



Annual Report 2009-2010



*Image:
Midlands Military Meet & Rendezvous*

*Provided by:
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Mission Statement

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

- ◆ 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

- ◆ 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

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 organization, 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 organizational 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

The Northern Midlands Council was created on the 2nd 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 12,602 by the 2010 ABS figures. This was 2.5% of the estimated State population that totalled 503,292.



Message from the Mayor



On behalf of Council, it is my pleasure to present to you the Northern Midlands Council 2009/2010 Annual Report.

The past 12 months has certainly been a busy period and I am pleased to advise that our professional staff have dealt with the numerous challenges in a competent and professional manner.

Following the resignation of Council's General Manager, Mr Mark Pitt who returned to Queensland to continue his career in local government, Mr Adam Wilson was appointed to the position. His extensive local government experience spanning over 23 years at a senior level has been appreciated by Council and staff.

Despite the implementation of the reforms involving water and sewerage which resulted in 11 employees being transferred to Ben Lomond Water, adjustments were made thus enabling operational matters to be managed and stability of the organisation maintained.

During the past 12 months, Council undertook numerous projects with revenue from various sources including rates and government grants and at all times, with the adoption of best work practices and prudent financial management, value for dollar was achieved. Listed hereunder are some of the major capital works undertaken during the past financial year:

- ◆ Renovations to the Longford Town Hall, replacement of the Ross Town Hall and Library roofs, and commencement of the replacement of the Cressy War Memorial Swimming Pool amenities building.
- ◆ Reconstruction of rural road sections on Valleyfield Road at

Campbell Town, Pateena and Woolmers Roads at Longford, and Nile Road at Evandale.

- ◆ Upgrade of urban road sections in Gay/George Streets at Longford, Wellington Street at Longford, King Street at Campbell Town, upgrade of main street footpaths in Cressy and Perth, and upgrade of footpaths in Cambock Lane at Evandale.
- ◆ Replacement of eight (8) timber bridges with concrete structures.

Each year, the population of the Northern Midlands area steadily increases and despite the impact of the global economic crisis building approvals for the period January to December 2009 amounted to almost \$48m and for the period January to June 2010, approvals totaled \$23.4m. The availability of recently developed prime residential allotments in the townships of Longford and Perth has been a major reason for the construction of a number of quality new homes. In addition to residential growth, it was evident that the TRANSlink Industrial Estate continued to be an ideal place to operate a business enterprise.

As in previous years, numerous special events and community services are provided throughout the Northern Midlands area and their success is attributed to the large number of volunteers who are committed to making the district a very special place to live and visit. The 2010 Australia Day celebration was held on the banks of the picturesque Macquarie River with awards presented to:

- ◆ Citizen of the Year Mrs Joan Barnes
- ◆ Event of the Year Military Meet & Rendezvous
- ◆ Special Award The Late Terrence Badcock

In acknowledging the exceptional commitment of all Council employees, I wish to express my appreciation to my fellow Councillors for their support and in doing so acknowledge the contribution made by Cr Tim Polley whose term of office concluded in November 2009 and congratulate Cr Mary Knowles on her election.

I look forward to continuing to engage with the community in 2010/2011.



Kim Polley OAM
MAYOR

2009/2010 Volunteer Recognition Awards



Event of Year - Midlands Military Meet & Rendezvous



General Manager's Review



The 2009/2010 financial year has been one that has seen a number of significant events and activities begin, which will have a long and lasting effect on local government, not only in the Northern Midlands Municipality, but across the State of Tasmania.

As detailed throughout the content of this report, much was achieved during the past twelve months. These achievements are looked back on with pride and satisfaction by

the 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 has continued to make good progress on its key issues identified in the Strategic Plan on economic development, sustainable development, community well being and maintaining the core functions of Council.

On the 1st July 2009 the State Government Water and Sewerage reforms drew to a conclusion the implementation phase, this saw the handover of water and sewerage assets to Ben Lomond Water.

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 this financial year the Council Consultative Committee and Executive Management Team worked towards the development of a new Workplace Agreement and in July the agreement was signed for a three year period. I would like to thank and congratulate the members of Council's Consultative Committee and the Executive Management

Team who administered this process and conducted negotiations in a spirit of goodwill and cooperation.

During the past six months the knowledge and skills of our staff have increasingly been used by other Tasmanian Councils including Meander Valley Council (Planning Services), Break O'Day Council (Building Services), Flinders Council (Governance and Accounting Services) and King Island Council (Engineering Services - Bridges).

Council has also signed three resource sharing Memorandums of Understanding during the past six months with Meander Valley, Break O'Day and Flinders councils. These agreements aim to:

- ◆ identify and implement resource sharing opportunities to address current skills shortages;
- ◆ explore future resource sharing opportunities and across organisational staff development to address succession planning issues;
- ◆ identify opportunities to establish critical mass to deliver cost savings and to provide career development opportunities for staff, particularly highly skilled staff;
- ◆ review management information systems to identify opportunities for sharing of these systems and associated cost savings;
- ◆ identify and implement resource sharing opportunities to eliminate use of consultants or similar arrangements.

Most of all Council is very fortunate to have loyal and dedicated employees and I thank them for their overwhelming support given to me since I took up the role as Acting General Manager in December 2009. To everyone who works for the Northern Midlands Council, I extend my thanks for a job well done.

I express my appreciation to all Councillors for their untiring commitment, energy and leadership over the past year. The demands placed on Councillors are significant and they are to be congratulated for their individual and collective contributions to improving the wellbeing of our municipality.

Our Council, People & Organisation

Council Facts in Brief

- ◆ 62% of population resides in 5% of area that is generally North of, and includes, Longford, Perth and Evandale.
- ◆ Responsible for maintenance of 979 kms roads - more than any other council in the state.
- ◆ Annual turnover (all functions) in 2009/2010 \$14.6 million (2008/2009 \$17.6 million).
- ◆ 45% of municipal total revenue comes from rates; 37% from Government Grants, the remainder comes from user fees and other sundry revenue.
- ◆ Total Ratepayer Equity is \$247.8 million.

Many of the features that make the Northern Midlands unique also present some challenges for Council and residents. These include:

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

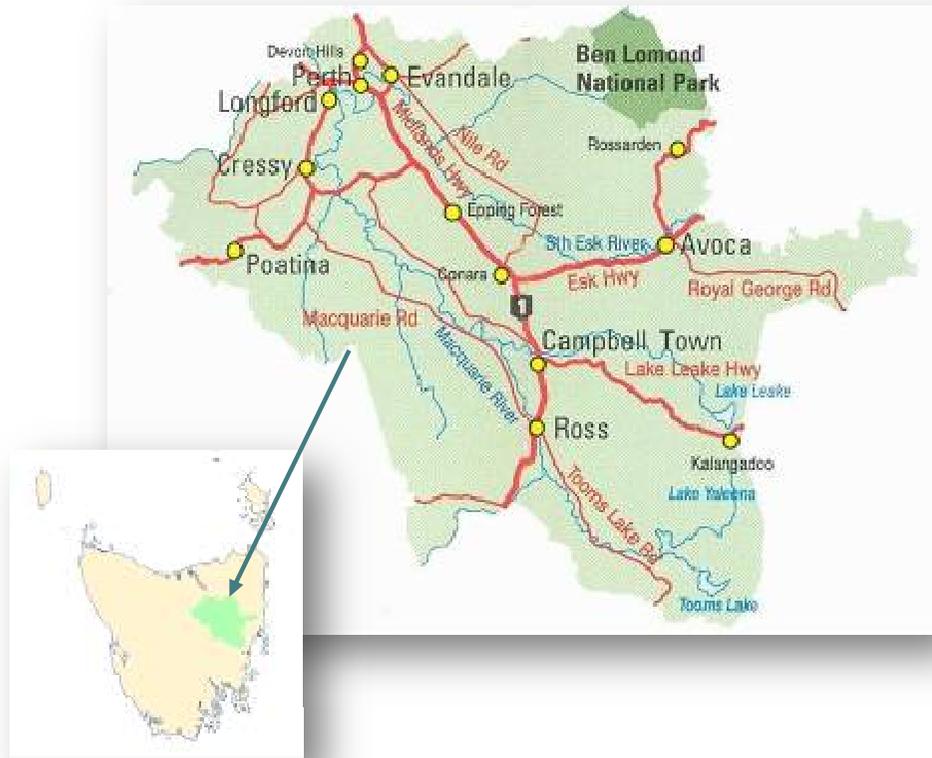
Facilities Maintained

- ◆ 566km of sealed roads
- ◆ 413km of unsealed roads
- ◆ 147 concrete structures
- ◆ 36 timber deck bridges
- ◆ 8 ovals for sporting activities
- ◆ 24 community halls/centres
- ◆ 2 caravan parks
- ◆ 3 swimming pools
- ◆ 7 waste transfer stations

Council controls property, plant and infrastructure assets amounting to \$197.3 million including \$37.1 million of land and buildings, \$131.5 million of roads and bridges and \$19.5 million of stormwater.



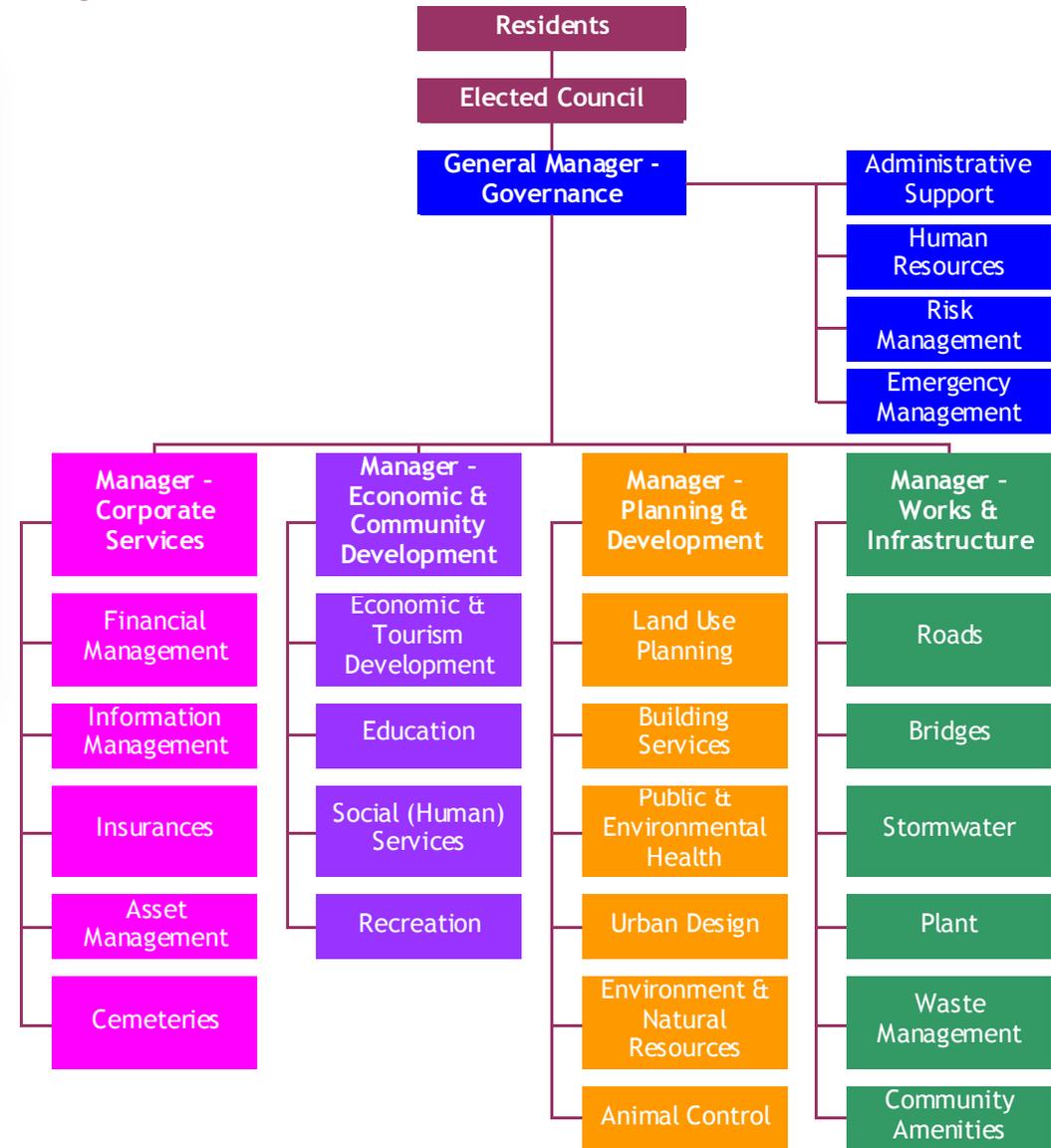
Municipal Map



Our Staff

- ◆ Permanent 67 (61 EFT)
- ◆ Casual 18 (4 EFT)

Organisation Structure



Role of Council

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

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

In performing its functions, the Councillors are to consult, involve and be accountable to the community.

Council Meetings

The Northern Midlands Council holds Ordinary Council meetings monthly on Monday in accordance with the following schedule for 2010/2011:

Monday 19 July 2010	Monday 17 January 2011
Monday 16 August 2010	Monday 21 February 2011
Monday 20 September 2010	Monday 21 March 2011
Monday 18 October 2010	Monday 18 April 2011
Monday 15 November 2010	Monday 16 May 2011
Monday 13 December 2010	Monday 20 June 2011

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 Ordinary Council Meetings are recorded.

Two weeks before the Council meeting, a Councillor workshop is held at which time Councillors and Officers meet to discuss forthcoming reports, key strategies and hear presentations from industry stakeholders.



COUNCIL ATTENDANCE

2009/10	2008/09	2007/08
97%	93%	96%

TOTAL REIMBURSEMENTS

2009/10	2008/09	2007/08
\$158,070	\$142,689	\$130,137

NUMBER OF ITEMS CONSIDERED BY COUNCIL

2009/10	2008/09	2007/08
348	345	338

COUNCILLOR ALLOWANCES & REIMBURSEMENTS

	2009/10	2008/09
Mayor Polley	\$45,233	\$45,123
Deputy Mayor Downie	\$25,790	\$21,793
Cr M Brooks	\$13,318	\$10,522
Cr A Calvert	\$11,693	\$10,268
Cr J Carins	\$11,693	\$10,268
Cr M Geeves	\$11,865	\$10,426
Cr I Goninon	\$12,443	\$11,018
Cr R Goss	\$12,056	\$11,027
Cr T Polley	\$3,471	\$12,244
Cr M Knowles	\$10,511	-

COUNCILLOR ATTENDANCE

Date	Meeting	Cr Brooks	Cr Calvert	Cr Carins	Cr Downie	Cr Geeves	Cr Goninon	Cr Goss	Cr K Polley	Cr M Knowles	Cr T Polley
20/07/09	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓		✓
24/08/09	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓		✓
21/09/09	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓		✓
19/10/09	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓		✓
05/11/09	Special	✓	✓	✓	✓	✓	✓	✓	✓	✓	
16/11/09	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓	
07/12/09	Special	✓	✓	✓	✓	✓	✓	✓	✓	✓	
14/12/09	Annual	✓	✓	✓	✓	✓	✓	✓	✓	✓	
14/12/09	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓	
25/01/10	Ordinary	✓	✓	*	✓	✓	✓	✓	✓	✓	
22/02/10	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓	*
22/03/10	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓	
26/04/10	Ordinary	✓	✓	✓	✓	✓	*	✓	✓	✓	
24/05/10	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓	
21/06/10	Ordinary	✓	✓	✓	*	✓	✓	✓	✓	✓	

Elected Members of Council

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

The Mayor and Deputy Mayor were elected by public polls in 2009 for a term of two-years.



