u>	
<b>Capital Income</b>							
Capital grants received specifically for new or upgraded assets	3	275,600		606,859		251,000	
Contribution of non-monetary assets	13	1,011,204		906,176		-	
		<u>1,286,804</u>		<u>1,513,035</u>		<u>251,000</u>	
		<b>17,329,939</b>		<b>17,877,888</b>		<b>15,665,318</b>	
<b>EXPENSES</b>							
Employee Benefits	6	4,318,886		4,323,928	29.95	4,551,253	
Materials & Services	7	3,980,997		4,214,079	29.19	4,173,627	
Depreciation and Amortisation	8	4,455,611		4,649,290	32.21	4,656,119	
Net gain/(Loss) on disposal of property, Infrastructure, Plant and equip.	5	929,532		1,807,758		-	
Government Levies & Charges		586,837		600,889	4.16	609,695	
Other	9	872,552		646,842	4.48	601,328	
		<u>15,144,143</u>		<u>16,242,786</u>		<u>14,592,022</u>	
		<b>17,329,939</b>		<b>17,877,888</b>		<b>15,665,318</b>	
<b>SURPLUS</b>							
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items that will not be reclassified to surplus or deficit</b>							
Net Increase/decrease in asset revaluation reserve arising from revaluation of Non-Current Assets	13	(8,551,540)		11,808,013			
Items that may be reclassified to surplus or deficit: Fair value adjustment on investment in Water Corporation	14	842,885		261,003			
		<u>(7,708,655)</u>		<u>12,069,016</u>			
		<b>(5,523,129)</b>		<b>13,704,118</b>			
<b>COMPREHENSIVE RESULT</b>							

*The above Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial report.*



## STATEMENT OF FINANCIAL POSITION – AS AT 30 JUNE 2013

		Note	2013	2012
			\$	\$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>	Cash and Cash Equivalents	10	10,300,583	9,545,075
	Trade and Other Receivables	11	666,181	633,850
	Inventory	12	65,140	15,228
	<b>Total Current Assets</b>		<b>11,031,904</b>	<b>10,194,153</b>
<b>NON-CURRENT ASSETS</b>	Work in Progress - at cost		723,153	122,064
	Property, Plant & Infrastructure	13	209,572,772	217,265,242
	Investment in Ben Lomond Water	14	44,980,655	44,137,770
	<b>Total Non-Current Assets</b>		<b>255,276,580</b>	<b>261,525,076</b>
	<b>TOTAL ASSETS</b>		<b>266,308,484</b>	<b>271,719,229</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>	Trade and Other Payables	15	1,196,461	1,107,948
	Provisions	16	1,042,920	976,853
	<b>Total Current Liabilities</b>		<b>2,239,381</b>	<b>2,084,801</b>
<b>NON-CURRENT LIABILITIES</b>	Provisions	16	380,311	422,507
	<b>Total Non-Current Liabilities</b>		<b>380,311</b>	<b>422,507</b>
	<b>TOTAL LIABILITIES</b>		<b>2,616,692</b>	<b>2,507,308</b>
	<b>NET ASSETS</b>		<b>263,688,792</b>	<b>269,211,921</b>
<b>RATEPAYER EQUITY</b>	Accumulated Surplus		137,811,259	135,625,735
	Reserves		125,877,533	133,586,186
	<b>TOTAL RATEPAYER EQUITY</b>		<b>263,688,792</b>	<b>269,211,921</b>



The above Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial report.

## STATEMENT OF CHANGES IN EQUITY – FOR YEAR ENDED 30 JUNE 2013

	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserves
2013	\$	\$	\$	\$
Ratepayer Equity at beginning of the year	269,211,921	135,625,733	132,846,062	740,124
Comprehensive Result	(5,523,129)	2,185,526	(8,551,540)	842,885
<b>Ratepayer Equity at end of the year</b>	<b>263,688,792</b>	<b>137,811,259</b>	<b>124,294,522</b>	<b>1,583,009</b>

	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserves
2012	\$	\$	\$	\$
Ratepayer Equity at beginning of the year	255,507,803	133,990,631	121,038,051	479,121
Comprehensive Result	13,704,118	1,635,102	11,808,013	261,003
<b>Ratepayer Equity at end of the year</b>	<b>269,211,921</b>	<b>135,625,733</b>	<b>132,846,064</b>	<b>740,124</b>

*The above Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial report.*



## STATEMENT OF CASH FLOWS – FOR YEAR ENDED 30 JUNE 2013

		Note	2013		2012	
			\$	\$	\$	\$
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>						
<b>Outflows</b>	Employee Costs		(4,296,222)		(4,293,174)	
	Materials and Services		(4,907,038)		(5,037,541)	
	Levies Paid		(586,837)		(600,889)	
	Other		(821,939)		(592,339)	
<b>Inflows</b>	Receipts from Ratepayers		8,418,823		7,337,171	
	Government Grants		4,923,116		6,236,855	
	User Charges		1,504,011		1,524,420	
	Interest Received		572,857		628,213	
	Other		689,558		485,205	
	Receipts from Australian Taxation Office		813,352		957,029	
	<b>Net Cash Provided by Operating Activities</b>	21		<u>6,309,681</u>		<u>6,644,950</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>						
<b>Outflows</b>	Payments for property, plant & equipment		(6,123,007)		(6,980,289)	
<b>Inflows</b>	Capital Grants		275,600		606,859	
	Investment Revenues		4,325		159,712	
	Proceeds from sale of fixed assets		288,909		358,981	
	<b>Net Cash Provided by (Used in) Investing Activities</b>			<u>(5,554,173)</u>		<u>(5,854,737)</u>
	<b>Net Increase (Decrease) in Cash and Cash Equivalents for the Period</b>			<b>755,508</b>		<b>790,213</b>
	<b>Cash and Cash Equivalents at the Commencement of the Period</b>			<u>9,545,075</u>		<u>8,754,862</u>
	<b>Net Cash and Cash Equivalents at the end of the Reporting Period</b>			<b>10,300,583</b>		<b>9,545,075</b>

The above Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial report.



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT – FOR THE YEAR ENDED 30 JUNE 2013

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## 1. INTRODUCTION

- (i) The Northern Midlands Council was established on 02 April 1993 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 13 Smith Street Longford Tasmania.
- (ii) The purpose of this Council is to:
- ◆ provide for the peace, order and good government in the municipality;
  - ◆ to promote the social, economic and environmental viability and sustainability of the municipal area;
  - ◆ to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
  - ◆ to improve the overall quality of life of people in the local community;
  - ◆ to promote appropriate business and employment opportunities;
  - ◆ to ensure that services and facilities provided by the Council are accessible and equitable;
  - ◆ to ensure the equitable imposition of rates and charges; and
  - ◆ to ensure transparency and accountability in Council decision making.

This general purpose financial report of the Northern Midlands Council has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Local Government Act 1993* (as amended).

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs). Some AIFRSs contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements, Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not for profit entities.

Except to the extent that these special provisions require, this financial report complies with AIFRS's.



## Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of Accounting

This report has been prepared under the historical cost convention, as modified by the revaluation of certain classes of property, plant and infrastructure.

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

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

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

- ◆ *Fair Value of Property Plant & Infrastructure*  
Assumptions and judgements are utilised in determining the fair value of Council's property, plant and infrastructure including useful lives and depreciation rates. These assumptions are discussed in Note 1(e) on page 12.
- ◆ *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 23 on page 44.
- ◆ *Employee entitlements*  
Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in Note 1(j) on page 17.



## (b) Local Government Reporting Entity

All funds through which Council controls resources to carry out its functions have been included in the financial report.

In the process of reporting on the Northern Midlands Council as a single unit, all transactions and balances between those funds (e.g. loans and transfers) have been eliminated. The recording of transactions and balances for internal borrowings has been eliminated.