Cr Jeff Carins, Cr Ian Gannon, Cr Matthew Brooks, Deputy Mayor David Downie, Mayor Kim Polley, Cr Michael Geeves, Cr Andrew Calvert, Cr Mary Knowles, Cr Richard Goss

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 self 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 Michael Geeves

I have lived in Perth for 20 years and have one child, and worked in the Northern Midlands all that time. I currently own and operate a successful business and employ 14 local people.

I have been an active member of the Lions Club for the last 19 years and been heavily involved with the Perth Community Centre for the last 9 years.

My aim is to maintain rates at sensible levels, ensuring all ratepayers are receiving value for money and to encourage sensible growth within the Northern Midlands area.

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 on various boards and committees within the Northern Midlands area and Tasmania. 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 keenly foster the growth of local businesses within the area as chairman of the Northern Midlands Business Association and strive to see the development of our community's heritage. In the future I will continue in minimising rate rises, encouraging the employment of young people as well as strategically planning our towns for the increased well-being of our community.

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 20 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 restoration and redevelopment of the Old Avoca State School into a Tourist Centre, improving walking tracks, supporting volunteers, renewable energy and employment.

Council's Executive Committee

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

Members of District Committees

Campbell Town Local District Forum

Chairperson	Mr G Duncombe	
Members	Ms M McCallum	Mrs J Clarke
	Mr B Perkins	Ms S Hills
	Ms M-A Orchard	Mr J Ashman
	Mrs J Lyne	Mrs J Davis
Councillor	Deputy Mayor D Downie	

Evandale Local District Committee

Chairperson	Mr R Mortimer	
Members	Mr J Lewis	Mr P Riley
	Mrs C Brown	Mr R von Bibra
	Mr D Falkiner	Ms J Miller
	Mrs J Crosswell	
Councillor	Cr J Carins	

Perth Local District Committee

Chairperson	Mr J Stagg	
Members	Mr G Eberhardt	Mr M Salhani
	Mr L Millwood	Mr O Nilon
	Mr P Dell	
Councillor	Cr M Geeves	

Ross Local District Committee

Chairperson	Mr G Cadogan-Cowper	
Members	Mrs J Bennett	Mr H Johnson
	Mr A Cameron	Mr J Edwards
	Mr P Bewg	Mr R Goss
	Mr F Dowling	Mr S Kummerow
Councillor	Cr A Calvert	

Avoca, Royal George & Rossarden Local District Committee

Chairperson	Mrs C Freeman	
Members	Mrs S Squires	Mrs S Freeman
	Mr M Money	Mr T Gee
	Mrs C Freeman	Mr A Whitehead
	Mrs R Symes	Mr B Pyke
Councillor	Cr M Knowles	



Major Strategic Issues

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 some of these issues and further initiatives have been identified in the Annual Plan for 2010/2011.

Water Quality & Sewer Services

The State Government reformed Water and Sewerage services in Tasmania which means that these services moved from 1 July 2009 to three council-owned regional water and sewerage corporations.

Council will continue to lobby Ben Lomond Water to complete the Campbell Town Treatment Plant and Cressy Pipeline and also to provide good, clean drinking water to the smaller villages such as Conara, Avoca and Epping Forest, as well as consider options for sewage disposal at Avoca.

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 and Northern Tasmania Development to co-ordinate 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 Council continues to support Northern Tasmania Development and works with the eight member councils to promote economic development opportunities within the region.

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.

The Business Association has worked 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.

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. 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.

The Council has also facilitated the creation of Local Tourism Groups at Longford/Cressy, Perth, Evandale, Avoca/Rossarden, Campbell Town and Ross.

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 tear-off maps, signage, local projects and combined marketing of the region.

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.

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 2009/2010 included providing continued support to the No Dole Program at Cressy and Campbell Town District High Schools; and working with the community safety and liaison committee.

Council has also actively supported numerous festivals and events throughout the Council area which promote our history and our heritage and are an important part of community life.

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

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 of its assets as this area is very often the critical difference between a well run and a poorly run organisation.

During 2009/2010 Council spent \$3.4 million towards upgrading the road network and \$2.024 million towards maintaining the road asset base. An amount of \$0.8 million was spent to replace eight (8) bridges with concrete structures and re-decking 2 timber bridges, and \$0.15 million for additional stormwater assets recognised.

Future Funding

The 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 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 potential to place financial constraints on Council until dividend policies are stabilised and distributions start to flow from Ben Lomond Water.

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

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

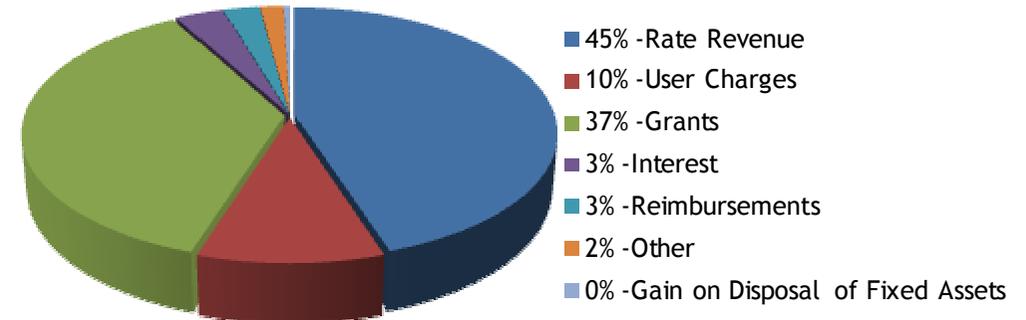
The Statement of Comprehensive Income

The Statement of Comprehensive Income provides information relating to

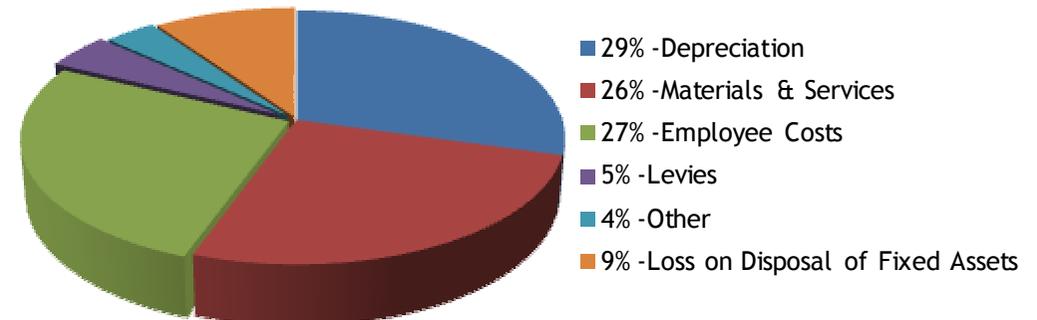
- ◆ the sources of revenue earned (where the money comes from) and
- ◆ the operating expenses incurred (what the money has been spent on)

during the financial year.

Where the dollars come from Operating Income \$14,605,025



Where the dollars go Operating Expenditure \$14,948,404



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.

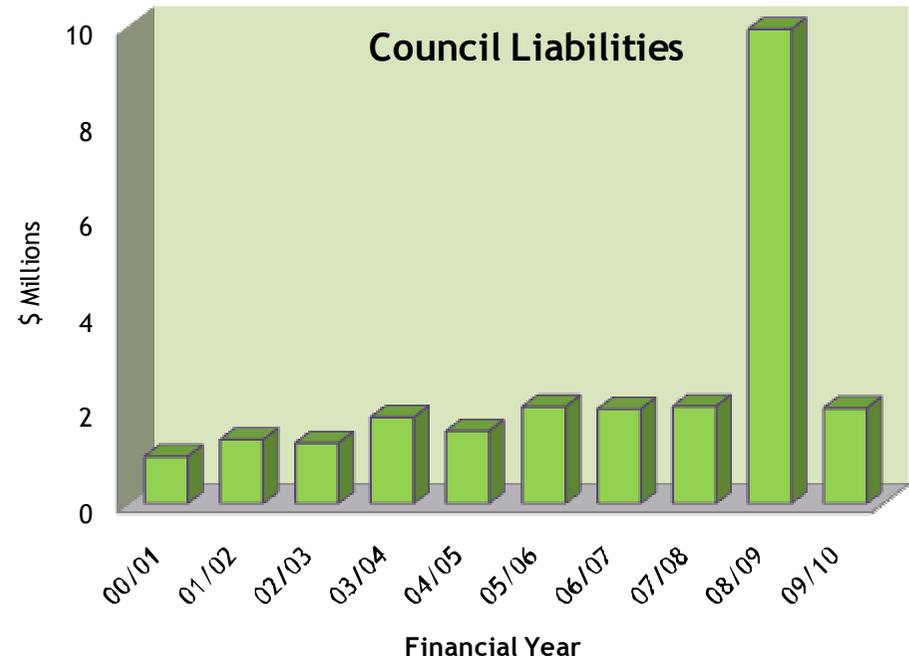
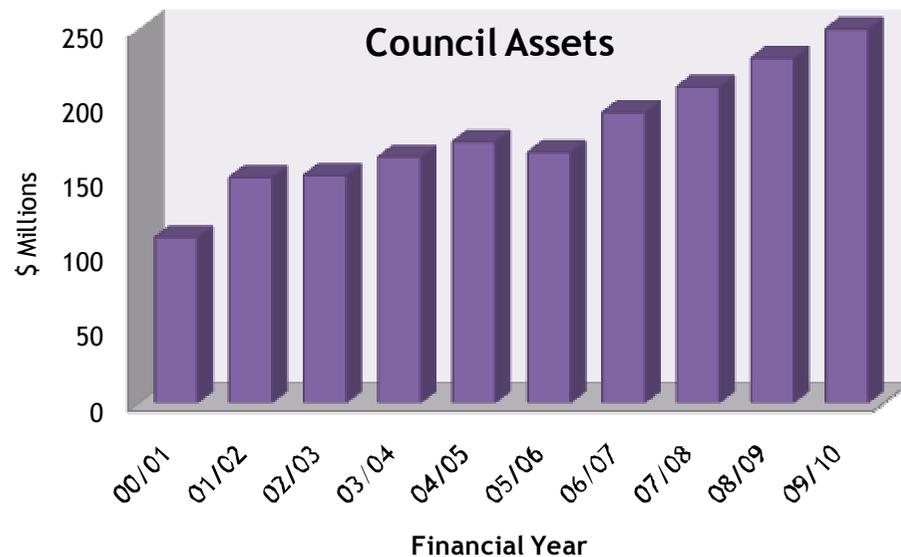
It is important to note the “Surplus(Deficit) for the period”.

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

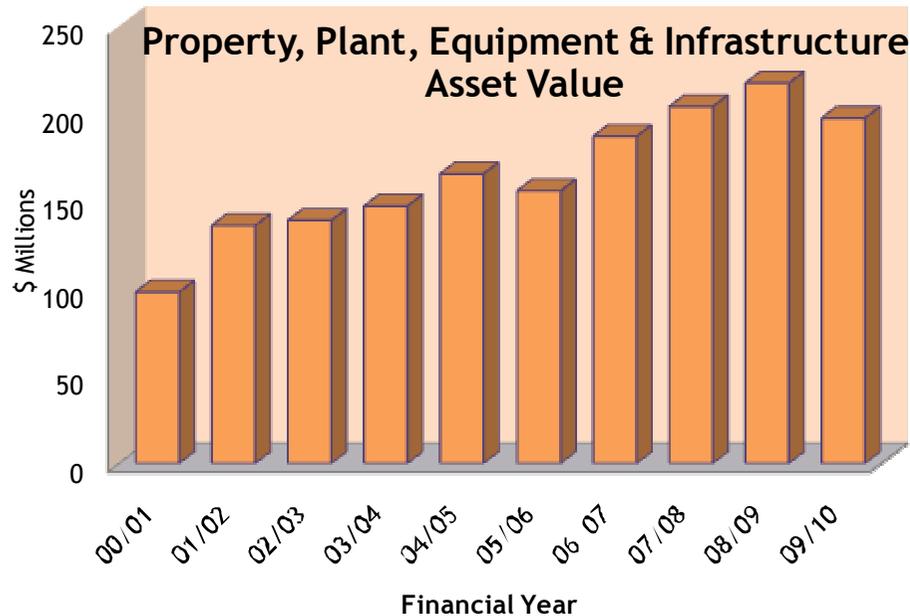
Current & Non-Current Assets include:

- ◆ 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.
- ◆ 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, Infrastructure, Plant & Equipment - land, buildings, roads, vehicles, equipment, etc. which have been accumulated by Council.

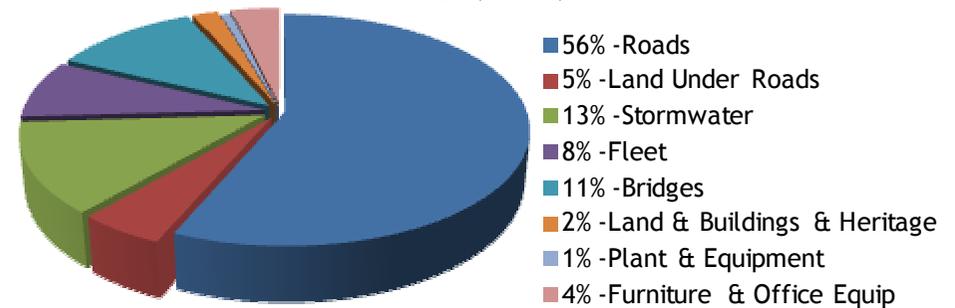
Current & Non-Current Liabilities

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.



**Assets Purchased/Constructed/Received
\$7,240,825**



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.

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) for the year;
- ◆ 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, plant 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 2 Special Meetings were held in 2009/2010. 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.

Reviewed the meeting procedures policy number 32.

In November 2009 Mayor Polley, attended the ALGA National Road & Transport Congress in Mackay.

Councillors had a Bus Tour of the municipal area meeting community groups and assessing budget priorities on 10 May 2010.

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

Council held its Annual General Meeting on 14 December 2009.

Reviewed Council's delegation policy.

In conjunction with the Tasmanian Fire Service held public information sessions on fire mitigation.

Prime Minister Julia Gillard with Longford Primary School children at the opening of the Longford Town Hall renovations



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 State Government for the upgrade of the Evandale Main Road from the Breadalbane roundabout to Evandale.

Endorsed protocol arrangements for development of the 2nd partnership agreement between Council and the State Government.

Continued to be an active member of Northern Tasmania Development.

Entered into Shared Services Agreements with Meander Valley Council, Break O' Day Council and Flinders Island Council.

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

- ◆ the Northern Midlands News (published as an insert in the Examiner) issued on a monthly basis
- ◆ the Examiner supplement - "Around the Region" published weekly, 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 2010 Australia Day Awards were presented as part of a community event held at Ross by Mr Mike Zafirooulos, Australia Day Ambassador.