## (c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

### i) Rates, grants and contributions

Rates, grants, donations and other contributions (including developer contributions) are recognised as revenues when Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

Donations and other contributions that are not subject to accompanying conditions that they be expended in a particular manner or for a particular purpose are recognised as revenue in the reporting period when Council obtains control over the assets comprising the contributions and donations.

### ii) User charges

User charges and fines are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. A provision for impairment of debts is recognised when collection in full is no longer probable.

### iii) Sale of property, plant and equipment

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



#### iv) Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

### **(d) Expense Recognition**

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

#### (i) Employee benefits

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

#### ii) Depreciation of Property, Plant & Infrastructure

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

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

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

Land is not depreciated.

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



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

Asset	Life (Years)
Land	Unlimited
Land Under Roads	Unlimited
Buildings	100
Flood Levee Infrastructure - Depreciable Component	100
- Non-Depreciable Component	Unlimited
Furniture, Fittings, Office Equipment & Computers	2 – 20
Fleet	2 – 20
Heritage Assets - Depreciable Component	20 - 100
- Non-Depreciable Component	Unlimited
Plant	10
Roads Infrastructure - Depreciable Component	10 – 70
- Non-Depreciable Component	Unlimited
Bridges	20 – 100
Stormwater & Drainage	70 - 80

### iii) Repairs & Maintenance

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

## **(e) Recognition and Measurement of Assets**

(i) The Council controls and owns assets that are required to provide the services for which it has responsibility. These assets include:

- ◆ *land,*
- ◆ *buildings,*
- ◆ *fleet,*
- ◆ *plant and infrastructure; i.e. roads, bridges and stormwater.*



*ii)* Council has elected not to recognise land under roads prior to the 1<sup>st</sup> of July 2009 as an asset in accordance with AASB 1051 Land under Roads. Council has accounted for land under roads acquired subsequent to 1 July 2009 using the fair value basis.

*iii) Acquisition of Assets*

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

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

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

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

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

Council applies a capitalisation threshold and assets purchased or constructed with a value less than this threshold are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).



The following classes of assets have been recognised in Note 13 on page 35. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Asset	Threshold \$
Land	Nil
Land Under Roads	Nil
Buildings	5,000
Flood Levee Infrastructure	3,000
Furniture, Fittings, Office Equipment & Computers	500
Fleet	1,000
Plant	1,000
Roads Infrastructure	5,000
Bridges	5,000
Stormwater & Drainage	3,000
Heritage Assets	1,000

iv) Valuation of Non-Current Assets

Asset revaluations are accounted for in accordance with Australian Accounting Standard AASB 116. Assets are revalued with sufficient regularity to ensure the carrying value of the assets reflects their fair value.

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



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

Asset	Valuation basis
Land	Fair value
Land Under Roads	Fair value
Buildings	Fair value
Flood Levee Infrastructure	Cost
Furniture, Fittings, Office Equipment & Computers	Cost
Fleet	Cost
Plant	Cost
Roads Infrastructure	Fair value
Bridges	Fair value
Stormwater & Drainage	Fair value
Heritage Assets	Cost

Council previously accounted for Plant at fair value, it has now elected to account for plant at cost under AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors" paragraph 14 (b), on the basis that the previously accounted for fair values are representative of cost. This change therefore has had no effect on the figures contained in the Statement of Comprehensive Income or Statement of Financial Position.

#### v) Impairment of Assets

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

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



vi) Maintenance vs Capitalisation

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

**(f) Cash & Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**(g) Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

**(h) Investment in Water Corporation**

Council's investment in Ben Lomond Water is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date based on the Final Treasurer's Allocation Order in 2011. Council has an ownership interest of 8.9% in the corporation.

Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year (refer Note 14, page 40.)

From 1 July 2013, Council's ownership interest in Ben Lomond Water will change to an ownership interest in Tas Water (refer Note 26, page 55).

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



Council has derived returns from the corporation as disclosed at Note 4, page 28.

## **(i) Trust Funds**

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

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

## **(j) Employee Benefits**

### *i) Wages and Salaries*

Liabilities for wages and salaries are recognised and measured as the amount unpaid at rates of pay expected to apply when the liability is settled, in respect of employees' services up to balance date.

### *ii) Superannuation*

The superannuation expense within a reporting period is the amount of the statutory contribution the Council makes to the Quadrant Superannuation Scheme administered by the Local Government Association of Tasmania which provides benefits to employees. It also includes amounts paid by Council to TasPlan. Details of those arrangements are set in Note 23 on page 44.

### *iii) Annual Leave*

A liability for annual leave (including leave loading) is recognised as the expected future payments to be made in respect of services provided by employees up to balance date at projected rates of pay, including related oncosts. Amounts expected to be settled beyond twelve months have not been inflated and discounted to their present value in accordance with AASB 119 "Employee Benefits" as the impact has been assessed as immaterial.

### *iv) Long Service Leave*

The liability for employee entitlements to long service leave represents the value of the estimated future cash outflows to be made by Council resulting from employees' services provided up to the balance date. In determining "pre-conditional"



entitlements, the amount of cash outflows required to be made by Council in the future have been estimated on a group basis after taking into consideration Council's experience with staff departures.

Long service leave entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on current wage and salary rates, and including related on-costs.

Other long service leave entitlements are measured at the present value of the estimated future cash outflows to be made. This involves estimating future increases in wage and salary rates, and discounting estimated future cash flows to present value.

Discount rates used are those attaching to national government guaranteed securities at balance date, which most closely match the terms to maturity of the related liabilities.

#### v) Classification of Employee Benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

#### vi) Sick Leave

Council does not recognise a liability for sick leave because such leave is non-vesting and because it is probable that sick leave expected to be taken in future reporting periods will be less than entitlements which are expected to accrue in those periods. Employees receive 10 days sick leave per year and the average sick leave taken by each employee for the 2012/13 financial year was 9 days (2011/12 was 8.4 days).

#### vii) Rostered Days Off

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

### **(k) Accruals/Prepayments**

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



## (l) Net Fair Values of Financial Assets & Liabilities

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

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

## (m) Significant Business Activities

The Local Government Act requires the reporting of operating capital and competitive neutrality in respect of each significant business activity undertaken by Council. Council disclosure is recorded in Note 25 on page 54.

Council has determined, based upon materiality, that Road Infrastructure is Council's only significant business activity for the 2013 year.

In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- ◆ The notional opportunity cost of capital was calculated by applying an interest rate of 6% (7% 2011/12) which council has determined as an appropriate interest rate adjusted for a risk margin.
- ◆ Taxation equivalents were calculated by an applicable taxation rate of 30% applied to the activities notional accounting profit.
- ◆ The impact of fringe benefits tax credits, stamp duty and debits were determined to be immaterial and have not been included.

## (n) Taxation

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

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





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.

(ii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of Council's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value. Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While Council is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for Council's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside Council, the amount of information to be disclosed will be relatively greater.

(iii) Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits includes significant revisions to the recognition, remeasurement, presentation and disclosure of defined benefit liabilities/assets. These changes will not affect Council as it does not have any defined benefit plans. Whilst this standard does include revision to multi-employer plans; such as Council's multi-employer sponsored plan the Quadrant Defined Benefit Fund (Refer Note 38); these are generally disclosure related and not expected to have a financial impact.

The standard also clarifies criteria for accounting for "short-term employee benefits" including treatment of terminations. Employee benefits 'expected to be settled' (as opposed to 'due to be settled' under current standard) within 12 months after year end are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave and



other short-term benefits not expected to be used within 12 months of end of reporting period will in future be discounted when calculating the leave liability. Council has assessed the impact of this as immaterial.