The following Australia Day Awards were presented:

- ◆ Citizen of the Year 2010 - Mrs Joan Barnes of Longford for the exceptional contribution to local community organisations over a number of years in the Northern Midlands.
- ◆ Special Citizen of the Year 2010 - The Late Mr Terrence Badcock of Toiberry for his outstanding commitment to local community organisations over many years.
- ◆ Event of the Year 2010 - Military Meet and Rendezvous at Campbell Town. The event attracted 4,000 visitors to Campbell Town and featured living history displays, veteran military vehicles, a varied speakers program, dealers and trade tables.

*Australia Day Awards - Citizen of the Year
Joan Barnes*



Objective:

Human Resources:

To provide a workplace that promotes high productivity and job satisfaction

Performance:

Total payroll cost in 2009/2010 was \$3,421,815 compared to \$4,149,088 in the previous year. Other employee costs including payroll tax, superannuation, workers compensation, insurance, corporate uniform and leave provisions amounted to \$792,707.

Adopted an Employee Code of Conduct.

Adopted a Health and Wellbeing Policy, and an Employee Recruitment and Selection Policy.

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

Service Certificates were presented the following staff members -

- ◆ Kristy Chugg - 10 Years Service
- ◆ Darren Earley - 10 Years Service
- ◆ Janette Eberhardt - 10 Years Service
- ◆ Leonard Davis - 30 Years Service
- ◆ Wayne Chellis - 40 Years Service

During the past twelve months Erin Boer successfully completed Certificate III in Business Administration.

Provided performance appraisal and salary reviews for all staff.

Developed a new Enterprise Bargaining Agreement effective July 2010 providing staff with a 3.4 percent wage increase.

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

Transferred 11 employees to the new Water & Sewer Authorities.

Senior Staff Remuneration	2009/10	2008/09
Between \$120,000 - \$140,000		1
Between \$100,000 - \$120,000	6	
Between \$ 80,000 - \$100,000		4

Specific Data	2009/10	2008/09
Payroll costs	\$3,421,815	\$4,149,088
Superannuation contributions	\$397,946	\$430,181
Workers Compensation Insurance/Expenses	\$38,519	\$52,750
Annual & Long Service Leave Provisions	\$1,098,700	\$1,047,502
% of Payroll Capitalised	7.5%	8.3%
Permanent Staff	61 EFT	71 EFT
Casual	4 EFT	4 EFT
Sick Leave Taken/Permanent Employees (paid days)	4.7	5.9

Deputy Mayor Downie presenting a 40 Year Service Certificate and gift to Mr Wayne Chellis, Works & Infrastructure Manager



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 2009/2010 Annual Plan and Budget on the 30th July 2009.

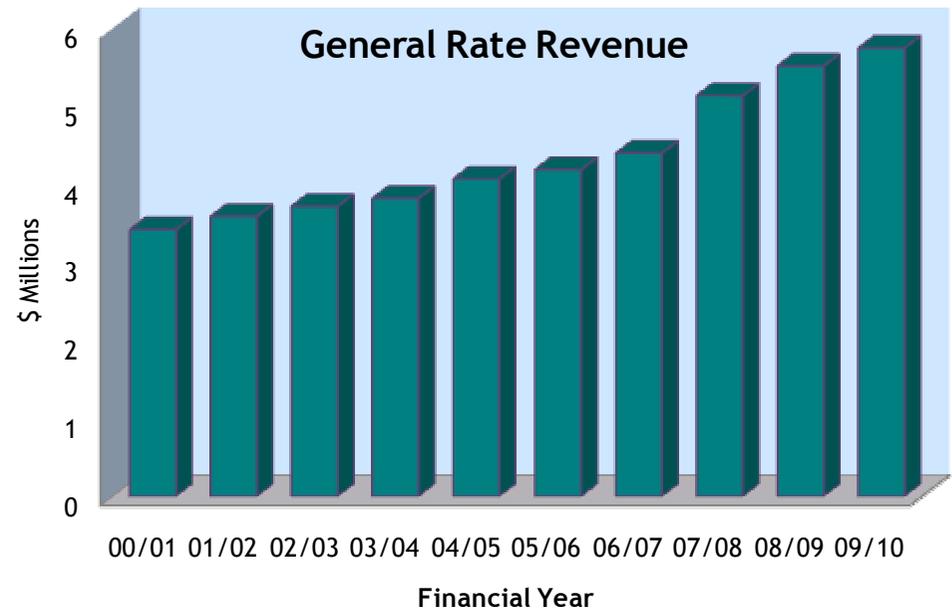
The Financial Statement for the year ended 30 June 2010 is appended to this report. Included is the Independent Audit report provided by the Tasmanian Audit Office.

Council's total revenue during 2009/2010 was \$14.6 million and expenditure was \$14.95 million, which resulted in an operating deficit of \$343,379 from ordinary activities (or an underlying net operating deficit of \$208,932 after adjustment for gain/loss on disposal of fixed assets and capital grants).

The Operating deficit for 2009/2010 of \$379,335 was \$932,067 less than budgeted which was mainly due to additional depreciation expenses after revaluation of assets and the net loss of disposal of assets.

Rate Revenue continued to be raised via a differential rating system in 2009/2010 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 3.25% resulting in total rate revenue amounting to \$6.6 million or 45% of operating revenue and was generally within budget expectations. Rate receivables at 30 June 2010 represent 3.5% of rate revenue. Eight unoccupied properties were sold for default in

paying rates during 2009/2010. The Longford Flood Levee Separate Rate was extended for a further five (5) year period.



Government Base Financial Grant Revenue increased by \$15,201 in 2009/2010 to \$3.504 million. In addition, Council received \$1,855,550 special grant funding which was some \$665,000 above budget for projects including:

◆ Roads to Recovery	\$962,020
◆ Local Roads Emergency Repairs	\$300,000
◆ Rural & Remote Child Care	\$157,400
◆ Roads Black Spot	\$122,500
◆ Regional and Local Community Infrastructure Program	\$118,000
◆ Unmade Street Scheme	\$50,000
◆ Perth Child Care Service	\$37,942

◆ Electronic Development Application Project	\$25,000
◆ Water and Sewer Reform	\$22,143
◆ Community Road Safety Partnership	\$17,845
◆ Cressy Pool Amenities Building	\$10,000
◆ Re-Assign Project	\$10,000
◆ Employee Training Programs	\$9,100
◆ Mill Dam Revegetation & Clean Up Project	\$6,500
◆ Masonic Lodge Longford Disabled Access Ramp	\$6,000
◆ Flinty Creek Interpretation Plan	\$1,100

User Charges Revenue was \$117,170 above budget mainly due to increased waste management fees, building assessment fees, and rental fees for hire of property.

Reimbursement Revenue was higher than budget mainly due to expenses refunded by Ben Lomond Water.

Operating Expenditure for the year was \$1.9 million higher than budgeted mainly due to

- ◆ Depreciation of \$4.4 million that represents approximately 32.6% of expenditure for ordinary activities, and is \$0.46 million greater than budget largely due to revaluation of road infrastructure.
- ◆ Government Levies which were approximately \$61,000 greater than budget due to additional building assessment levies and increased land tax on properties.
- ◆ Loss on disposal of fixed assets.

Council recorded a net increase in asset revaluation of non-current assets of \$28.5 million, and total changes in equity of \$27.4 million for the year.

Council recorded non-current infrastructure assets with a written down value of \$197.3 million (or Gross Value of \$275 million) as at

30 June 2010. (Note 12 in the financial statement provides a breakdown of asset values recognised.)

Payments for purchase/construction of fixed assets totaled \$5.67 million, representing 83% of budget.

Cash and investments totaling \$8.2 million were on hand at the end of the reporting period, which is a decrease compared to last year of \$11.5 million. Cash and investments on hand represent money quarantined for the following areas:

◆ Roads/Bridges/Stormwater Infrastructure	\$5.7m
◆ Grants for Committed projects	\$1.0m
◆ Trust Funds & Employee Entitlements	\$0.7m
◆ General Funds	\$0.3m
◆ Waste Management	\$0.3m
◆ Special Committees	\$0.2m

External auditors Garrott & Associates were appointed for financial periods ending 30 June 2006 to 2010 at a cost in 2009/2010 \$22,000 (2008/2009 of \$16,580).

Council adopted a 2010/2011 Annual Plan and Budget on the 19 July 2010.

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 seven financial ratios have been selected by the Valuer General for assessment of local government financial sustainability



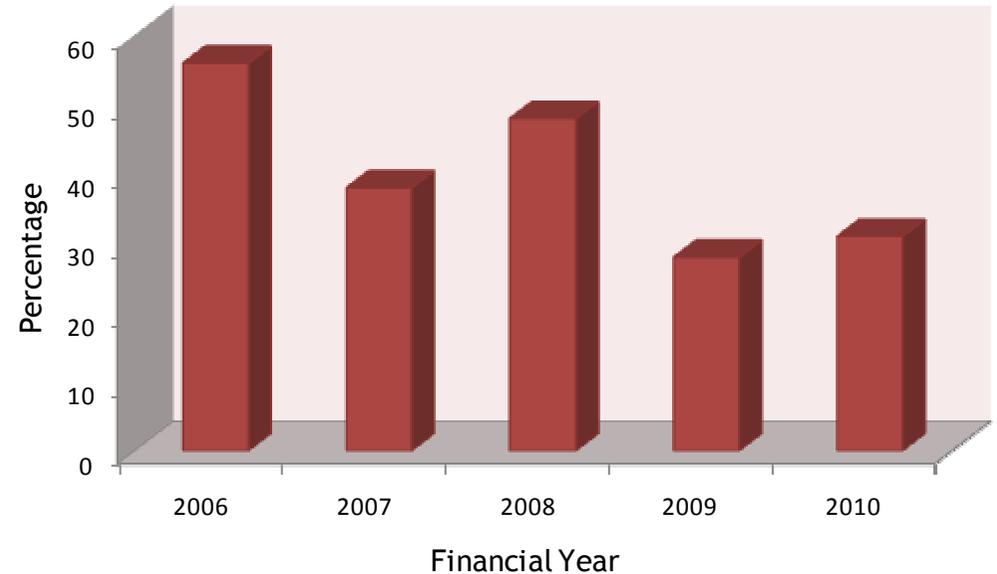
Operating Margin Ratio



Operating Margin Ratio (indicates Council's capacity to generate sufficient revenue to fulfil its operating requirements including depreciation - target 100% or above) State Average 2009 - 99%.

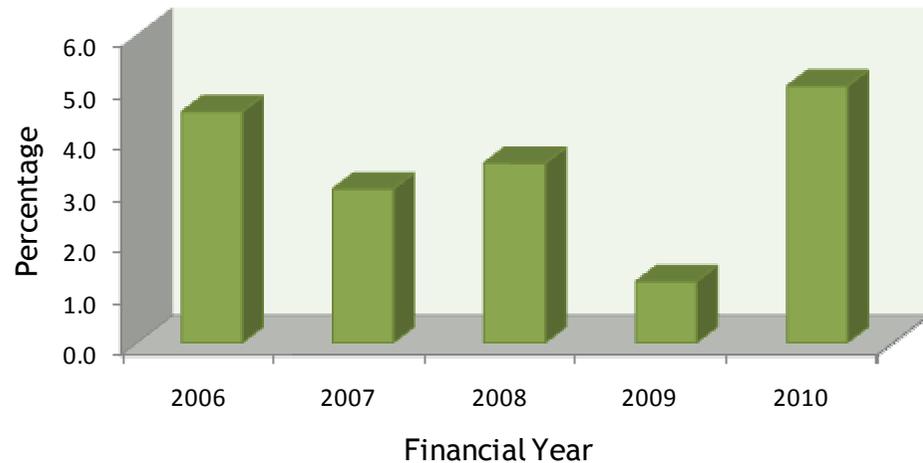
Current Ratio (measure of total current assets divided by total current liabilities - target 3% or above) State Average 2009 - 4%.

Self Financing Ratio



Self Financing Ratio (measure of ability to fund the replacement of assets from cash generated from operations, calculated by dividing cash flows from operating revenue - target 25% or above) State Average 2009 - 29.5%.

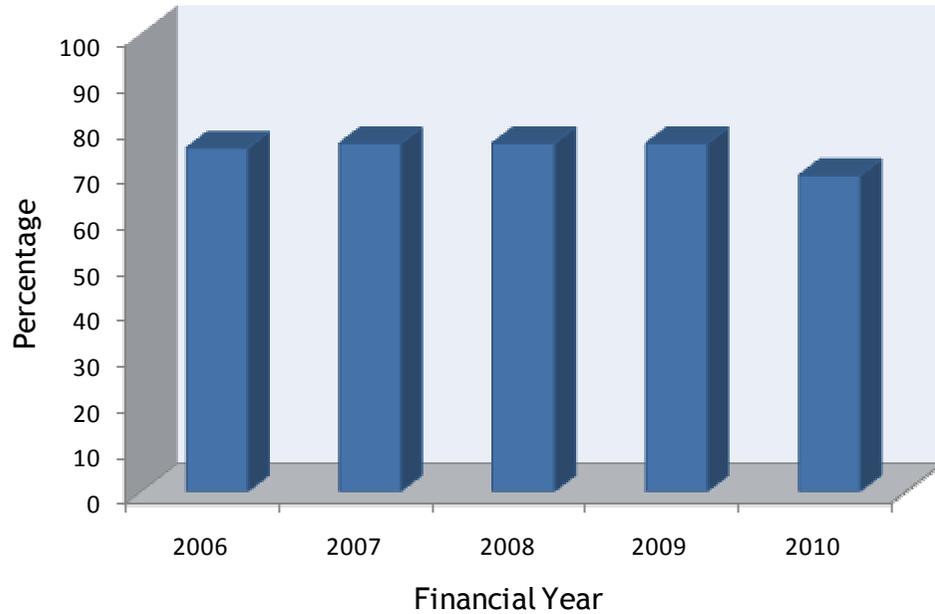
Current Ratio



Debt Servicing Ratio

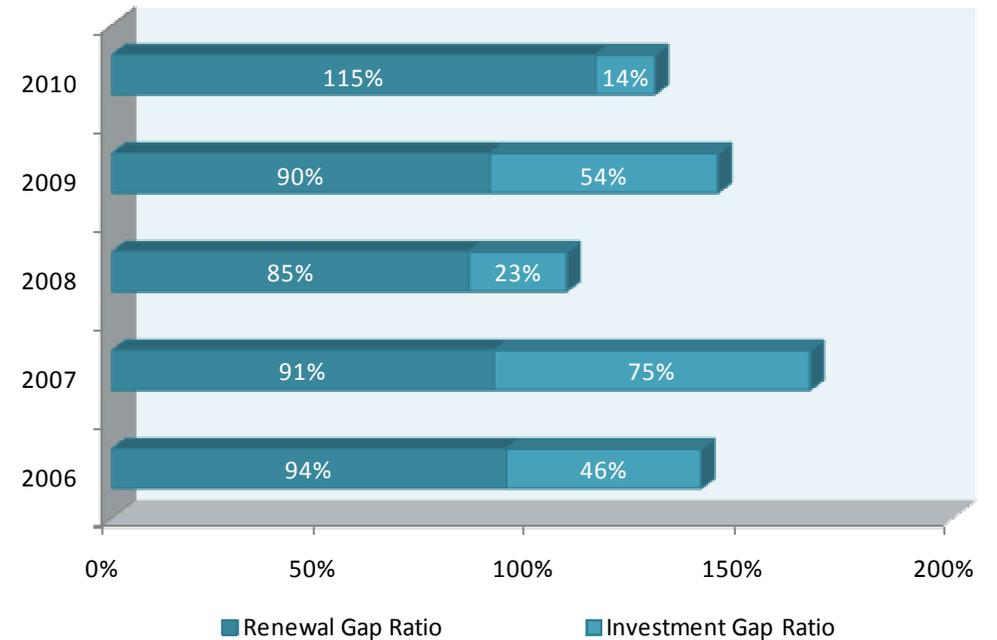
Northern Midlands Council has had no debt servicing costs during the period 2005-2010 (measure of percentage of council's revenue required to repay borrowings and cover interest charges) State Average 2009 - 3.14%.

Own Source Revenue



Own Source Revenue (indicator of ability to generate own funding without relying on recurrent government grants - target 80% or above)
State Average 2009 - 81.6%

Investment/ Renewal Gap



Investment Gap Ratio (measure of total capital expenditure divided by depreciation expense) State Average 2009 - 115% (4 year rolling average)

Renewal Gap Ratio (measure of asset renewal and upgrade expense divided by total depreciation) State Average 2009 - 67% (4 year rolling average)



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 Dataworks (Record Management) User Group.

Improvements to Information Technology systems as follows:

- ◆ Purchased a new Ricoh Aficio MP C6501, \$21,261;
- ◆ Installed two new servers, \$45,800;
- ◆ Installed new Hi Fi sound system, CCTV, and projectors in the Longford Town Hall and supper room, \$22,983;
- ◆ Upgraded 9 desktop computers, and 1 notebook, \$10,987;
- ◆ Purchased a new connection switch to depot, \$940;
- ◆ Purchased 2 printers, several mobile phones and sundry items, \$4,348;
- ◆ Upgraded to the latest version of all Microsoft software products for all users and network servers;
- ◆ Upgraded Technology One Information Management System (Dataworks), \$25,926.

Purchased a new Ricoh Aficio MP C6501



Economic & Community Development

Economic and Community Development includes the provision of the following: Economic Development, Tourism Promotion, Education, 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.

Performance:

Supported the Northern Midlands Business Association Inc. (NMBA) \$5,410 plus secondment of Council's Manager Economic and Community Development to serve as the Association's Executive Officer for the equivalent of one day per week.

Collaborated with NMBA on:

- ◆ 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 visit to the Lake House luxury lodge development near Cressy;
- ◆ Promoting the 'Truth in labelling' campaign;
- ◆ Introducing an exceptional business person award to Longford, the 'Are you being served' Award.
- ◆ Celebrating the business Association's 10th birthday;

- ◆ Gaining a stronger presence by Business and Employment in the Northern Midlands;
- ◆ Assisted with securing a new editor for the local community newspaper, 'The Country Courier';
- ◆ Developing a stronger presence for the Business Association in the south of the municipal area.



Above: Lake House Luxury Lodge

Below: NMBA 10th Birthday celebration



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 successful Longford Fun Run held in October 2009.

Extension of the available parking area of the Longford Riverside Caravan Park, and ongoing management of the leases for the Ross and Longford Caravan Parks.

Development of a Northern Midlands Trails / Bikeways Strategy.

Participated in Steering Committee for the Greater Launceston Bicycle Network project.

Preparing funding applications for:

- ◆ Longford Bowls Club synthetic green project;
- ◆ Longford Football Club building upgrade, secured \$100,000;
- ◆ Perth Football Club floodlighting project;
- ◆ Midlands Clays for shooting traps;
- ◆ Campbell Town skate park, secured \$25,500;

Northern Midlands Community Sports Centre, Longford	2009/10	2008/09	2007/08	2006/07
Gym Membership fees	\$26,326	\$21,158	\$19,832	\$16,010

Bikeway strategy plan

Northern Midlands Trails and Bikeways Strategy

Feasibility Study - Final Report

October 2010



(Photo: a cyclist enjoys a well earned rest on the historic bridge at Ross)

By Jeff McClintock
 U App So (Built Environment)
 3 Macquarie St
 Evandale Tas 7212

Ph (03) 6391 8835 / Mob 0420 455 005

Email: jeff@bengalthylacine.com

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 \$10,700.

Worked with HHTRA's Board to:

- ◆ Develop and implement a business plan for the Association 2010-2011;
- ◆ Developing the next edition of the Heritage Highway touring guide and map;
- ◆ Provide networking forums for local tourism operators;
- ◆ Presentation of the 'Voices from the Graves' venture at Tourism Tasmania's Heritage Tourism workshops;
- ◆ Repackage and relaunch the Heritage Products (produced in 2008).

Assisted local tourism groups, resulting in the:

- ◆ Preparation of a funding application for the Rossarden Progress Association's mining museum project;
- ◆ Preparation of a funding application for Greater Esk Tourism's tourism and history interpretation centre, secured \$34,534 from the Tasmanian community Fund;
- ◆ Collaborated with national Trust of Tasmania to further the REASSIGN project, including preparing a quality prospectus on the project and funding applications for more product development;

- ◆ Collaboration with the Tasmanian Wool Centre and Parks and Wildlife to further progress the Ross Female Factory Interpretation project;
- ◆ Serving on a steering committee comprising representatives of the University of Tasmania, The Tasmanian Spatial Sciences Institute and the Ross Tourism Group, to progress the Marking of the 42nd Parallel at Ross;
- ◆ Development of a project to interpret the heritage Flinty Creek Viaduct at Perth;
- ◆ Continued the process to upgrade the town welcome signs across the Northern Midlands.

Actively supported the Woolmers and Brickendon Estates World Heritage Nomination bid by chairing the joint World Heritage Nomination Committee. World Heritage Listing has been achieved. Working with the Estates to leverage tourist number growth of the World Heritage listing.

Served on the steering committee for the Midlands Military Meet and Rendezvous to be held in November 2011.

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

Facilitated collaboration between the Visitor Centres across the Northern Midlands, to encourage sharing of resources / ideas and support.

Secured funding for interpretive plaques for the National Rose Garden at Woolmers.

Collaborating with Octagon to plan the 2011 inaugural Longford Revival Festival.

Collaborated with Ten Days on the Island to secure performances in the Northern Midlands in 2011.

Served on the Planning Committee for the National Interpretation Conference being held in Launceston in November 2010.



Participated on a working group (REASSIGN) exploring funding options to develop a Cultural Heritage Strategy for Northern Tasmania. Submission made, secured \$10,000 from Northern Tasmania Development for the project and seeking further funding from the Tas Community Fund to enable more tourism product to be developed.

Working with a Special Committee of Council to plan the 2013 Gathering on the Norfolk Plains which commemorates 200 years of settlement of the Norfolk Plains.

Supported Special Events within the area with \$18,126 Grants to:

◆ Targa Tasmania	\$3,295
◆ Longford Show	\$1,940
◆ Evandale Village Fair	\$1,100
◆ Australia Day Celebrations	\$1,078
◆ Campbell Town Show	\$1,024
◆ Blessing of the Harvest	\$1,000
◆ Longford Cup	\$1,000
◆ Volunteer Recognition Event	\$1,000
◆ John Glover Society Arts Festival	\$1,000
◆ Tas Trout Fishing Expo (Cressy)	\$1,000
◆ Midlands Military Meet	\$1,000
◆ RSPCA Emu Tour	\$750
◆ Longford Fun Run	\$543
◆ Tour of Tasmania Road Launceston to Hobart	\$500
◆ Penny Farthing Nile Ten Mile	\$500
◆ Launceston to Hobart Cycling Classic	\$500
◆ P E Green memorial Cycling Road Race	\$300
◆ RSL Longford-National Servicemen's Reunion	\$200
◆ Fusion Australia Day Family Festival	\$150
◆ Fusion Poatina Open Day	\$150
◆ Remembrance Day	\$96



Above: Targa Tasmania 2010



Right: Winner of the 2010 Glover Prize - Ian Waldron from Queensland with his work titled Walach Dhaarr (Cockle Creek).

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 (2 days per week at Cressy and Campbell Town, and 1 day per week at Avoca).

Working with representatives of the Campbell Town community and Department of Education towards the planning and construction of a 5 day / week long day care / early learning centre on the grounds of the District High School (state funded, secured March 2010).

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.
- ◆ Continued the implementation of the Northern Midlands Police Caution Diversionary Program and collaborated on the provision of local Community Service Order placements.
- ◆ 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 No Dole Program in the two District High Schools.
- ◆ Promoting a positive image of youth through National Youth Week and Leadership projects.

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).

Worked with Australian Red Cross to plan and carry through the training of volunteers to assist with personal support in the event of an emergency, including the holding of an emergency exercise.

Continued the implementation of Council's Discrimination Action Plan.

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.

Council's Economic and Community Development Manager served as the Local Government Association of Tasmania representative on the Tasmanian Rural Health Academic Reference Group.

Collaborating with Eskleigh to trial a Community Integration Project.

11 month old Jordan Chugg at Perth Child Care



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.

Continued implementation of Council's Positive Ageing Plan.

Council's Manager Economic and Community Development continued in the role of Council's Multicultural Liaison Officer.

Collaborated with the Road Safety Branch on an innovative project that will raise awareness of road safety on the Midland Highway, and secured DIER funding to purchase a road safety variable message board trailer with speed detector included.

Served on the Northern Midlands Community Safety and Liaison Committee which continues to meet on a bi-monthly basis to promote community and road safety in the Northern Midlands.

Council's Manager Economic and Community Development served on the Tasmanian University Department of Rural Health steering committees managing the '*Sustainability of Rural Volunteers in Tasmania*' and the '*Mobile Skilled Workforce to benefit Rural Communities*' research projects.

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

Approved the relocation of the Cressy UCA columbarium to the Longford General Cemetery grounds.

Preparation of a funding application for the Longford Anglican Parish's Christ Church clock upgrade project.

Prepared a funding application for Longford Uniting Church's hall upgrade, \$6,340 secured.

Prepared a funding application for Longford Rotary Club's community BBQ trailer project.

Council's Manager Economic and Community Development is the Tasmanian representative on the Local Government Community Development and Community Services Association of Australia.

Collaborating with Meander Valley, Launceston, West Tamar and Dorset councils and the Australian Business Arts Foundation to provide workshops for community organisations on how to secure funding.

Overseeing the restoration of the trophy guns at the Longford Cenotaph (funding provided by the Department of Veterans Affairs).

Participated on the Local Government Social Inclusion working group.

Council provided Donations totalling \$15,139 under *Section 77* of the *Local Government Act* to:

◆ Cressy School - No Dole & student achievement awards	\$5,060
◆ Campbell Town School -No Dole & student achievement awards	\$5,060
◆ Campbell Town SES (in-kind support)	\$1,162
◆ Helping Hand Association	\$1,000
◆ Longford Care-a-car Committee	\$1,000
◆ Longford Support Group	\$500
◆ Crimestoppers Tasmania	\$500
◆ Evandale Memorial Hall Committee	\$300
◆ Eskleigh Mens Shed	\$100
◆ Avoca, Evandale, Longford & Perth Primary School student achievement awards	\$120
◆ Perth Fire Brigade - Christmas Lolly Throw	\$45
◆ Remembrance Day	\$45
◆ Other flowers/cards	\$45

Sporting Achievement Donations totalling \$200 were provided to:

- ◆ Miss Kee Mansell Tasmanian U14 Girls Hockey Team \$50
- ◆ Miss Alex McLean Represent Tasmanian in the Bruce Cup for Junior Tennis \$50
- ◆ Miss Aylesha Verway 2009 Horseland Equestrian Australia Interschool Championships \$50
- ◆ Miss Laura Gregg Tasmanian U16 Girls Hockey Team \$50



Right:
*Miss Aylesha Verway -
2009 Horseland
Equestrian Australian
Interschool
Championships*



Left:
*Miss Alex McLean -
Tasmanian
Representative in the
Bruce Cup for
Junior Tennis*

Burials/Placements performed in:	2009/10	2008/09	2007/08
◆ Lawn Cemetery	31	27	18
◆ Rose Gardens	12	18	8
◆ Niche Wall	3	2	2
Animal Control			
◆ Dog Registration	3,074	3,050	3,059
◆ Kennel Licences	53	59	63
◆ No. of Impounded Animals	84	78	109



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 of Council managed the following facilities during 2009/2010:

- ◆ Avoca Hall/Community Centre
- ◆ Bishopsbourne Community Centre
- ◆ Campbell Town Pool
- ◆ 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

Special Committees represent \$119,210 (including Council maintenance grants) operating income and \$95,763 operating expenditure in Council's financial statement. Special Committees capitalised assets of \$9,019 in 2009/2010 and ended the year with \$286,890 net assets.

Council allocated Special Project grants totalling \$63,700 to sporting and community groups as follows:

◆ Morven Park - Ground Drainage	\$2,200
◆ Avoca Community Centre - Toilet Upgrade	\$5,000
◆ Bishopsbourne Progress Assoc - Kitchen improvements	\$5,000
◆ Campbell Town Pool - High Pressure Cleaner & Wet & Dry Vac	\$750
◆ Campbell Town Pool - Amenities Upgrade	\$4,250
◆ Cressy Recreation Ground - Irrigator	\$5,000
◆ Cressy Pool - Time Clock and Temp Gauge	\$1,500
◆ Evandale Community Centre - Painting & Repairs	\$3,000
◆ Evandale Light Rail Society - Shed Erection Morven Park	\$5,000
◆ Evandale Scout Group - Shed Erection	\$3,000
◆ Liffey Hall - Disabled Access & Roadway Improvements	\$5,000
◆ Longford Football Club - Clubroom and Kitchen Upgrade	\$5,000
◆ Ross Sports Club - Pool Toilet Upgrade	\$5,000
◆ Ross Sports Club - Rodeo Arena and Fencing Upgrade	\$5,000
◆ Campbell Town Tennis Club - Play Ground	\$1,000
◆ Greater Esk Tourism - Painting Old School Building Avoca	\$1,500
◆ Longford Bowls Club - Upgrade of Out Door Facilities	\$1,000
◆ Midlands Agricultural Society - Upgrade Shearing Pavilion	\$1,000
◆ Midlands Pony Club - Construct Horse Jumps Trailer	\$1,000
◆ Heart FM - Outside Broadcast Equipment	\$1,000

Cressy Pool Amenities Building



Planning & Development

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

Objective:

Building Services & Property Management:

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

Performance:

Administered 10 round 1 and 3 round 2 projects funded under the Regional and Local Community Infrastructure Programme.

Renovated the Longford Town Hall and kitchen \$190,000.

Commenced replacement of the Cressy War Memorial Swimming Pool Amenities Building, and provided solar heating for the pool, \$217,176.

Replaced the roof of the Ross Town Hall and Library, \$66,830.

Provided disabled access to the Avoca Hall, Liffey Hall, and Longford Masonic Hall, \$25,965.

Installed a security boom gate at the Longford Caravan Park, \$14,186.

Built a Scout Shed at Perth Recreation Ground, \$1,000.

Renovated the Longford General Cemetery Shed, \$13,194.

Improved the Longford Recreation Ground amenities, \$28,448.

Issued 288 building approvals totalling \$41.75 million.

Issued 1,092 Property Certificates (Sec 132 & 337), compared to 1,140 last year.