## 2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

### (a) Functions/Activities of the Council

Income, expenses and assets have been attributed to the following functions/activities:

Details of the functions/activities of each Business Unit are set out in Note 2 (b) on page 25.

		2013		2012	
		\$	\$	\$	\$
<b>Governance</b>					
<b>Recurrent Income</b>					
	Grants	170,319		167,570	
	Other	1,327,278		1,281,686	
	<b>Total</b>		<b>1,497,597</b>		<b>1,449,256</b>
<b>Capital Income</b>					
	Grants	-		-	
	Other	-		-	
	<b>Total</b>		<b>-</b>		<b>-</b>
	<b>Total Income</b>		<b>1,497,597</b>		<b>1,449,256</b>
<b>Expenses</b>					
			1,329,983		1,204,669
	<b>Surplus / (Deficit)</b>		<b>167,614</b>		<b>244,787</b>
	<b>ASSETS</b>		<b>89,164,326</b>		<b>88,178,098</b>



		2013		2012	
		\$	\$	\$	\$
<b><u>Economic &amp; Community Development</u></b>					
<b><i>Recurrent Income</i></b>					
Grants		437,427		464,481	
Other		1,106,999		1,001,346	
	<b>Total</b>		1,544,426		1,465,827
<b><i>Capital Income</i></b>					
Grants		-		25,500	
Other		-		-	
	<b>Total</b>		-		25,500
	<b>Total Income</b>		<b>1,544,426</b>		<b>1,491,327</b>
<b><i>Expenses</i></b>					
			1,302,624		1,266,043
	<b>Surplus / (Deficit)</b>		241,802		225,284
	<b>ASSETS</b>		<b>366,600</b>		<b>387,641</b>
<b><u>Planning &amp; Development</u></b>					
<b><i>Recurrent Income</i></b>					
Grants		175,774		209,630	
Other		1,248,901		1,267,793	
	<b>Total</b>		1,424,675		1,477,423
<b><i>Capital Income</i></b>					
Grants		-		-	
Other		-		-	
	<b>Total</b>		-		-
	<b>Total Income</b>		<b>1,424,675</b>		<b>1,477,423</b>
<b><i>Expenses</i></b>					
			1,372,591		1,324,420
	<b>Surplus / (Deficit)</b>		52,084		153,003
	<b>ASSETS</b>		<b>266,709</b>		<b>320,203</b>



	2013		2012	
	\$	\$	\$	\$
<b>Works &amp; Infrastructure</b>				
<b>Recurrent Income</b>				
Grants	4,236,798		5,355,602	
Other	7,339,639		6,616,745	
<i>Total</i>		11,415,187		11,972,347
<b>Capital Income</b>				
Grants	275,600		581,359	
Other	1,011,204		906,176	
<i>Total</i>		1,286,804		1,487,535
<b>Total Income</b>		<b>12,863,241</b>		<b>13,459,882</b>
<b>Expenses</b>				
		11,139,215		12,447,854
<b>Surplus (Deficit)</b>		1,724,026		1,012,028
<b>ASSETS</b>		<b>176,510,849</b>		<b>182,833,287</b>
<b>TOTAL</b>				
<b>Recurrent Income</b>				
Grants	5,020,318		6,197,283	
Other	11,022,817		10,167,570	
<i>Total</i>		16,043,135		16,364,853
<b>Capital Income</b>				
Grants	275,600		606,859	
Other	1,011,204		906,176	
<i>Total</i>		1,286,804		1,513,035
<b>Total Income</b>		<b>17,329,939</b>		<b>17,877,888</b>
<b>Expenses</b>				
		15,144,413		16,242,786
<b>Surplus (Deficit)</b>		2,185,526		1,635,102
<b>ASSETS</b>		<b>266,308,484</b>		<b>271,719,229</b>



## **(b) Component Functions/Activities**

The activities relating to the Council's components reported in Note 2 (a), on page 22, are as follows:

### Governance

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

### Economic & Community Development

The provision of Community Services Management, Economic Development, Tourism Promotion and Recreation Management services to Council.

### Planning & Development

The provision of Planning, Building, Health & Environmental Management and Natural Resource Management services to Council.

### Works & Infrastructure

The maintenance and construction of Council's infrastructure and facilities.



### 3. GRANT REVENUE

Grants were received in respect of the following:

	2013		2012	
	\$	\$	\$	\$
<b>Federally funded capital grants</b>				
Regional & Local Community Infrastructure Program	135,000		-	
		135,000		-
<b>Other federally funded grants:</b>				
Employee Training Programs		6,500		2,500
Midlands Kids Club		24,316		23,084
Mill Dam NRM Projects		-		18,620
Perth Child Care Service		40,290		39,655
Roads to Recovery		908,533		960,767
Rural & Remote Child Care Service		164,751		162,157
Commonwealth financial assistance grant				
- General Purpose	2,289,399		1,933,860	
- Roads	1,477,976	3,767,375	2,669,323	4,603,183
		4,911,765		5,809,966
<b>State funded capital grants</b>				
Bus Shelters		9,600		22,400
Campbell Town Skate Park		-		25,500
Evandale Tennis Court Resurfacing		-		30,409
Flood Mitigation Longford		-		32,000
Local Roads Emergency Repairs		-		468,550
Longford Boat Ramp		30,000		-
Perth Recreation Ground Amenities		80,000		-
Roads Black Spot		21,000		28,000
		140,600		606,859



	2013	2012
	\$	\$
<b>Other Grants:</b>		
Bishopsbourne Community Centre Kitchen Upgrade	-	8,559
Campbell Town Pool Shade Cover	-	8,000
Heavy Vehicle Motor Tax Grant	100,529	100,529
Keep Australia Beautiful Projects	325	-
Local Roads Emergency Repairs	-	216,047
Longford Main Street Program	-	35,000
Morven Park Cricket Wicket refurbishment	-	4,550
National Youth Week Activities	-	1,800
Neighbourhood Watch Projects	1,999	-
Perth Child Care Facility Management Grant	-	5,000
Rural & Remote Child Care – Campbell Town Furnishing	-	7,832
Toy Library Establishment	5,700	-
	108,553	387,317
<b>Total Recurrent Grants</b>	5,020,318	6,197,283
<b>Total Capital Grants</b>	275,600	606,859
<b>Total Government Grants</b>	<b>5,295,918</b>	<b>6,804,142</b>



The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. In 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that, "to assist local councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012-13 works programs", it would bring forward for payments to all councils in June 2012, the first two instalments of the 2012-13 grant pool. In the 2013-14 Budget the Commonwealth announced it would continue this approach and include the first two instalments of the 2013-14 grant pool. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2012-13 by \$1,936,898 and 2011-12 by \$1,862,818. This has impacted the Statement of Comprehensive Income resulting in the Net surplus/(deficit) from continuing operations being higher in both years by these amounts. With fewer instalments due to be received in 2013-14, the reverse effect may occur, however future payments remain at the Commonwealth's discretion.

Government funds received in relation to pensioner rates of \$364,667 (\$337,581 – 2011/12) have been treated in the Statement of Comprehensive Income as rate revenue.