Specific Data	2009/10	2008/09	2007/08	2006/07
Applications approved	288	302	306	348
Dwellings	109	76	67	62
Add. to dwelling & out buildings	155	197	212	256
Industrial/Commercial	24	29	27	30
Value	\$41.75m	\$37.81m	\$28.66m	\$29.51m
Average Processing Time (Days)	-	13	15	14
◆ Building Permit	4	-	-	-
◆ Certificate of Likely Compliance	10	-	-	-
◆ Plumbing Permit	11	-	-	-
No of Inspections	997	1,011	1,012	1,136
Septic Tank Applications	11	8	14	13
Licensed places of assembly	40	45	41	46

Opening of the renovated Longford Town Hall



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.

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
 - Drinking water quality
 - Recreation water quality
 - Environmental waterways
- ◆ Environmental Protection
 - Dairy sheds
 - Quarries
 - Refuse Transfer Stations
 - Environmental Incidents & Environment Nuisance Complaints
- ◆ Food Surveillance
 - Registered food premises
 - Food sampling program
 - Temporary food premises
- ◆ Cemeteries and Crematoria
- ◆ Management and Administration

Specific Achievements or issues within the Community Health Report

	2009/10	2008/09	2007/08
Notifiable diseases investigated	8	1	4
School immunisations administered	272	385	479
Drinking water health standard	n/a	97.4%	98.07%
Recreation water tests	64.2%	79.4%	75.5%
Environmental nuisance complaints	19	22	28
Registered food premises	136	126	127
Food premises inspected	144	125	87
Registered temporary food premises	58	10	24
Public environmental incidents	4	3	3

Nile Log Jam



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:

Proceeded with a project to review the Planning Scheme. This project included a review of all heritage lists and the preparation of a State of Environment Report and Environmental Management Plan.

Continued participation in the Northern Tasmanian Regional Planning Project.

Publicly displayed Development Plans for Campbell Town, Cressy, Evandale, Longford and Perth.

Continued with the preparation and development of operational policy, initiated 8 amendments to the Planning Scheme.

Received 360 planning applications, including:

- ◆ Walking track & bridge linking Woolmers & Brickendon
- ◆ Stornoway Quarrying's increase production at Raeburn quarry to 210,000m³ per annum
- ◆ 12 additional storage units at TRANSink
- ◆ 3 aerial towers
- ◆ Redevelopment of Caltex Service Station at Campbell Town
- ◆ 24 Grouped House units

Received 31 subdivision applications creating over 98 new lots.

Participated in 10 planning appeals, and 5 matters under s64.

Participated in a pilot electronic Development Application project with the Local Government Association of Tasmania and the Hobart City Council.



Above: Lake House Luxury Lodge (photo provided by Dan Fellow)

Below: Subdivision - units Goderich Street, Longford



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 (the facilitator assisted with the implementation of the regional NRM strategy and also assisted local NRM groups on individual projects).

Officially launched 10 Property Management Plans targetting lowland grasslands for improved management practices.

Represented by Manager of Planning & Development on the Northern Tasmanian Natural Resource Management Association.

Ongoing facilitation of Northern Midlands Resource Management Special Committee.

Member of BusWatch committee.

Support and facilitation of devolved grant submissions for landholders; including Tasmanian LandCare and NRM North grants.

Ongoing support and collaborative work with the Department of Primary Industries, Parks, Water and the Environment, for the eradication of serrated tussock and other priority weeds in the region.

Completion of the Northern Midlands Council Integrated Weed Action Plan.

Participation on the Macquarie River Water Management Consultancy.

Integrated the Salinity Hazard Mapping into the Council's Geographical Information System.

Facilitation of NRM North Strategy Review Workshop.

Appointed a Mill Dam Action Group as a Special Committee of Council and undertook revegetation and willow removal works at the Longford Mill Dam area.



Revegetation Works undertaken at Mill Dam



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 36,061m² of urban, and 11,061m² rural pavement at a total cost of \$1,342,315.

Resheeted gravel roads at a total cost of \$305,086.

Reseals

Sealed 44,256m² new or reconstructed pavement; and resealed 152,490m² of the total sealed road network at a cost of \$1,022,085.

Roads to Recovery Projects (included in above)

- ◆ Pateena Road, Longford - reconstruction
- ◆ Valleyfield Road, Campbell Town - reconstruction
- ◆ Woolmers Road, Longford - reconstruction

at a cost of \$1,023,541.

Footpaths

Constructed/reconstructed footpaths at a cost of \$384,974:

- ◆ 1,910m² hotmix

- ◆ 2,551m² concrete.

Other Road Infrastructure

- ◆ Constructed 1,889m kerb and channel at a cost of \$202,101.
- ◆ Purchased road plant / vehicles at a net cost of \$588,160.
- ◆ Recognised subdivision road assets transferred to Council, \$685,152.
- ◆ Installed guardrail on Mill Road, Perth and Hobart Road, Breadalbane, \$130,345.
- ◆ Continued with the Main Street Improvement Projects at Longford and Ross.
- ◆ Approved new street names - Gatty Street at Western Junction, Tatiara Court at Perth, and Paxton Court and Lach Dar Court at Longford.

Stormwater

Installed various stormwater pipes and associated manholes and gully pits at a cost of \$149,364.

Reconstruction of Woolmers Lane, Longford



Objective:

Bridges:

To manage bridges to ensure safety and maximum life span.

Performance:

Replaced 8 bridges or 426m² of timber bridge deck area, with concrete at a total cost of \$707,854, and re-decked 2 major timber bridges at a cost of \$113,709.



Above: Concrete bridge constructed on Saundridge Road, Cressy

Below: Replacement - timber decking on bridge on Powranna Road, Cressy



Objective:

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.

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.

Accepted an eight year contract with Aussie Waste Management for collection of kerbside waste.

Accepted an eight year contract with Veolia Waste Management for collection and processing of waste recycling.

Introduced a 240 litre bin service for recycling waste (replacing the 40 litre crates).

Replaced mobile garbage bins as required.

Major Works

Action Plan Checklist - Legend

- Completed
 In Progress/on track
 Ceased

Road Infrastructure:

Action

Campbell Town

- Bridge St - footpath reconstruction King to Queen
 King St, Bridge to Glenelg - Construct kerb & reconstruct road
 Valleyfield Rd - Reconstruct road - Chn 0.0 to Chn 0.200

Cressy

- Main St - footpath reconstruction King to Macquarie, start RH K&G upgrade existing gravel footpath 180m

Devon Hills

- Devon Hills Rd, Christina Av & Summit Dve - Upgrade verges, gutters & driveways

Evandale

- West Cambock Ln - footpath reconstruction Main Road to end, change to East Cambock
 Glover Crt - footpath reconstruction West Cambock Lane to end of Court
 Nile Rd - Minor reconstruction and seal of 3 bridge approaches

Longford

- Smith/Tasman Sts - footpath reconstruction renewal of connection Caravan Park to St George's Square
 Howick St - footpath reconstruction Smith to Park
 Park St - footpath reconstruction George to Goderich
 Smith St - footpath reconstruction Howick to Goderich
 William St - footpath reconstruction George to Burghley
 Abel Tasman Ave - footpath reconstruction Smith to Union
 Wellington St - footpath reconstruction Kerb to Union
 George St, Park to Gay - reconstruct road and construct kerb
 Gay St, George to Howick - reconstruct road 8m wide and construct kerb

- Goderich St - Gay to k&g, reconstruct road 8m wide and construct kerb
 Pateena Rd - reconstruction road - Chn 4.127 to Chn 6.210
 Woolmers Rd - reconstruct road - Chn 8.305 to Chn 9.560
 William/Pakenham/George Sts - reconstruct kerb and reshape verge & footpath
 Wellington St, 153 to 175 - construct kerb, reshape verge, driveways & naturestrips
 Recreation Ground - road carparking area improvements 1600m²
 Main Street Project - Street Furniture & trees
 Main Street Project - Traffic Management improvements (Smith to Lyttleton)
 Catherine St - Traffic Management Cressy Road intersection

Perth

- Main St - footpath reconstruction Mary to Frederick
 Main St - footpath reconstruction Clarence to end RH kerb
 Fore St - footpath reconstruction Last 50m to end
 Main St - footpath reconstruction Bus pull off area
 William St - footpath reconstruction to picnic reserve
 Phillip St - footpath reconstruction Midland Hwy to Mulgrave
 Mulgrave St - footpath reconstruction Phillip to Arthur
 Recreation Ground - road carparking area improvements 950m²
 Seccombe St, Mulgrave to Fairtlough - Unmade Street Scheme road construction k&g, and footpath
 Main St, Arthur to Phillip - construct kerb, reshape verge, driveways & naturestrip

Ross

- Main Street Project Improvements

Urban Stormwater:

Action

Longford

- Flood Levee - automation of flood levee gates
 Union St - Pollutant Trap
 Pultney St - Ext & side pit entry adjacent to no. 53
 Catherine St - Ext & side pit entry



George St - Park to Gay Sts	<input checked="" type="checkbox"/>
Gay St - George to Howick Sts	<input checked="" type="checkbox"/>
Marlborough St- Cressy Rd to Cracroft Sts	<input checked="" type="checkbox"/>

Perth

Drummond St (Design only) - Scone St to Youl Main Rd	<input type="checkbox"/>
Fairtlough Street - Ext & side pit entry adjacent to no. 164	<input checked="" type="checkbox"/>

Ross

Tunbridge Tier Rd - New culverts	<input type="checkbox"/>
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Bridges:

	<i>Bridge</i>	<i>Action</i>
Elphinstone Rd - concrete replacement	9670	<input checked="" type="checkbox"/>
Saundridge Rd - concrete replacement	2973	<input checked="" type="checkbox"/>
Woolmers Rd - re-deck timber bridge	1130	<input checked="" type="checkbox"/>
Munden Lane - concrete replacement	2245	<input checked="" type="checkbox"/>
Ashby Rd - concrete replacement	5474	<input checked="" type="checkbox"/>
Saundridge Rd - concrete replacement	1129	<input checked="" type="checkbox"/>

Recreation, Building & Community:

Action

Avoca

Hall - Toilet upgrade	<input type="checkbox"/>
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Campbell Town

Blackburn Park Campbell Town - sculptures & improvements	<input checked="" type="checkbox"/>
War Memorial Oval - arena fence, ground top dressing	<input checked="" type="checkbox"/>
Blackburn Park - overnight camping area	<input checked="" type="checkbox"/>

Cressy

Main St - replacement of trees King to Macquarie LH side	<input checked="" type="checkbox"/>
Pool - amenities building	<input type="checkbox"/>

Campbell Town

Blackburn Park - sculptures	<input checked="" type="checkbox"/>
Valentine Park - disabled toilet alterations	<input checked="" type="checkbox"/>
War Memorial Oval - rising damp & improvements	<input type="checkbox"/>
Depot Improvements	<input type="checkbox"/>

Evandale

Barclay St - replace fence with pickets	<input type="checkbox"/>
Falls Park - drainage improvements, power upgrade & toilet upgrade	<input type="checkbox"/>

Lake Leake

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

Village Green to Mill Dam Project - Stage 1	<input type="checkbox"/>
Village Green - garden beds and landscaping	<input checked="" type="checkbox"/>
Longford Street Trees & Stokes Park - landscape strategy	<input type="checkbox"/>
Sports Centre - gym equipment	<input checked="" type="checkbox"/>
St George's Square - improvements	<input type="checkbox"/>
Longford Recreation Ground/Sports Centre - toilet upgrade landscaping/carpark improvements	<input checked="" type="checkbox"/>
Longford Recreation Ground - raw watering system	<input type="checkbox"/>
Longford Recreation Ground/Little Athletics - ground/facility improvements	<input checked="" type="checkbox"/>
NRM Projects - willow removal adjacent to Perth & Evandale bridges (South Esk River)	<input type="checkbox"/>
NRM Projects - Mill Dam timber barriers & NMC bushfire strategy	<input type="checkbox"/>
Council Chambers - Painting, carpet repairs, ventilation etc	<input checked="" type="checkbox"/>
Council Chamber - new kitchen & outside dining area	<input type="checkbox"/>
Depot Improvements	<input type="checkbox"/>
Town Hall - improvements	<input checked="" type="checkbox"/>
Cemetery - storage shed improvements	<input checked="" type="checkbox"/>
Masonic Hall - disabled access	<input checked="" type="checkbox"/>
Archiving of Records	<input checked="" type="checkbox"/>
Ross Hall & Library - replace roof	<input checked="" type="checkbox"/>

Perth

William Street Reserve - improvements	<input checked="" type="checkbox"/>
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Ross

Street Trees - Bridge St carpark & pump station, and Caravan Park	<input checked="" type="checkbox"/>
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Reporting on Legislative Requirements

List of Contracts Awarded Over \$100,000 (reduced to \$55,000 under Council policy) (Local Government Act)

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.
Public Tenders:							
Kerbside Waste Collection	1 July 2010 to 1 May 2019		\$125,000 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		\$150,882 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		\$57,840 p.a. plus cpi	Veolia Waste Management	PO Box 431, Rosney 7018	134/10	10/03A
Management of Waste Transfer Stations	1 July 2007 to 30 June 2010	2 years	\$196,196 p.a. plus cpi	Rodney & Margaret Weller	186 Forest Hall Road, Cleveland	164/07	07/01
Clearance of Waste Material from Waste Transfer Stations	1 July 2008 to 30 June 2011		\$133,049 p.a. plus cpi	Aussie Waste Management	128 Mornington Road Mornington 7018	150/08	08/03
Construction of new amenities building at Cressy Pool	18 Feb 2010 to Nov 2010		\$245,134	Mark Webb Building Services	PO Box 7583, Launceston 7250	61/10	09/07



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.
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Non Application of Public Tender Policy:

No items to report.

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

Please refer to table on page 12 for details of attendance.

Elected Member Allowances and Expenses (Local Government Act)

During 2009-2010 Council provided allowances and reimbursements of all reasonable to the Mayor, Deputy Mayor and Councillors. The total amount of these payments was \$158,070 (compared to \$142,689 the previous year). Please refer to page 12 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 28.

Grants & Benefits (Local Government Act)

During 2009-2010 Council donations under section 77 as listed on page 37, and rate remissions under its Rate Remission Policy totaling \$47,043.

Donation of Land (Local Government Act)

During 2009-2010 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.

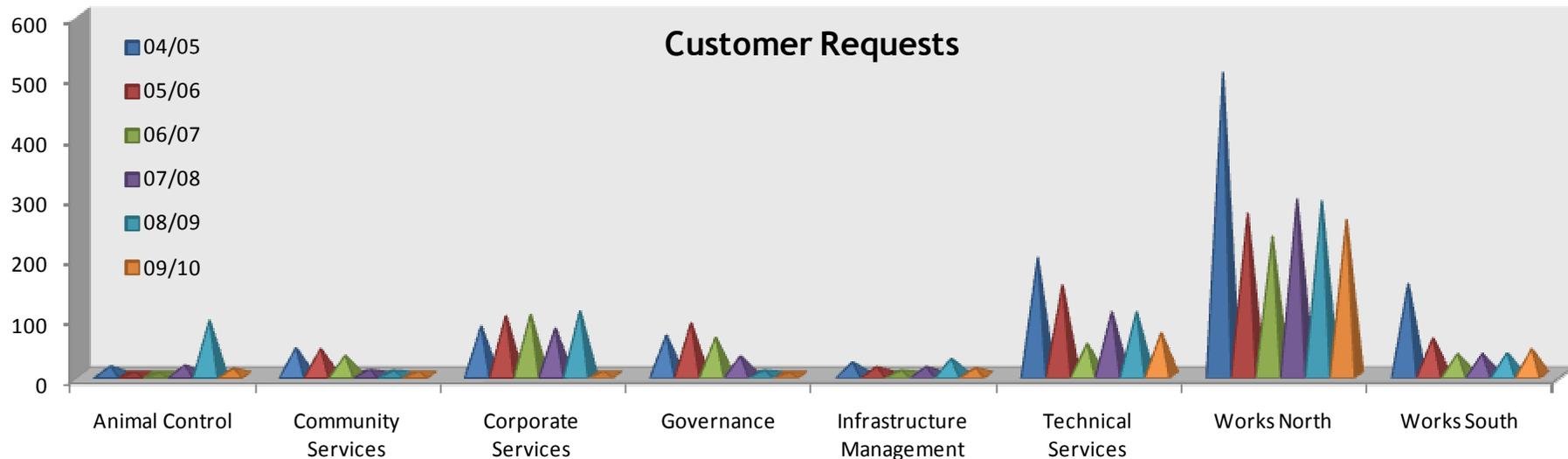
Environmental Health Statement (Public Health Act 1997 and the Food Act 2003)

Council is committed to protect and promote the health and well being of its communities and spent \$125,730 on health projects in 2009/2010. Please refer to page 41 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 five (5) new applications under the Right to Information for the period 1 July 2009 to 30 June 2010. 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.

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





Financial Statement *30 June 2010*



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Statement of Comprehensive Income - for year ended 30 June 2010

	Note	2010		2009		2010 Budgeted	
		\$	%	\$	%	\$	%
INCOME							
Rate Revenue		6,565,775	44.95	8,527,783	48.55	6,549,330	48.16
Grants	4	5,403,659	37.00	5,685,188	32.36	4,722,655	34.73
User Charges		1,460,077	10.00	1,987,808	11.32	1,342,907	9.87
Interest		497,629	3.41	372,143	2.12	504,260	3.71
Reimbursements		372,728	2.55	618,595	3.52	198,868	1.46
Other		239,662	1.64	342,183	1.95	281,190	2.07
Gain on disposal of Fixed Assets	5	65,495	0.45	32,241	0.18	-	-
		Total Income		14,605,025		17,565,941	
				14,605,025		13,599,210	
EXPENSES							
Employee Benefits	6	3,957,569	26.47	4,549,128	24.17	4,066,250	31.17
Materials & Services	7	3,910,028	26.16	6,468,713	34.35	3,889,940	29.82
Depreciation and Amortisation	8	4,405,258	29.47	5,298,460	28.14	3,944,327	30.23
Government Levies & Charges		676,524	4.53	644,677	3.42	615,675	4.72
Other	9	536,563	3.59	913,975	4.85	480,286	3.68
Loss on disposal of Fixed Assets	5	1,462,462	9.78	954,553	5.07	50,000	0.38
		Total Expenses		14,948,404		18,829,506	
				14,948,404		13,046,478	
SURPLUS(DEFICIT) BEFORE		(343,379)		(1,263,565)		552,732	
Contribution of non-monetary Assets	12	1,737,228		3,027,125		-	
NET SURPLUS(DEFICIT) BEFORE		1,393,849		1,763,560		552,732	
Net Increase in asset revaluation reserve arising from revaluation of Non-Current Assets	12	28,466,756		9,574,487		-	
Financial Asset Available for Sale: Loss taken to equity - Reduction of investment in Ben Lomond Water	2	(2,443,379)		-		-	
COMPREHENSIVE RESULT		27,417,226		11,338,047		552,732	

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 - for year ended 30 June 2010

	Note	2010		2009	
		\$	%	\$	%
<i>CURRENT ASSETS</i>					
Cash and Cash Equivalents		8,251,541	93.71	11,448,405	93.42
Trade and Other Receivables	10	532,485	6.05	791,108	6.46
Inventory	11	21,264	0.24	14,277	0.12
Total Current Assets		8,805,290		12,253,790	
<i>NON-CURRENT ASSETS</i>					
Work in Progress - at cost		287,386	0.12	781,863	0.36
Property, Plant & Infrastructure	12	197,317,313	81.87	217,326,995	99.64
Investment in Ben Lomond Water	2	43,397,646	18.01	-	-
Total Non-Current Assets		241,002,345		218,108,858	
TOTAL ASSETS		249,807,635		230,362,648	
<i>CURRENT LIABILITIES</i>					
Trade and Other Payables	13	863,156	49.24	1,386,593	14.09
Provisions	14	889,624	50.76	957,167	9.72
Borrowings		-		7,500,000	76.19
Total Current Liabilities		1,752,780		9,843,760	
<i>NON-CURRENT LIABILITIES</i>					
Provisions	14	209,076	100.00	90,335	100.00
Total Non-Current Liabilities		209,076		90,335	
TOTAL LIABILITIES		1,961,856		9,934,095	
NET ASSETS		247,845,779		220,428,553	
<i>RATEPAYER EQUITY</i>					
Accumulated Surplus		132,814,886	53.60	118,396,158	53.70
Reserves		115,030,893	46.40	102,032,395	46.30
TOTAL RATEPAYER EQUITY		247,845,779		220,428,553	

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 2010

	Total		Accumulated Surplus		Asset Revaluation Reserve	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Ratepayer Equity at beginning of the year	220,428,553	209,090,506	118,396,158	116,632,598	102,032,395	92,457,908
Write back of Water and Sewer Asset Revaluation Reserve to Accumulated Surplus	-	-	15,468,258	-	(15,468,258)	-
Restated Ratepayer Equity at Beginning of Year	220,428,553	209,090,506	133,864,416	116,632,598	86,564,137	92,457,908
Comprehensive Result	27,417,226	11,338,047	(1,049,530)	1,763,560	28,466,756	9,574,487
Ratepayer Equity at end of the year	247,845,779	220,428,553	132,814,886	118,396,158	115,030,893	102,032,395

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 2010

	Note	2010		2009	
		\$	\$	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES					
Outflows					
Employee Costs		(3,879,461)		(4,536,517)	
Materials and Services		(5,374,299)		(7,455,052)	
Levies Paid		(676,524)		(644,677)	
Interest & Finance Costs Paid		-		-	
Other		(457,947)		(713,649)	
Inflows					
Receipts from Ratepayers		6,515,644		8,407,056	
Government Grants		5,441,978		5,701,704	
User Charges		1,930,173		1,981,263	
Interest Received		390,323		410,735	
Other		612,389		1,038,085	
Receipts from Australian Taxation Office		854,039		1,208,932	
Net Cash Provided by Operating Activities	19		<u>5,356,315</u>		<u>5,397,880</u>
CASHFLOWS FROM INVESTING ACTIVITIES					
Outflows					
Purchase of fixed assets		(411,752)		(1,469,045)	
Payment for construction of fixed assets		(5,260,417)		(6,163,683)	
Inflows					
Proceeds from sale of fixed assets		150,584		303,111	
Net Cash Provided by (Used in) Investing Activities			<u>(5,521,585)</u>		<u>(7,329,617)</u>
CASHFLOWS FROM FINANCING ACTIVITIES					
Outflows					
Repayment of borrowings		-		-	
Inflows					
Proceeds from loans		-		7,500,000	
Net Cash Provided by (Used in) Financing Activities			<u>-</u>		<u>7,500,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD			<u>(165,270)</u>		<u>5,568,263</u>
Cash and Cash Equivalents at the Commencement of the Period			<u>8,416,811</u>		<u>5,880,142</u>
NET CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD			<u>8,251,541</u>		<u>11,448,405</u>

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 the Financial Report - for the year ended 30 June 2010

1. 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) Statement of Compliance

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 is a not-for-profit entity.

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

(b) Pending Accounting Standards

The following standards have been issued or amended but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Standard	Title / Standards Affected	Outline of Amendment & Impact	Application date of Standard *
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes. Terminology and editorial changes. Impact minor terminology and editorial changes.	1/01/2010
AASB 2009-8	Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions. [AASB 2]	- The amendments clarify the scope of AASB 2. No impact. AASB 2 does not apply to Local Government; consequently this Standard does not apply.	1/01/2010
AASB 2009-9	Amendments to Australian Accounting Standards - Additional Exemptions for First-time Adopters [AASB 1]	- Applies to entities adopting Australian Accounting Standards for the first time, to ensure entities will not face undue cost or effort in the transition process in particular situations. No impact. Relates only to first time adopters of Australian Accounting Standards.	1/01/2010
AASB 2009-10	Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132]	- The Standard makes amendments to AASB 132, stating that rights issues must now be classed as equity rather than derivative liabilities. No impact. Council	1/02/2010

Standard	Title / Standards Affected	Outline of Amendment & Impact	Application date of Standard *
		does not issue rights, warrants and options, consequently the amendment does not impact on the statements.	
AASB 9	Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). Detail of impact is still being assessed.	1/01/2013
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	This gives effect to consequential changes arising from the issuance of AASB 9. Detail of impact is still being assessed.	1/01/2013
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This Standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This Standard also makes numerous editorial amendments to other AASs. AASB 8 does not apply to Local Government therefore no impact expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact. Impacts of editorial amendments are not expected to be significant.	1/01/2011
AASB 2009-13	Amendments to Australian Accounting Standards arising from Interpretation 19. [AASB 1]	Consequential amendment to AASB 1 arising from publication of Interpretation 19. Local Governments do not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 17 and related amendments have no impact.	1/01/2010
AASB 2009-14	Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of Prepayments of a Minimum Funding Requirement. Expected to have no significant impact.	1/01/2011
AASB 1053	Application of Tiers of Australian Accounting Standards	Establishes a differential reporting framework, which consists of two tiers of reporting requirements.	1/07/2013

*Annual reporting period beginning on or after

(c) *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 equipment.

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.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial reports.

(d) *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.

(e) *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.

(f) Property Plant & Infrastructure 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 equipment; and
- ◆ infrastructure; i.e. roads, bridges and stormwater.

ii) Council has elected not to recognise land under roads prior to the 1st 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. Council does not recognise land under roads that it controlled prior to that period in its financial report.

iii) Acquisition of Assets

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

‘Cost’ represents the fair value of these assets given as consideration plus costs incidental to their acquisition (including architects fees, engineering design fees, and administration charges 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.

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	Cost
Fleet	Cost
Plant & Equipment	Fair value
Roads Infrastructure	Fair value
Bridges	Fair value
Stormwater & Drainage	Fair value
Heritage Assets	Cost

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) Depreciation of Non-Current Assets

All non-current assets which have a limited useful life are systematically depreciated over their useful life in a manner which reflects the consumption of the service potential of those assets. Land generally is not a depreciable asset. Non-current assets are those which provide a benefit to Council extending beyond twelve (12) months. Depreciation is recognised as per the schedule below. Rates of depreciation reflect the consumption of service potential of these assets.

The current useful lives used for depreciation are:

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

Earthworks carried out during road construction are included in the cost of the asset, and are considered to be a non-depreciable component of the asset.

vii) Inventory Measurement/Valuation

Inventories consist of materials held in store for maintenance and construction requirements and are carried at the lower of cost and net replacement value. Materials are taken into the store at cost price and issued at average price.

viii) Maintenance vs Capitalisation

Officers of the Council will determine at the occurrence of an event whether to capitalise/expense expenditure. 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%”.

(g) Employee Benefits

i) Wages and Salaries

Liability for wages and salaries is recognised and are 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 Northern Midlands 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 21.

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) 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 2009/10 financial year was 4.7 days (2008/09 was 5.9 days).

vi) 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.

vii) Number of Employees

as at 30 June are:

	Total 2010	Full Time Equivalent 2010	Total 2009	Full Time Equivalent 2009
Permanent	67	61	85	71
Casual	18	4	10	4
Total	85	65	95	75

(h) 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.

(i) 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.

(j) Investment in Ben Lomond Water

Investment in Ben Lomond water is valued at fair value, at balance date. Fair value was determined by applying Council's ownership percentage to Ben Lomond Water's net asset value at balance date. Any unrealised gains and losses on holdings at balance date are recognised in the Comprehensive Income Statement, see note 2. for details.

(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 23.

Council has determined, based upon materiality, that Road Infrastructure is Council's only significant business activity for the 2010 year. Sewerage Disposal and Water Reticulation were previously considered to be significant business activities prior to their transfer to Ben Lomond Water.

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 7% 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.
- ◆ Notional council rates have been calculated using actual rates and charges set by Council for the current financial period.
- ◆ Loan guarantee fees were calculated on the average loan outstanding for each activity multiplied by the loan guarantee fee rate of 0.45% that is determined by the Department of Treasury and Finance.
- ◆ The impact of fringe benefits tax credits, stamp duty and debits were determined to be immaterial and have not been included.

(n) Goods & 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.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recovered from, or paid to, the ATO are classified as operating cash flows.

(o) Budget Figures

The Budget figures which appear in the Income Statement represent amended budget figures and are not subject to audit.

(p) Rounding

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

2. Water and Sewer Infrastructure

In February of 2008 State and Local Government reached agreement to establish three Local Government owned, vertically integrated businesses providing bulk, distribution and retail water and sewerage services, and a common service provider subsidiary company. The *Water and Sewerage Corporations Act 2008* (Corporations Act) was subsequently enacted and received Royal Assent on 13 June 2008.

Full transfer of water and sewerage assets, liabilities and staff to the new corporations took place on 1 July 2009. From that date, responsibility for the provision of water and sewerage services moved from local councils to three new regional water and sewerage corporations (trading as Cradle Mountain Water, Ben Lomond Water and Southern Water). A fourth company (trading as Onstream) provides common services and support to the three regional corporations.

The following assets and liabilities relating to water and sewerage were transferred to Ben Lomond Water. Council's opening ownership interest in the new corporation is represented by the net assets transferred.

<i>Asset / Liability Class</i>	Transfers on 1 July 2009 \$
<i>CURRENT ASSETS</i>	
Cash and Cash Equivalents	3,031,594
<i>Total Current Assets</i>	<i>3,031,594</i>
<i>NON-CURRENT ASSETS</i>	
Work in Progress	663,049
Property, Plant & Equipment	
Land	1,162,109
Buildings	800,158
Furniture, Fittings, Office Equipment & Computers	9,763
Fleet	156,355
Plant & Equipment	84,246
Water Infrastructure	26,883,608
Sewer Infrastructure	20,668,215
<i>Total Non-Current Assets</i>	<i>50,427,503</i>
TOTAL ASSETS	<i>53,459,097</i>
<i>CURRENT LIABILITIES</i>	
Trade and Other Payables	-
Provisions - Employee Benefits - Annual Leave	52,654
Employee Benefits - Long Service Leave	20,749
Employee Benefits - Oncosts	14,935
Borrowings	7,500,000
<i>Total Current Liabilities</i>	<i>7,588,338</i>
<i>NON-CURRENT LIABILITIES</i>	
Provisions - Employee Benefits - Long Service Leave	24,820
Employee Benefits - Oncosts	4,914
<i>Total Non-Current Liabilities</i>	<i>29,734</i>
TOTAL LIABILITIES	<i>7,618,072</i>
NET ASSETS TRANSFERRED	<i>45,841,025</i>

At 30 June 2010, Council had an ownership interest in the net assets of the corporation of 8.9%, as advised by Ben Lomond Water (an allocation of 7.9% was made in the Treasurer's original allocation order). Council does not have significant influence to allow it to use the equity method to account for this interest. It has classified this asset as an Available-for-Sale financial asset as defined in AAB 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 statements.