Grants recognised as revenues during the reporting period which have yet to be applied to the purpose for which they were provided as at the reporting date:

	2013		2012	
	\$	\$	\$	\$
Commonwealth Financial Assistance Grant				
- General Purpose	1,181,508		773,320	
- Roads	755,390	1,936,898	1,089,498	1,862,818
Electronic DA Project		-		1,680
Longford Velodrome Redevelopment		135,000		-
Perth Recreation Ground Amenities Building		80,000		-
Restoration of Military Field Guns at Perth and Ross		10,000		10,000
Rural & Remote Child Care – Campbell Town Furnishing		-		7,832
		<b>2,161,898</b>		<b>1,882,330</b>

#### 4. INVESTMENT REVENUE FROM WATER CORPORATION

	2013	2012
	\$	\$
Dividend Revenue	-	156,855
Tax Equivalents	4,325	2,857
Guarantee Fee	-	-
	<b>4,325</b>	<b>159,712</b>



## 5. GAIN/(LOSS) ON SALE AND DISPOSAL OF ASSETS

The gain/(loss) on sale and disposal of fixed assets for the period was comprised of:

	2013 \$	2012 \$
<b>Land</b>		
Proceeds from sales / disposals	50,673	113,208
Written down value of assets sold	71,613	64,839
<b>Gain /(loss) on sale</b>	<b>(20,940)</b>	<b>48,369</b>
<b>Buildings</b>		
Written down value of assets disposed with no proceeds	-	86,022
<b>Gain /(loss) on disposal</b>	<b>-</b>	<b>(86,022)</b>
<b>Furniture, Fittings, Office Equipment &amp; Computers</b>		
Written down value of assets disposed with no proceeds	1,533	-
<b>Gain /(loss) on disposal</b>	<b>(1,533)</b>	<b>-</b>
<b>Fleet</b>		
Proceeds from sales	238,236	245,773
Written down value of assets sold	240,162	256,626
<b>Gain /(loss) on sale</b>	<b>(1,926)</b>	<b>(10,853)</b>
<b>Plant</b>		
Written down value of assets disposed with no proceeds	33,361	-
<b>Gain /(loss) on disposal</b>	<b>(33,361)</b>	<b>-</b>
<b>Roads Infrastructure</b>		
Written down value of assets disposed with no proceeds	657,467	1,052,378
<b>Gain /(loss) on disposal</b>	<b>(657,467)</b>	<b>(1,052,378)</b>
<b>Bridges</b>		
Written down value of assets disposed with no proceeds	46,936	489,568
<b>Gain /(loss) on disposal</b>	<b>(46,936)</b>	<b>(489,568)</b>



	2013	2012
	\$	\$
<b>Stormwater &amp; Drainage</b>		
Written down value of assets disposed with no proceeds	167,371	217,306
<b>Gain /(loss) on disposal</b>	<b>(167,371)</b>	<b>(217,306)</b>
<b>Total</b>		
Proceeds from sales	288,909	358,981
Written down value of assets sold	311,773	321,465
Gain /(loss) on sale of fixed assets	(22,864)	37,516
Written down value of assets disposed with no proceeds	906,668	1,845,274
<b>Gain /(loss) on sale and disposal of Fixed Assets</b>	<b>(929,532)</b>	<b>(1,807,758)</b>

## 6. EMPLOYEE BENEFITS

	2013		2012	
	\$	\$	\$	\$
Wages and Salaries	3,198,904		3,201,754	
Superannuation	456,001		450,352	
Annual/ Sick/ Long Service/ Other Leave	628,864		660,950	
<b>Total Employee Benefits Expenses</b>		<b>4,283,769</b>		<b>4,313,056</b>
State Government Payroll Tax	218,686		220,294	
Workers Compensation	85,015		59,828	
Provision for Leave Entitlements	15,922		17,733	
Other Employee Oncost Expenses	27,726		21,704	
<b>Total Other Employee Related Expenses</b>		<b>347,349</b>		<b>319,559</b>
		<b>4,631,118</b>		<b>4,632,615</b>
Less Amounts Capitalised				
Non-current assets constructed		(312,231)		(308,687)
<b>TOTAL EMPLOYEE BENEFITS AND RELATED EXPENSES</b>		<b>4,318,886</b>		<b>4,323,928</b>



Number of employees as at 30 June are:

	Total 2013	Full Time Equivalent 2013	Total 2012	Full Time Equivalent 2012
Permanent	66	60	67	61
Casual	24	4	22	4
<b>Total</b>	<b>90</b>	<b>64</b>	<b>89</b>	<b>65</b>

## 7. MATERIALS & SERVICES

	2013		2012	
	\$	\$	\$	\$
Contractor Payments				
Community Buildings and Halls	65,716		104,797	
Kerbside Garbage and Recycling	490,587		450,639	
Parks and Reserves	142,871		160,969	
Roads and Bridges	486,816		593,240	
Waste Transfer Stations	467,550		479,477	
Other Contractor Payments	494,403	2,147,943	425,238	2,214,360
Materials				
Community Buildings and Halls	12,621		41,134	
Corporate Services and Governance	104,794		151,218	
Parks and Reserves	50,614		122,913	
Roads and Bridges	365,915		403,425	
Other Material Purchases	114,656	648,600	167,995	886,685
Consultants Fees		500,777		371,208
Electricity Costs		264,397		361,890
Insurance		126,123		130,450
Telecommunication Costs		62,335		67,295
Other		230,823		182,191
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>3,980,998</b>		<b>4,214,079</b>



## 8. DEPRECIATION & AMORTISATION EXPENSE

Depreciation and amortisation expense for the year is as follows:

	2013 \$	2012 \$
Buildings	401,100	402,731
Plant	156,209	151,407
Flood Levee Infrastructure	17,669	17,505
Furniture, Fittings, Office Equipment & Computers	102,527	104,774
Fleet	334,537	305,171
Road Infrastructure	2,778,645	3,051,125
Bridges	303,844	277,139
Stormwater & Drainage	354,568	334,275
Heritage Assets	6,512	5,163
<b>TOTAL DEPRECIATION &amp; AMORTISATION EXPENSE</b>	<b>4,455,611</b>	<b>4,649,290</b>

## 9. OTHER EXPENSES

Other expenses for the year are as follows:

	2013 \$	2012 \$
Bad & Doubtful Debts	10,270	20,032
Contributions & Donations	148,457	99,924
Councillors' Remuneration	173,445	168,742
Fringe Benefits Tax	34,042	29,540
Rate Remissions & Discounts	167,328	48,640
Special Committee Expenditure	235,978	187,644
Refunds & Reimbursements	87,359	24,336
Work in Progress not capitalised	14,393	67,583
Other Expenses	1,278	401
	<b>872,549</b>	<b>646,842</b>



## 10. CASH & CASH EQUIVALENTS

	2013	2012
	\$	\$
Cash on Hand	300	300
Cash at Bank	406,603	179,191
Cash held by Special Committees of Council	172,468	217,252
Money Market Call Accounts	543,724	79,617
Short Term Fixed Deposits	9,177,488	9,068,715
<b>Total Cash &amp; Cash Equivalents</b>	<b>10,300,583</b>	<b>9,545,075</b>

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

	2013	2012
	\$	\$
Leave provisions (Note 16, page 41).	1,423,231	1,399,360
Monies held in Trust (Note 15, page 40).	400,553	418,399
Special Committee Cash Held	172,468	217,252
Grants received which have not yet been applied to the purpose for which they were provided (Note 3, page 26)	2,161,898	1,882,330
Cash required to maintain objectives set out in asset Management and Long term Financial Plans calculated at 1% of gross value of Property, Plant and Infrastructure.	2,937,428	3,034,905
<b>Restricted Funds</b>	<b>7,095,528</b>	<b>6,952,246</b>
<b>Unrestricted Cash &amp; Cash Equivalents</b>	<b>3,205,005</b>	<b>2,592,829</b>



## 11. TRADE & OTHER RECEIVABLES

	2013	2012
	\$	\$
Current		
Trade Debtors - Sundry	320,766	186,100
Rates Outstanding	356,671	542,103
Less Provision for Impairment of Debts	(68,571)	(185,281)
Accrued Income	57,315	90,928
	<b>666,315</b>	<b>633,850</b>

Rates payments received in advance are treated as rate revenue in the year in which they are received, in 2012/13 this amounted to \$161,927 (2011/12 \$138,741).

## 12. INVENTORY

	2013	2012
	\$	\$
Fuel – held for distribution at average cost	11,124	4,471
Timber – held for distribution at average cost	5,496	10,757
Norfolk Plains History Book – held for sale at cost	48,520	-
	<b>65,140</b>	<b>15,228</b>



### 13. PROPERTY, PLANT & INFRASTRUCTURE

LAND	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening balance	11,540,329		11,605,168	
Additions - Purchased	119,313		-	
Sales	(71,614)		(64,839)	
Revaluation Adjustment	-		-	
<b>NET AMOUNT AT FAIR VALUE</b>		<b>11,588,028</b>		<b>11,540,329</b>

Valuation of Land was determined by Mr I. Mason the Acting Valuer General as at 1 July 2007. Council Officers applied an adjustment factor provided by the Valuer General to determine the valuation as at 1 July 2010. As there has been no movement in the Valuer Generals adjustment factors for properties in the Northern Midlands Municipality since, no further indexation has been applied.

LAND UNDER ROADS	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening balance	788,594		561,614	
Additions – Donated or Contributed	124,579		226,980	
<b>NET AMOUNT AT FAIR VALUE</b>		<b>913,173</b>		<b>788,594</b>

Valuation of Land was determined by Councils Officers through application of the average land value of the adjoining land, the value of this adjoining land being determined by Mr I. Mason the Acting Valuer General as at 1 July 2007. Council Officers applied an adjustment factor provided by the Valuer General to determine the valuation as at 1 July 2010. As there has been no movement in the Valuer Generals adjustment factors for properties in the Northern Midlands Municipality since, no further indexation has been applied.

BUILDINGS	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	40,551,006		39,434,382	
Additions – Purchased/Constructed	309,221		560,518	
Disposals with no proceeds	-		(151,338)	
Revaluation Adjustment	(307,773)		707,444	
<b>Closing Balance</b>		<b>40,552,454</b>		<b>40,551,006</b>
<b>Accumulated Depreciation</b>				
Opening Balance	12,923,741		12,361,468	
Depreciation Expense	401,100		402,731	
Disposals with no proceeds	-		(65,316)	
Revaluation Adjustment	275,483		224,858	
<b>Closing Balance</b>		<b>13,600,324</b>		<b>12,923,741</b>
<b>NET AMOUNT AT FAIR VALUE</b>		<b>26,952,130</b>		<b>27,627,265</b>

Valuation of Buildings was determined by Mr Murray A Bugg, Dip Val. AAPL, Independent Certified Valuer as at 1 July 2012.



HERITAGE ASSETS	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	765,288		760,288	
Additions – Purchased or Constructed	6,749		-	
Additions – Donated or Contributed	248,251		5,000	
<b>Closing Balance</b>		1,020,288		765,288
<b>Accumulated Depreciation</b>				
Opening Balance	135,629		130,466	
Depreciation Expense	6,512		5,163	
<b>Closing Balance</b>		142,141		135,629
<b>NET AMOUNT AT COST</b>		<b>878,147</b>		<b>629,659</b>

FLOOD LEVEE INFRASTRUCTURE	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	5,075,521		5,032,048	
Additions – Purchased/Constructed	48,507		43,473	
<b>Closing Balance</b>		5,124,028		5,075,521
<b>Accumulated Depreciation</b>				
Opening Balance	79,828		62,323	
Depreciation Expense	17,669		17,505	
<b>Closing Balance</b>		97,497		79,828
<b>NET AMOUNT AT COST</b>		<b>5,026,531</b>		<b>4,995,693</b>

FURNITURE, FITTINGS, OFFICE EQUIPMENT & COMPUTERS	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	1,775,475		1,702,035	
Additions – Purchased/Constructed	82,027		73,440	
Disposals with no proceeds	(11,074)		-	
<b>Closing Balance</b>		1,846,428		1,775,475
<b>Accumulated Depreciation</b>				
Opening Balance	1,282,655		1,177,881	
Depreciation Expense	102,527		104,774	
Disposals with no proceeds	(9,540)		-	
<b>Closing Balance</b>		1,375,642		1,282,655
<b>NET AMOUNT AT COST</b>		<b>470,786</b>		<b>492,820</b>



FLEET	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	3,965,467		3,754,213	
Additions – Purchased/Constructed	714,107		699,527	
Additions – Donated or Contributed	(504,851)		(488,273)	
<b>Closing Balance</b>		4,174,723		3,965,467
<b>Accumulated Depreciation</b>				
Opening Balance	1,618,444		1,544,921	
Depreciation Expense	334,537		305,171	
Sales	(264,689)		(231,648)	
<b>Closing Balance</b>		1,688,292		1,618,444
<b>NET AMOUNT AT COST</b>		<b>2,486,431</b>		<b>2,347,023</b>

PLANT	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	2,388,543		2,253,890	
Additions – Purchased/Constructed	160,492		134,653	
Additions – Donated or Contributed	-		-	
Disposals with no proceeds	(102,610)		-	
<b>Closing Balance</b>		2,446,425		2,388,543
<b>Accumulated Depreciation</b>				
Opening Balance	1,422,321		1,270,914	
Depreciation Expense	156,209		151,407	
Disposals with no proceeds	(69,249)		-	
<b>Closing Balance</b>		1,509,281		1,422,321
<b>NET AMOUNT AT FAIR VALUE</b>		<b>937,144</b>		<b>966,222</b>

ROADS INFRASTRUCTURE	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	185,627,380		175,095,613	
Additions – Purchased/Constructed	3,632,210		3,735,458	
Additions – Donated or Contributed	294,962		471,713	
Disposals with no proceeds	(2,932,895)		(3,060,529)	
Revaluation Adjustment	(14,225,650)		9,385,125	
<b>Closing Balance</b>		172,396,007		185,627,380



ROADS INFRASTRUCTURE	2013		2012	
	\$	\$	\$	\$
<b>Accumulated Depreciation</b>				
Opening Balance	57,024,580		53,134,847	
Depreciation Expense	2,778,637		3,051,125	
Disposals with no proceeds	(2,275,430)		(2,008,149)	
Revaluation Adjustment	(4,343,894)		2,846,757	
<b>Closing Balance</b>		<b>53,183,893</b>		<b>57,024,580</b>
<b>NET AMOUNT AT FAIR VALUE</b>		<b>119,212,114</b>		<b>128,602,800</b>

Valuation of Roads and Streets was determined by Moloney Asset Management Systems as at 1 July 2012.

BRIDGES	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	22,988,450		19,242,507	
Additions – Purchased/Constructed	275,619		1,811,154	
Additions – Donated/Contributed	-		-	
Disposals with no proceeds	(297,320)		(1,371,013)	
Revaluation Adjustment	1,001,173		3,305,802	
<b>Closing Balance</b>		<b>23,967,922</b>		<b>22,988,450</b>
<b>Accumulated Depreciation</b>				
Opening Balance	5,264,688		6,105,688	
Depreciation Expense	303,844		277,139	
Disposals with no proceeds	(250,385)		(881,446)	
Revaluation Adjustment	193,357		(236,693)	
<b>Closing Balance</b>		<b>5,511,504</b>		<b>5,264,688</b>
<b>NET AMOUNT AT FAIR VALUE</b>		<b>18,456,418</b>		<b>17,723,762</b>

Valuation of Bridges was determined by Moloney Asset Management Systems as at 1 July 2011. Council Officers have applied a Road & Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2012

STORMWATER & DRAINAGE	2013		2012	
	\$	\$	\$	\$
<b>Gross Value</b>				
Opening Balance	28,024,415		26,252,629	
Additions – Purchased/Constructed	173,665		270,840	
Additions – Donated/Contributed	343,412		202,483	
Disposals with no proceeds	(182,449)		(260,618)	
Revaluation Adjustment	1,354,232		1,559,081	
<b>Closing Balance</b>		<b>29,713,275</b>		<b>28,024,415</b>



STORMWATER & DRAINAGE		2013		2012	
		\$	\$	\$	\$
<b>Accumulated Depreciation</b>					
Opening Balance		6,473,340		5,867,860	
Depreciation Expense		354,568		334,275	
Disposals with no proceeds		(15,079)		(43,312)	
Revaluation Adjustment		248,576		314,517	
	<b>Closing Balance</b>		7,061,405		6,473,340
	<b>NET AMOUNT AT FAIR VALUE</b>		<b>22,651,870</b>		<b>21,551,075</b>

Valuation of stormwater & drainage was determined by Consulting Engineers, Pitt & Sherry, as at 1 July 2008. Council Officers have applied a "Road & Bridge Construction indexation factor" obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2012.