There is no active market for the investment and so it is valued at Council's share of total equity as at each balance date. Changes in the fair value are recognised as revenue or expense in the Comprehensive Income Statement each year. Council's investment is disclosed on the face of the statement of financial position with the value being determined as disclosed above.

	2010 \$
Net assets transferred 1 July 2009	45,841,025
Change in fair value of investment	(2,443,379)
Total Investment in Water and Sewerage Corporation	43,397,646

3. Functions/Activities of the Council

(a) Functions/Activities of the Council

Revenues, 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 3 (b).

	Governance		Economic & Community Development		Planning & Development		Works & Infrastructure		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenues										
Grants	1,123,134	1,886,216	252,865	865,334	33,618	26,471	3,994,042	2,907,167	5,403,659	5,685,188
Other	6,000,509	5,732,808	378,497	1,095,140	659,709	486,527	2,162,651	4,566,278	9,201,366	11,880,753
Total	7,123,643	7,619,024	631,362	1,960,474	693,327	512,998	6,156,693	7,473,445	14,605,025	17,565,941
Expenses										
	1,518,287	1,529,868	1,080,127	2,113,884	1,214,637	1,121,025	11,135,353	14,064,729	14,948,404	18,829,506
Surplus (Deficit)	5,605,356	6,089,156	(448,765)	(153,410)	(521,310)	(608,027)	(4,978,660)	(6,591,284)	(343,379)	(1,263,565)
ASSETS	84,219,132	40,562,983	405,680	417,777	288,178	334,085	164,894,645	189,047,803	249,807,635	230,362,648

(b) Component Functions/Activities

The activities relating to the Council's components reported in Note 3 (a) are as follows:

Governance

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

Economic & Community Development

The provision of the following services to Council:

- ◆ Community Services Management
- ◆ Economic Development
- ◆ Tourism Promotion
- ◆ Recreation Management

Planning & Development

The provision of the following services to Council:

- ◆ Planning
- ◆ Building
- ◆ Health & Environmental Management
- ◆ Natural Resource Management

Works & Infrastructure

The provision of maintenance and construction services to Council's infrastructure and facilities.

4. Grant Revenue

Grants were received in respect of the following:

	2010		2009	
	\$	\$	\$	\$
Federally funded capital grants				
Roads to Recovery	962,020		188,906	
Regional & Local Community Infrastructure Program	118,000		312,000	
		1,080,020		500,906
Other federally funded grants:				
Employee Training Programs	9,100		1,500	
Stronger Councils, Better Services Shared Services	-		24,000	
Perth Child Care Service	37,942		29,247	
Rural & Remote Child Care Service	157,400		157,400	
Commonwealth financial assistance grant	3,437,868		4,229,993	
		3,642,310		4,442,140
State funded capital grants				
Roads Black Spot	122,500		207,000	
Cressy Pool Amenities Building	10,000		80,000	
Morven Park Club Room Redevelopment	-		180,000	
Unmade Street Scheme	50,000		-	
		182,500		467,000
Other Grants:				
Australia Day	-		250	
Community Road Safety Partnership	17,845		19,000	
Conara Water Subsidy	-		12,332	
Electronic DA Project	25,000		25,000	
Flinty Creek Interpretation Plaque	1,100		-	
Heavy Vehicle Motor Tax Grant	110,241		110,241	
Local Roads Emergency Repairs	300,000		-	
Longford Historic Motorsport Festival 2010	-		10,000	
Masonic Lodge Longford Disabled Access Ramp	6,000		-	
Mill Dam Revegetation & Clean-up Project	6,500		-	
Re-Assign Project	10,000		-	
Saluting their Service - RSL Canon Refurbishment	-		3,636	
Softfall Trial Village Green Longford	-		2,745	
Water & Sewer Reform	22,143		80,055	
Youth Community Action challenge	-		10,333	

	2010		2009	
	\$	\$	\$	\$
Youth - National Youth Week	-		1,550	
		498,829		275,142
Total Recurrent Grants	4,141,139		4,717,282	
Total Capital Grants	1,262,520		967,906	
Total Government Grants		5,403,659		5,685,188

Government funds received in relation to pensioner rates of \$317,610 (\$428,875 - 2008/09) have been treated in the Income Statement 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:

	2010	2009
	\$	\$
Annual Grants - Base grant	895,242	851,284
Community Safety Partnership	4,000	19,000
Cressy Pool Amenities Building	-	78,720
Electronic DA Project	9,070	20,894
Longford Historic Motorsport Festival 2010	-	8,432
Mill Dam Revegetation & Clean-up Project	6,500	-
Perth Child Care Service	482	-
Re-Assign Project	10,000	-
Regional & Local Community Infrastructure Program	99,380	219,227
Roads Black Spot	-	118,480
Saluting their Service - RSL Cannon Refurbishment	-	3,636
Stronger Councils, Better Services Share Services	-	4,000
	1,024,674	1,323,673

5. Gain/(Loss) on Disposal of Assets

The profit/(loss) on sales of assets for the period was comprised of:

Asset	2010			2009		
	Proceeds from sales / disposals	Written down value of assets sold / disposed	Profit /(loss) on sale	Proceeds from sales / disposals	Written down value of assets sold / disposed	Profit /(loss) on sale
Land	(15,368)	181,231	(196,599)	127,092	119,122	7,970
Buildings	-	176,566	(176,566)	-	297,066	(297,066)
Furniture, Fittings & Office Equipment	-	8,710	(8,710)	-	-	-
Fleet	165,952	159,838	6,114	176,019	239,212	(63,193)
Plant & Equipment	-	162	(162)	-	-	-
Roads & Streets	-	802,715	(802,715)	-	519,438	(519,438)
Bridges	-	40,325	(40,325)	-	-	-
Stormwater & Drainage	-	178,004	(178,004)	-	21,585	(21,585)
Water Infrastructure	-	-	-	-	16,644	(16,644)
Sewer Infrastructure	-	-	-	-	12,356	(12,356)
TOTAL	150,584	1,547,551	(1,396,967)	303,111	1,225,423	(922,312)

6. Employee Benefits

	2010		2009	
	\$	\$	\$	\$
Wages and Salaries	2,922,288		3,563,917	
Superannuation	397,946		430,181	
Annual/Sick/Long Service/Other Leave	499,527		585,171	
Total Employee Benefits Expenses		3,819,761		4,579,269
State Government Payroll Tax	203,525		232,157	
Workers Compensation	38,519		52,750	
Provision for Leave Entitlements	135,123		10,667	
Other Employee Oncost Expenses	17,594		19,154	
Total Other Employee Related Expenses		394,761		314,728
LESS AMOUNTS CAPITALISED:		4,214,522		4,893,997
Non-current assets constructed		(256,953)		(344,869)
TOTAL EMPLOYEE BENEFITS AND RELATED EXPENSES		3,957,569		4,549,128

7. Materials & Services

	2010		2009	
	\$	\$	\$	\$
Contractor Payments				
Community Buildings and Halls	163,100		89,902	
Kerbside Garbage and Recycling	289,728		277,599	
Parks and Reserves	86,780		46,279	
Roads	395,599		389,145	
Waste Transfer Stations	516,495		487,250	
Water and Sewerage	-		1,203,461	
Other Contractor Payments	357,146		228,573	
		1,808,848		2,722,209
Materials				
Community Buildings and Halls	22,017		16,593	
Corporate Services and Governance	150,802		149,149	
Parks and Reserves	82,084		95,913	
Roads	457,708		345,172	
Water and Sewerage	-		662,401	
Other Material Purchases	260,124		473,431	
		972,735		1,742,659
Consultants Fees		444,224		864,780
Electricity Costs		283,412		679,630
Insurance		149,408		189,682
Telecommunication Costs		67,173		85,975
Other		184,228		183,778
TOTAL EMPLOYEE BENEFITS AND RELATED EXPENSES		3,910,028		6,468,713

8. Depreciation & Amortisation Expense

Depreciation and amortisation expense for the year is as follows:

	2010	2009
Buildings	347,477	360,677
Plant & Equipment	186,455	196,531
Flood Levee Infrastructure	17,144	17,145
Furniture, Fittings, Office Equipment & Computers	113,976	104,978
Fleet	296,394	315,536
Water Infrastructure	-	549,673
Sewer Infrastructure	-	739,262
Road Infrastructure	2,900,883	2,510,006
Bridges	242,797	229,064
Stormwater & Drainage	295,290	270,783
Heritage Assets	4,842	4,805
TOTAL	\$4,405,258	\$5,298,460

9. Other Expenses

Other expenses for the year are as follows:

	2010	2009
Bad & Doubtful Debts	18,108	123,531
Contributions & Donations	110,354	168,634
Councillors' Remuneration	158,070	142,689
Fringe Benefits Tax	22,254	29,000
Rate Remissions & Discounts	78,409	112,262
Special Committee Expenditure	95,763	182,483
Refunds & Reimbursements	34,824	57,561
Opening Work in Progress not capitalised	5,813	93,869
Other Expenses	12,968	3,946
	\$536,563	\$913,975

10. Trade & Other Receivables

	2010	2009
CURRENT		
Trade Debtors - Sundry	180,616	517,676
Rates Outstanding	397,151	425,814
Less Provision for Impairment of Debts	(163,260)	(163,054)
Accrued Income	117,978	10,672
	\$532,485	\$791,108

Rates payments received in advance are treated as rate revenue in the year in which they are received, in 2009/10 this amounted to \$119,483 (2008/2009 \$111,926).

11. Inventory

	2010	2009
Fuel - held for distribution at average cost	7,796	2,743
Timber - held for distribution at average cost	13,468	11,534
	\$21,264	\$14,277

12. Property, Plant, Equipment & Infrastructure

LAND		2010		2009	
<p>Valuation of land was determined by Mr I Mason the Acting Valuer General as at 1 July 2007. Council Officers have applied a "Council Cost indexation factor" # to determine a valuation as at 1 July 2009.</p>	Gross Value	\$	\$	\$	\$
	Opening balance	12,446,944		12,040,319	
	Additions - Purchased	-		114,767	
	Additions - Donated or Contributed	-		68,300	
	Transfers to Ben Lomond Water	(1,162,109)		-	
	Disposals	(181,229)		(119,123)	
	Revaluation Adjustment	483,007		342,681	
	NET AMOUNT AT FAIR VALUE		11,586,613		12,446,944
LAND UNDER ROADS		2010		2009	
<p>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 Value General as at 1 July 2007.</p>	Gross Value	\$	\$	\$	\$
	Opening Balance	-		-	
	Additions - Donated or Contributed	356,833		-	
	NET AMOUNT AT FAIR VALUE		356,833		-
BUILDINGS		2010		2009	
<p>Valuation of buildings was determined by Mr Murray A Bugg, Dip Val. AAPL, Independent Certified Valuer as at 1 July 2006. Council Officers have applied a "Council Cost indexation factor" # to determine a valuation as at 1 July 2009.</p>	Gross Value	\$	\$	\$	\$
	Opening Balance	36,417,211		35,192,572	
	Additions - Purchased/Constructed	109,662		467,430	
	Transfers to Ben Lomond Water	(857,954)		-	
	Disposals	(882,708)		(486,977)	
	Revaluation Adjustment	1,507,296		1,244,186	
	Closing Balance		36,293,507		36,417,211
	Accumulated Depreciation				
	Opening Balance	11,117,849		10,570,867	
	Depreciation Expense	347,477		360,677	
	Transfers to Ben Lomond Water	(57,796)		-	
	Disposals	(706,143)		(189,911)	
	Revaluation Adjustment	465,306		376,216	
	Closing Balance		11,166,693		11,117,849
	NET AMOUNT AT FAIR VALUE		25,126,814		25,299,362

HERITAGE ASSETS		2010		2009	
	\$	\$	\$	\$	
Gross Value					
Opening Balance	728,397		728,397		
Additions - Purchased/Constructed	31,891		-		
Closing Balance		760,288			728,397
Accumulated Depreciation					
Opening Balance	120,500		115,695		
Depreciation Expense	4,842		4,805		
Closing Balance		125,342			120,500
NET AMOUNT AT COST		634,946			607,897
FLOOD LEVEL INFRASTRUCTURE		2010		2009	
	\$	\$	\$	\$	
Gross Value					
Opening Balance	5,032,048		5,032,048		
Additions - Purchased/Constructed	-		-		
Closing Balance		5,032,048			5,032,048
Accumulated Depreciation					
Opening Balance	28,035		10,890		
Depreciation Expense	17,144		17,145		
Closing Balance		45,179			28,035
NET AMOUNT AT COST		4,986,869			5,004,013
FURNITURE, FITTINGS, OFFICE EQUIPMENT & COMPUTERS		2010		2009	
	\$	\$	\$	\$	
Gross Value					
Opening Balance	1,550,618		1,388,118		
Additions - Purchased/Constructed	269,535		162,500		
Transfers to Ben Lomond Water	(23,397)		-		
Disposals	(22,734)		-		
Closing Balance		1,774,022			1,550,618
Accumulated Depreciation					
Opening Balance	1,086,240		981,262		
Depreciation Expense	113,976		104,978		
Transfers to Ben Lomond Water	(13,634)		-		
Disposals	(14,023)		-		
Closing Balance		1,172,559			1,086,240
NET AMOUNT AT COST		601,463			464,378

FLEET		2010		2009	
	\$	\$	\$	\$	
Gross Value					
Opening balance	3,752,118		3,691,237		
Additions - Purchased/Constructed	588,160		505,753		
Transfers to Ben Lomond Water	(240,800)		-		
Disposals	(455,619)		(444,872)		
Closing Balance		3,643,859		3,752,118	
Accumulated Depreciation					
Opening Balance	1,512,080		1,402,205		
Depreciation Expense	296,394		315,536		
Transfers to Ben Lomond Water	(84,445)		-		
Disposals	(295,780)		(205,661)		
Closing Balance		1,428,249		1,512,080	
NET AMOUNT AT COST		2,215,610		2,240,038	

PLANT & EQUIPMENT		2010		2009	
	\$	\$	\$	\$	
<i>Valuation of plant and equipment was determined by Council Officers as at 1 July 2000. Council Officers have applied a "Council Cost indexation factor" # to determine a valuation as at 1 July 2008.</i>					
Gross Value					
Opening Balance	2,174,693		1,701,698		
Additions - Purchased/Constructed	56,138		218,597		
Additions - Donated or Contributed	-		199,500		
Transfers to Ben Lomond Water	(206,738)		-		
Disposals	(1,615)		-		
Revaluation Adjustment	-		54,898		
Closing Balance		2,022,478		2,174,693	
Accumulated Depreciation					
Opening Balance	1,240,904		1,010,716		
Depreciation Expense	186,455		196,531		
Transfers to Ben Lomond Water	(122,491)		-		
Disposals	(1,454)		-		
Revaluation Adjustment	-		33,657		
Closing Balance		1,303,414		1,240,904	
NET AMOUNT AT FAIR VALUE		719,064		933,789	