TOTAL PROPERTY, PLANT & INFRASTRUCTURE		2013		2012	
		\$	\$	\$	\$
<b>Gross Value</b>					
Opening Balance		303,490,468		285,694,387	
Additions – Purchased/Constructed		5,521,910		7,329,063	
Additions – Donated/Contributed		1,011,204		906,176	
Sales		(576,465)		(553,112)	
Disposals with no proceeds		(3,526,348)		(4,843,498)	
Revaluation Adjustment		(12,178,018)		14,957,452	
	<b>Closing Balance</b>		293,742,751		303,490,468
<b>Accumulated Depreciation</b>					
Opening Balance		86,225,218		81,656,368	
Depreciation Expense		4,455,611		4,649,290	
Sales		(264,689)		(231,648)	
Disposals with no proceeds		(2,619,683)		(2,998,223)	
Revaluation Adjustment		(3,626,478)		3,149,439	
	<b>Closing Balance</b>		84,169,979		86,225,221
	<b>NET AMOUNT AT FAIR VALUE</b>		<b>209,572,772</b>		<b>217,265,247</b>



## 14. INVESTMENT IN WATER CORPORATION

	2013	2012
	\$	\$
Opening Balance Investment in Water and Sewerage Corporation	44,137,770	43,876,767
Fair Value adjustments on Available-for-Sale Assets	842,885	261,003
<b>Total Investment in Water and Sewerage Corporation</b>	<b>44,980,655</b>	<b>44,137,770</b>

Council has derived returns from the water corporation as disclosed at Note 4, page 28.

Council has an ownership interest of 8.9% in Ben Lomond Water based on the Final Treasurer's Allocation Order in 2011. Council does not have significant influence to allow it to use the equity method to account for this interest.

From 1 July 2013, Council's ownership interest in Ben Lomond Water will change to ownership interest in Tas Water (refer Note 26, page 55).

## 15. TRADE & OTHER PAYABLES

	2013	2012
	\$	\$
<b>Current</b>		
Trade Creditor	754,605	647,039
Accrued Wages	41,303	42,510
Money Held in Trust	400,553	418,399
	<b>1,196,461</b>	<b>1,107,948</b>



## 16. PROVISIONS

	2013		2012	
	\$	\$	\$	\$
<b>Current</b>				
Employee Benefits - Annual Leave	475,952		454,197	
Employee Benefits - Long Service Leave	394,601		361,706	
Employee Benefits - Oncosts	172,367		160,950	
		1,042,920		976,853
<b>Non-Current</b>				
Employee Benefits - Long Service Leave	316,741		352,089	
Employee Benefits - Oncosts	63,570		70,418	
		380,311		422,507
<b>AGGREGATE EMPLOYEE BENEFITS</b>		<b>1,423,231</b>		<b>1,399,360</b>



## 17. CAPITAL EXPENDITURE COMMITMENTS

### (a) Capital/Contractual Commitments

CAPITAL CONTRACTUAL COMMITMENTS	2013	2012
	\$	\$
<b>Estimated expenditure contracted for at balance date but not yet incurred:</b>		
- payable not later than one year	1,251,589	1,168,121
- payable later than one year but no later than two years	686,168	824,552
- payable later than two years	1,825,159	2,517,461
	<b>3,762,916</b>	<b>4,510,134</b>

## 18. CONTINGENT LIABILITIES

Council has not recognised any contingent liabilities.

## 19. AUDITORS REMUNERATION

	2013	2012
	\$	\$
Audit fees to conduct external audit – Tasmanian Audit Office	19,590	18,840

## 20. SPECIAL COMMITTEES

The statements include transactions for the following committees:

	2012				2012			
	Operating Income	Operating Expenditure	Amounts Capitalised	Net Assets	Operating Income	Operating Expenditure	Amounts Capitalised	Net Assets
	\$	\$	\$	\$	\$	\$	\$	\$
About Campbell Town	10,396	35,900	-	7,259	-	-	-	-
Avoca Community Centre	4,097	2,797	390	7,904	8,158	4,349	-	6,846
Avoca Museum & Information Centre	-	-	-	150	-	-	-	-
Avoca, Royal George and Rossarden Local District Committee	-	-	-	244	-	-	-	244
Bishopsbourne Community Centre	17,308	12,393	6,780	65,588	19,568	16,464	2,592	60,852
Campbell Town Swimming Pool	19,641	14,053	7,000	40,825	15,944	23,253	-	33,896
Campbell Town Recreation Ground	2,871	8,057	-	2,315	7,505	1,977	-	8,035
Cressy Hall	3,026	3,659	-	14,387	3,777	1,937	1,129	14,991
Cressy War Memorial Swimming Pool	33,084	38,382	-	36,921	34,271	28,665	-	43,297
Cressy Recreation Ground	6,471	2,906	-	21,564	10,443	6,592	11,182	18,179
Devon Hills Residents	575	115	-	2,314	1,879	97	-	1,810
Epping Hall	2,104	1,148	-	3,309	2,719	2,260	-	2,264
Evandale Community Centre & War Memorial Hall	25,608	24,395	-	25,575	19,522	20,689	9,873	24,336
Liffey Hall	111	360	-	1,046	228	343	-	1,321
Longford Recreation Ground	4,620	5,563	-	14,489	11,764	6,402	-	15,989
Morven Park Recreation Ground	13,956	15,499	-	12,151	20,147	16,162	3,600	14,640
Perth Community Centre	19,271	26,205	-	6,687	10,240	13,891	-	14,673
Perth Recreation Ground	3,966	8,458	568	5,867	10,368	6,220	1,000	11,049
Ross Community Sports Club	47,274	36,087	3,841	67,148	44,020	38,343	820	54,063
	<b>214,379</b>	<b>235,977</b>	<b>18,579</b>	<b>335,743</b>	<b>220,553</b>	<b>187,644</b>	<b>30,196</b>	<b>326,485</b>

## 21. RECONCILIATION OF CASH FLOWS FROM OPERATIONS ACTIVITIES TO SURPLUS

<i>RECONCILIATION OF INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</i>	2013 \$	2012 \$
<b>Surplus</b>	2,185,526	1,635,102
Investment Revenues from Water Corporation	(4,325)	(159,712)
Capital grants received specifically for new or upgraded assets	(275,600)	(606,859)
Contribution of non-monetary assets	(1,011,204)	(906,176)
Net gain/(Loss) on disposal of property, Infrastructure, Plant and equipment	929,532	1,807,758
Depreciation	4,455,611	4,649,290
<b>Changes in Operating Assets &amp; Liabilities</b>		
(Increase)/Decrease in Trade and Other Receivables	(32,331)	(78,584)
(Increase)/Decrease in Inventory	(49,912)	8,532
Increase/(Decrease) in Creditors	(88,513)	278,907
Increase/(Decrease) in Provisions	23,871	16,692
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>6,309,681</b>	<b>6,644,950</b>



## 22. RELATED PARTY DISCLOSURE

### (a) Allowances & Reimbursements

	2013 \$	2012 \$
Councillors Allowances and Reimbursements	173,445	168,742

### (b) Register of Interests – 2012/2013

Interests of Councillors notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings are detailed below:

### No Material Interest Declared:

Cr Matthew Brooks	Deputy Mayor David Downie	Cr Janet Lambert
Cr Andrew Calvert	Cr Richard Goss	Mayor Kim Polley
Cr Jeff Carins	Cr Mary Knowles	

### Material Interest Declared:

Cr Ian Goninon	<b>Nature:</b>	Shareholder/Director
	<b>Company:</b>	Specialist Collection Services
	<b>Period:</b>	1 July 2012 – 30 June 2013
	<b>Relevant dealings:</b>	Provision of Debt Collection Services under normal terms and conditions
	<b>Value of dealings:</b>	\$7,620 (2011/12 \$7,098)

## 23. SUPERANNUATION

The Northern Midlands 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, Council does not use defined benefit accounting for these contributions.

At the present time Council contributes 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Benzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2011. The review disclosed that at that time the net market value of assets available for funding members benefits was \$57,588,247, the value of vested benefits was \$52,794,839, the surplus over vested benefits was \$4,793,408 and the value of total accrued benefits was \$57,330,437. 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 Schemes financial statements for Council employees.



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

Net Investment Return	0% per annum for 2011/12 and 7.0% thereafter
Salary Inflation	4.0% per annum
Price Inflation	n/a

The actuarial review concluded that:

1. The value of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2011.
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 2011.
3. Based on the assumptions used, and assuming th 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 2014.

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2012/13, 10.5% of salaries in 2013/14 and 11% of salaries in 2014/15.

The Actuary will continue to undertake a brief review of the financial position of 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 2014 and is expected to be completed in late 2014 or early 2015.

Council also contributes on behalf of a number of employees to accumulation schemes (Quadrant and Tasplan); however, Council has no ongoing responsibility to make good any deficiencies that may occur in these 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*.

During the reporting period the amount of contributions paid to defined benefits schemes was \$28,729 compared to \$39,367 in the previous reporting period, and the amount paid to accumulation schemes was \$427,272 compared to \$410,983 in the previous reporting period.



## 24. FINANCIAL INSTRUMENTS

### (a) Accounting Policy, Terms & Conditions

Financial Instruments	Note	Accounting Policy	Terms & Conditions
<b>Financial Assets</b>			
Cash & Cash Equivalents		Cash and cash equivalents are valued at face value. Interest is recognised as it accrues. Cash, surplus to requirements is held to maximise interest returns.	
Rate Debtors	11	Rates are carried at nominal amounts due plus interest and penalty. Rate debtors are charges attached to the property and are recoverable on sale, therefore allowance for impairment is only made when it is unlikely the property could be sold for an amount which will cover the costs of the sale.	Rates are payable by three equal instalments during the year or alternatively by one payment within 30 days of demand, which provides a discount of 1.5% (any such discount allowed is shown as an expense of Council in its income statement). Overdue Rates attract a penalty of 5% (5% 2011/12), any such penalty imposed is shown as income of Council in its Income Statement. Arrears attract interest which is applied on a regular basis to the property at a rate of 7.5% p.a. (7.5% p.a. 2011/12) Furthermore Council instigates collection proceedings in accordance with provisions of the <i>Local Government Act 1993</i> (as amended), for any amounts which remain unpaid outside of Council's approved payment options.
Trade Debtors	11	Receivables are carried at nominal amounts due less any allowance for impairment. An impairment loss is recognised when collection in full is no longer probable. Ability to collect overdue accounts is assessed on an ongoing basis.	Payment is required within 30 days of issue of the account. Should amounts remain unpaid beyond 30 days Council instigates collection proceedings in accordance with provisions of the <i>Local Government Act 1993</i> (as amended).



Financial Instruments	Note	Accounting Policy	Terms & Conditions
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### Financial Liabilities

Trade and Other Payables	15	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date.	General creditors are unsecured, not subject to interest charges and are normally settled within Councils standard ordering terms of 30 day from date of purchase.
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## (b) Financing Arrangements

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

	2013 \$	2012 \$
Total Corporate Credit Cards Facility Limit	50,000	50,000
Corporate Credit Card Facility Limit Used at Reporting Date	1,575	2,663
<b>AVAILABLE AT REPORTING DATE CORPORATE CREDIT CARD</b>	<b>48,425</b>	<b>47,337</b>

No other credit standby arrangements and loan facilities are used or available to be used as at 30/06/2013 (30/06/2012).

## (c) Financial Risk Exposure & Mitigation

The General Manager has overall responsibility for the establishment and oversight of the Council's risk management framework. Risk Management policies are established to identify and analyse risks faced by the Council, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

The risk associated with Council's main financial instruments and our practices for minimising these risks are detailed below.

### i) Credit Risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted, and arises principally from trade and other receivables and cash and investments. The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses, represents the Council's maximum exposure to credit risk



without taking account of any collateral or other security. Reference should be made to the Interest Rate Risk table on the following page for the carrying amount of Council's financial assets at reporting date.

Receivables consist of a large number of customers, with no material exposure to any individual debtor. To help manage credit risk Council ensures financial institutions maintaining Council cash deposits have sufficient security.

### ii) Liquidity Risk

Liquidity risk is the risk that Council will not be able to meet its financial obligations as they fall due. Council's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities as they fall due. Due to significant amounts of readily available cash the exposure to liquidity risk is deemed insignificant. Council falls well within the lending benchmarks set by Treasury.

### iii) Market Risk

Market risk is the risk that the fair value or future cash flows of Council's financial instruments will fluctuate because of changes in market prices, such as interest rates. The Council's exposure to market risks is primarily through interest rate risk with only insignificant exposure to other price risks and no direct exposure to foreign currency risk.

Council's liabilities are either non-interest bearing or at fixed rates, so there is no ongoing exposure to interest rate risk for existing financial liabilities. Council obtains loans with competitive fixed interest rates to manage its exposure to interest rate risk when loans are taken.

A component of Council's cash is subject to floating interest rates. It is predicted any variations in future cash flows from interest rate movements will not have a material effect on Council's income. Interest rate risk on deposits is managed by adopting practices that ensures:

- ◆ Conformity with State and Federal regulations and standards,
- ◆ Adequate safety,
- ◆ Appropriate liquidity,
- ◆ Monitoring of return on investments,
- ◆ Staggering maturity dates to provide for interest rate variations,
- ◆ Benchmarking of returns and comparisons with budget



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

2013	Weighted Average Effective Interest Rate	Floating Interest Rate	1 Year or Less	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
<b>Assets</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents							
- Cash	2.40%	579,371					579,371
- Investments	4.60%	543,724	9,177,488				9,721,212
Receivables							
- Rates	7.50%		288,100				288,100
- Sundry						320,766	320,766
Revenue Accrual						57,315	57,315
<b>Non Current Assets</b>							
Available for Sale							
- Investment in Ben Lomond Water						44,980,655	44,980,655
<b>Total Financial Assets 2013</b>		<b>1,123,095</b>	<b>9,465,588</b>	<b>-</b>	<b>-</b>	<b>45,358,736</b>	<b>55,947,419</b>
<b>Liabilities</b>							
Trade and Other Payables							
- Sundry Creditors						795,908	795,908
- Monies held in Trust						400,553	400,553
<b>Total Financial Liabilities 2013</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,196,461</b>	<b>1,196,461</b>
<b>NET FINANCIAL ASSETS/(LIABILITIES) 2013</b>		<b>1,123,095</b>	<b>9,465,588</b>	<b>-</b>	<b>-</b>	<b>44,162,275</b>	<b>54,750,958</b>



2012	Weighted Average Effective Interest Rate	Floating Interest Rate	1 Year or Less	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
<b>Assets</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents							
- Cash	3.50%	396,743					396,743
- Investments	5.70%	25,603	9,122,729				9,148,332
Receivables							
- Rates	7.50%		356,822				356,822
- Sundry						186,100	186,100
Revenue Accrual						90,928	90,928
<b>Non Current Assets</b>							
Available for Sale							
- Investment in Ben Lomond Water						44,137,770	44,137,770
<b>Total Financial Assets 2012</b>		<b>422,346</b>	<b>9,479,551</b>	<b>-</b>	<b>-</b>	<b>44,414,798</b>	<b>54,316,695</b>
<b>Liabilities</b>							
Trade and Other Payables							
- Sundry Creditors						689,549	689,549
- Monies held in Trust						418,399	418,399
<b>Total Financial Liabilities 2012</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,107,948</b>	<b>1,107,948</b>
<b>NET FINANCIAL ASSETS/(LIABILITIES) 2012</b>		<b>422,346</b>	<b>9,479,551</b>	<b>-</b>	<b>-</b>	<b>43,306,850</b>	<b>53,208,747</b>

iv) Credit Risk

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



## (d) Impairment Losses

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. The movement in the allowance for impairment for trade and rate receivables during the year was as follows:

	2013	2012
	\$	\$
Balance at 1 July	185,281	179,418
Charge for the year	7,709	19,829
Amounts previously charged no longer impaired	(124,420)	(13,966)
<b>BALANCE AT 30 JUNE</b>	<b>68,570</b>	<b>185,281</b>

## (e) Sensitivity Disclosure Analysis

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

- ◆ A parallel shift of +1% and -1% in market interest rates (AUD) from year end rates of 3%.

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

2013	Carrying Amount Subject to Interest	INTEREST RATE RISK			
		-1% Profit	-100 base points Equity	1% Profit	100 basis points Equity
<b>Financial Assets</b>					
Cash & Cash Equivalents	10,300,583	(103,006)	(103,006)	103,006	103,006
Receivables	288,100	(2,881)	(2,881)	2,881	2,881
		<b>(105,887)</b>	<b>(105,887)</b>	<b>105,887</b>	<b>105,887</b>
2012		-1% Profit	-100 base points Equity	2% Profit	200 basis points Equity
<b>Financial Assets</b>					
Cash & Cash Equivalents	9,545,075	(95,451)	(95,451)	190,902	190,902
Receivables	356,822	(3,568)	(3,568)	7,136	7,136
		<b>(99,019)</b>	<b>(99,019)</b>	<b>198,038</b>	<b>198,038</b>



## (f) Categories of Financial Assets & Liabilities

Carrying amounts classified as:

	2013	2012
	\$	\$
<b>Financial Assets</b>		
Loans and Receivables	668,181	633,850
Cash and Cash Equivalents	10,300,583	9,545,075
Available for Sale – Investment in Ben Lomond Water	44,980,655	44,137,770
	<b>55,947,419</b>	<b>54,316,695</b>
<b>Financial Liabilities measured at amortised cost</b>		
Payables	1,196,461	1,107,948
	<b>1,196,461</b>	<b>1,107,948</b>
<b>NET FINANCIAL ASSETS / (LIABILITIES)</b>	<b>54,750,958</b>	<b>53,208,747</b>

## (g) Analysis of Unimpaired Financial Assets

	2013	2012
	\$	\$
Rate debtors, not past due	-	33,003
Rate debtors over 60 days past due	288,100	323,819
Trade Debtors Sundry, not past due	305,280	133,768
Trade Debtors Sundry, less than 30 days past due	957	650
Trade Debtors Sundry, over 30 days less than 60 days past due	-	2,573
Trade Debtors Sundry, over 60 days past due	14,529	49,109
Accrued Income, Current	57,315	90,928
	<b>666,181</b>	<b>633,850</b>



## (h) Fair Value Hierarchy

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

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3 inputs for the asset or liability that are not based on observable market data

30 JUNE 2013	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Available for sale financial assets	-	-	44,980,655	44,980,655
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
30 JUNE 2012	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Available for sale financial assets	-	-	44,137,770	44,137,770
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-

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

RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS	2013 \$	2012 \$
Opening Balance	44,137,770	43,876,767
Gains (losses) recognised in other comprehensive income:		
Change in Fair Value of Investment in Ben Lomond Water	842,885	261,003
<b>CLOSING BALANCE</b>	<b>44,980,655</b>	<b>44,137,770</b>



## 25. SIGNIFICANT BUSINESS ACTIVITIES

ROAD INFRASTRUCTURE	2013 \$	2012 \$
<b>Revenue</b>		
Rates	2,149,730	2,084,300
Grants	2,521,638	3,709,670
Other	913	29,275
	<b>4,672,281</b>	<b>5,823,245</b>
<b>Expenditure</b>		
<i>Direct</i>		
Employee Costs	503,521	589,536
Materials & Services	1,264,734	1,496,632
Levies	-	608
Interest	-	-
Loss on Disposal/ Revaluation of Fixed Assets	704,402	1,541,946
Other	5,559	1,075
	<b>2,478,216</b>	<b>3,629,797</b>
<i>Indirect</i>		
Administration & Engineering	478,389	429,250
	<b>478,389</b>	<b>429,250</b>
<i>Capital Costs</i>		
Depreciation	3,082,481	3,328,264
Opportunity Cost of Capital	8,785,831	10,237,247
	<b>11,868,312</b>	<b>13,565,511</b>
<b>COMPETITIVE NEUTRALITY COSTS</b>	-	-



## 26. EVENTS OCCURRING AFTER BALANCE DATE

### **New Water Corporation**

From 1 July 2013 a new State-wide water and sewerage corporation trading as "Tas Water", commenced in accordance with the Water and Sewerage Corporation Act 2012. TasWater will take over the water and sewerage services and assets currently operated by Ben Lomond Water, Cradle Mountain Water and Southern Water. It will also manage the billing, IT and payroll functions currently managed by the industry's service firm, Onstream.

Council holds an equal representation with all other councils. No change is expected to current investment treatment, with Council receiving a [proportional share in the new corporation. Council will continue to derive returns in the form of dividends, guarantee fees and tax equivalents. Any changes to Council's investment in "Tas Water" will be treated as a non-adjusting event and accounted for in the next financial year.



## CERTIFICATION

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I, **ADAM WILSON**, certify that in my opinion:-

- 1) the financial report set out on pages 1 to 55 fairly presents
  - a) the financial position of the Northern Midlands Council as at 30<sup>th</sup> June 2013, and
  - 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 applicable Australian Accounting Standards and Australian Accounting Interpretations.



Adam Wilson  
**GENERAL MANAGER**

Dated at *Longford* this *15th* day of *August 2013*.



# INDEPENDENT AUDIT REPORT



## Independent Auditor's Report

To the Councillors of Northern Midlands Council

Financial Report for the Year Ended 30 June 2013

### Report on the Financial Report

I have audited the accompanying financial report of Northern Midlands Council (Council), which comprises the statement of financial position as at 30 June 2013 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

### Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2013 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to

fraud or error. In making those risk assessments, the auditor considers 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 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

A handwritten signature in blue ink, appearing to read "Jara K Dean".

Jara K Dean  
General Manager Financial Audit Services  
Delegate of the Auditor-General

Hobart  
30 September 2013



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