ROADS & STREETS		2010		2009	
<i>Valuation of Roads and Streets was determined by Maloney Asset Management Systems as at 1 July 2009.</i>		\$	\$	\$	\$
Gross Value					
Opening Balance		135,630,348		130,387,894	
Additions - Purchased/Constructed		3,477,284		2,986,847	
Additions - Donated/Contributed		611,743		-	
Disposals		(2,798,962)		(2,386,202)	
Revaluation Adjustment		32,875,131		4,641,809	
Closing Balance			169,795,544		135,630,348
Accumulated Depreciation					
Opening Balance		42,842,111		40,748,234	
Depreciation Expense		2,900,883		2,510,005	
Disposals		(1,996,246)		(1,866,765)	
Revaluation Adjustment		7,409,222		1,450,637	
Closing Balance			51,155,970		42,842,111
NET AMOUNT AT FAIR VALUE			118,639,574		92,788,237

BRIDGES		2010		2009	
<i>Valuation of bridges was determined by Council's Consultant Engineer, Mr H Galea as at 1 July 2005. Council Officers have applied a "Council Cost indexation factor" # to determine a valuation as at 1 July 2009.</i>		\$	\$	\$	\$
Gross Value					
Opening balance		17,440,243		16,661,550	
Additions - Purchased/Constructed		821,563		525,203	
Disposals		(439,883)		(176,005)	
Revaluation Adjustment		829,798		429,495	
Closing Balance			18,651,721		17,440,243
Accumulated Depreciation					
Opening Balance		5,686,403		5,439,691	
Depreciation Expense		242,797		229,064	
Disposals		(399,558)		(176,005)	
Revaluation Adjustment		259,450		193,653	
Closing Balance			5,789,092		5,686,403
NET AMOUNT AT FAIR VALUE			12,862,629		11,753,840

STORMWATER & DRAINAGE		2010		2009		
	Gross Value	\$	\$	\$	\$	
<i>Valuation of stormwater & drainage was determined by Consulting Engineers, Pitt & Sherry, as at 1 July 2008. Council Officers have applied a "Council Cost indexation factor" # to determine a valuation as at 1 July 2009.</i>	Opening Balance	23,247,464		16,398,017		
	Additions - Purchased/Constructed	149,364		131,799		
	Additions - Donated or Contributed	768,652		1,447,543		
	Disposals	(236,619)		(31,430)		
	Revaluation Adjustment	1,123,471		5,301,535		
	Closing Balance		25,052,332		23,247,464	
	Accumulated Depreciation					
	Opening Balance	5,010,790		2,980,910		
	Depreciation Expense	295,290		270,783		
	Disposals	(58,615)		(9,845)		
	Revaluation Adjustment	217,969		1,768,942		
	Closing Balance		5,465,434		5,010,790	
	NET AMOUNT AT FAIR VALUE		19,586,898		18,236,674	

WATER INFRASTRUCTURE		2010		2009		
	Gross Value	\$	\$	\$	\$	
<i>Valuation of water infrastructure was determined by Council's Engineer, Mr H Galea as at 1 July 2003. Council Officers have applied a "Council Cost indexation factor" # to determine a valuation as at 1 July 2008.</i>	Opening Balance	41,906,404		38,727,570		
	Additions - Purchased/Constructed	-		1,675,429		
	Additions - Donated/Contributed	-		379,374		
	Transfers to Ben Lomond Water	(41,906,404)		-		
	Disposals	-		(55,880)		
	Revaluation Adjustment	-		1,179,911		
	Closing Balance		-		41,906,404	
	Accumulated Depreciation					
	Opening Balance	15,022,796		14,038,192		
	Depreciation Expense	-		549,673		
	Transfers to Ben Lomond Water	(15,022,796)		-		
	Disposals	-		(39,236)		
	Revaluation Adjustment	-		474,167		
	Closing Balance		-		15,022,796	
NET AMOUNT AT FAIR VALUE		-		26,883,608		

SEWERAGE INFRASTRUCTURE		2010		2009	
<i>Valuation of sewerage infrastructure was determined by Council's Engineer, Mr H Galea as at 1 July 2003. Council Officers have applied a "Council Cost indexation factor" # to determine a valuation as at 1 July 2008.</i>	Gross Value	\$	\$	\$	\$
	Opening Balance	40,669,121		37,949,508	
	Additions - Purchased/Constructed	-		467,736	
	Additions - Donated/Contributed	-		932,408	
	Transfers to Ben Lomond Water	(40,669,121)		-	
	Disposals	-		(18,622)	
	Revaluation Adjustment	-		1,338,091	
	Closing Balance		-		40,669,121
	Accumulated Depreciation				
	Opening Balance	20,000,906		18,607,062	
	Depreciation Expense	-		739,262	
	Transfers to Ben Lomond Water	(20,000,906)		-	
	Disposals	-		(6,265)	
	Revaluation Adjustment	-		660,847	
	Closing Balance		-		20,000,906
	NET AMOUNT AT FAIR VALUE		-		20,668,215
TOTAL PROPERTY, PLANT, EQUIPMENT & INFRASTRUCTURE		2010		2009	
<i>Valuation of sewerage infrastructure was determined by Council's Engineer, Mr H Galea as at 1 July 2003. Council Officers have applied a "Council Cost indexation factor" # to determine a valuation as at 1 July 2008.</i>	Gross Value	\$	\$	\$	\$
	Opening Balance	320,995,609		299,898,928	
	Additions - Purchased/Constructed	5,503,597		7,256,061	
	Additions - Donated/Contributed	1,737,228		3,027,125	
	Transfers to Ben Lomond Water	(85,066,523)		-	
	Disposals	(5,019,369)		(3,719,111)	
	Revaluation Adjustment	36,818,703		14,532,606	
	Closing Balance		274,969,245		320,995,609
	Accumulated Depreciation				
	Opening Balance	103,668,614		95,905,724	
	Depreciation Expense	4,405,258		5,298,459	
	Transfers to Ben Lomond Water	(35,302,068)		-	
	Disposals	(3,471,819)		(2,493,688)	
	Revaluation Adjustment	8,351,947		4,958,119	
	Closing Balance		77,651,932		103,668,614
	NET AMOUNT		197,317,313		217,326,995

The Council Cost indexation figure is published annually by the Local Government Association of Tasmania and based on an equal combination of the Tasmanian Construction index and the Hobart CPI, both of which are calculated by the Australian Bureau of Statistics.

13. Trade & Other Payables

	2010	2009
CURRENT		
Trade Creditor	447,890	831,404
Accrued Wages	14,049	105,211
Money held in trust	401,217	449,978
	\$863,156	\$1,386,593

14. Provisions

	2010		2009	
	\$	\$	\$	\$
CURRENT				
Employee Benefits - Annual Leave	430,092		466,580	
Employee Benefits - Long Service Leave	298,451		329,422	
Employee Benefits - Oncosts	161,081		161,165	
		889,624		957,167
NON-CURRENT				
Employee Benefits - Long Service Leave	169,012		75,405	
Employee Benefits - Oncosts	40,064		14,930	
		209,076		90,335
AGGREGATE EMPLOYEE BENEFITS		1,098,700		1,047,502

15. Capital Expenditure Commitments

<i>Capital / Contractual Commitments</i>	2010	2009
Estimated expenditure contracted for at balance date but not provided for:		
- payable not later than one year	788,101	434,243
- payable later than one year but no later than two years	545,921	252,696
- payable later than two years	2,715,560	260,277
	\$4,049,582	\$947,216

16. Contingent Liabilities

Council has not recognised any contingent liabilities.

17. Auditors Remuneration

	2010	2009
Audit fees to conduct external audit - Tasmanian Audit officer	\$22,000	\$16,580

18. Special Committees

Committee Name	Operating Income	Operating Expenditure	Amounts Capitalised	Net Assets
	\$ 2010	\$ 2010	\$ 2010	\$ 2010
Avoca Community Centre	5,428	1,392	-	4,737
Avoca/Royal George Local District	-	-	-	244
Bishopsbourne Community Centre	12,962	9,214	5,000	57,403
Campbell Town Swimming Pool	11,341	1,904	758	38,857
Campbell Town Recreation Ground	6,097	237	-	5,843
Cressy Hall	2,804	1,279	3,261	12,879
Cressy War Memorial Swimming Pool	8,736	14,360	-	39,001
Cressy Recreation Ground	11	1,731	-	11,302
Epping Hall	1,286	582	-	785
Evandale Community Centre and War Memorial Hall	23,209	24,304	-	22,462
Liffey Hall	60	230	-	1,843
Longford Community Sports Centre	-	-	-	87
Longford Recreation Ground	8,490	3,031	-	15,311
Morven Park Recreation Ground	13,285	10,319	-	16,228
Perth Community Centre	3,538	6,577	-	13,982
Perth Recreation Ground	3,290	3,300	-	3,975
Ross Community Sports Club	18,673	17,303	-	41,951
	119,210	95,763	9,019	286,890

19. Reconciliation of Increase in Net Assets resulting from Operations to Net Cash Inflows from Operating Activities

<i>Reconciliation of Increase in Net Assets Resulting from Operations to Net Cash Inflow from Operating Activities</i>	2010 \$	2009 \$
Increase in net assets resulting from Operations	(343,379)	(1,263,565)
Add: Depreciation	4,405,258	5,298,460
Add: Net loss on Disposal of Fixed Assets	1,396,967	922,312
Changes in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	365,929	898
(Increase)/Decrease in Accrued Revenue	(107,306)	38,592
(Increase)/Decrease in Inventory	(6,987)	10,528
Increase/(Decrease) in Creditors	(523,437)	369,427
Increase/(Decrease) in Provisions	169,270	21,228
NET CASH INFLOWS FROM OPERATING ACTIVITIES	5,356,315	5,397,880

20. Related Party Disclosure

a) Allowances & Reimbursements

	2010	2009
Councillors Allowances and Reimbursements	\$158,070	\$142,689

b) Register of Interests - 2009/2010

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
Cr Andrew Calvert
Cr Jeff Carins

Deputy Mayor David Downie
Cr Michael Geeves
Cr Richard Goss

Cr Mary Knowles (elected 01/11/2009)
Mayor Kim Polley
Cr Tim Polley (expired 31/10/2009)

MATERIAL INTEREST DECLARED:

Cr Ian Goninon

Nature: Shareholder/Director
Period: 1 July 2009 - 30 June 2010

Company:

Specialist Collection Services
Relevant dealings: Provision of Debt Collection Services

21. 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.

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2008. The review disclosed that at that time the net market value of assets available for funding members benefits was \$84,786,241, the value of vested benefits was \$77,078,401, the surplus was \$7,707,840 and the value of total accrued benefits was \$81,398,000. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Schemes financial statements for Council employees.

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

Net Investment Return	-17.0% per annum for 2008/09 and 7.0% thereafter
Salary Inflation	4.0% per annum
Price Inflation	n/a

In the opinion of the Actuary, the Scheme was adequately funded in that assets were sufficient to cover the vested benefits of all members at the review date and the actuarial value of accrued past service benefits.

At 30 June 2009, the net market value of assets available for funding members benefits had fallen to \$58,450,000 largely due to poor investment returns that were experienced during the 2009 financial year. The value of vested benefits at that date was \$64,350,000 resulting in a shortfall of \$5,900,000. When the Fund's assets are below the vested benefits, superannuation law defines this as an 'unsatisfactory financial position'. As a result of the Fund moving into an unsatisfactory financial position, the Quadrant Trustee prepared a plan to restore the financial position within a reasonable time frame. This plan noted the improved investment returns since 30 June 2009 and confirmed that the 9.5% contribution rate remained appropriate.

The next full triennial review will be undertaken after 31 October 2011 for 30 June 2011.

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 \$44,495 compared to \$54,143 in the previous reporting period, and the amount paid to accumulation schemes was \$352,305 compared to \$376,028 in the previous reporting period.

22. Financial Instruments

(a) Accounting Policy, Terms & Conditions

Financial Instruments	Note	Accounting Policy	Terms & Conditions
Financial Assets			
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	10	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% 2008/09), 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. 2008/09). 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 Councils approved payment options.
Trade Debtors	10	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 the 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 Liabilities			
Trade and Other Payables	13	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 days from date of purchase.

(b) Financing Arrangements

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

	2010	2009
Total Corporate Credit Cards Facility Limit	50,000	50,000
Corporate Credit Card Facility Limit Used at Reporting Date	2,268	2,363
AVAILABLE AT REPORTING DATE CORPORATE CREDIT CARD	\$47,732	\$47,637

No other credit standby arrangements and loan facilities are used or available to be used as at 30/06/2010 (30/06/2009).

(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 page 34 for the carrying amount of Council's financial assets at reporting date.

Receivables consist of a large number of customers, with material exposure to only one 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 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:

	Weighted Average Effective Interest Rate 2010	Floating Interest Rate \$	1 Year or Less \$	1 to 5 Years \$	Over 5 Years \$	Non- Interest Bearing \$	Total \$
Assets							
Cash and Cash Equivalents - <i>Cash</i>	2.20%	887,380					887,380
- <i>Investments</i>	4.70%	4,216	7,359,945				7,364,161
Receivables - <i>Rates</i>	7.50%		233,891				233,891
- <i>Sundry</i>						180,616	180,616
Available for Sale - <i>Investment in Ben Lomond Water</i>						43,397,646	43,397,646
Revenue Accrual						117,978	117,978
Total Financial Assets 2010		891,596	7,593,836	-	-	43,696,240	52,181,672
Liabilities							
Creditors - <i>Sundry Creditors</i>						461,939	461,939
- <i>Monies held in Trust</i>						401,217	401,217
Total Financial Liabilities 2010		-	-	-	-	863,156	863,156
NET FINANCIAL ASSETS/(LIABILITIES) 2010		891,596	7,593,836	-	-	42,833,084	51,318,516
	2009	\$	\$	\$	\$	\$	\$
Assets							
Cash and Cash Equivalents - <i>Cash</i>	3.00%	6,283,975					6,283,975
- <i>Investments</i>	5.10%	1,164,430	4,000,000				5,164,430
Receivables - <i>Rates</i>	7.50%		262,760				262,760
- <i>Sundry</i>						514,692	514,692
- <i>Sewerage Reuse Schemes</i>	6.00%		2,984				2,984
Available for Sale - <i>Investment in Ben Lomond Water</i>						-	-
Revenue Accrual						10,672	10,672
Total Financial Assets 2009		7,448,405	4,265,744	-	-	525,364	12,239,513
Liabilities							
Creditors - <i>Sundry Creditors</i>						936,615	936,615
- <i>Borrowings</i>	4.61%			7,500,000			7,500,000
- <i>Monies held in Trust</i>						449,978	449,978
Total Financial Liabilities 2009		-	-	7,500,000	-	1,386,593	8,886,593
NET FINANCIAL ASSETS/(LIABILITIES) 2009		7,448,405	4,265,744	(7,500,000)	-	(861,229)	3,352,920

Credit Risk - The carrying amount of financial assets represents the Council's maximum exposure to credit risk in relation to these assets.

(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:

	2010 \$	2009 \$
Balance at 1 July	163,054	168,838
Charge for the year	18,089	23,179
Amounts previously charged no longer impaired	(16,137)	(28,963)
Amounts written off	(1,746)	-
BALANCE AT 30 JUNE	163,260	163,054

(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 +2% 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:

	2010 Interest Rate Risk					2009 Interest Rate Risk				
	Carrying Amount subject to interest \$	-1% 100 basis points		2% 200 basis points		Carrying Amount subject to interest \$	-1% 100 basis points		2% 200 basis points	
		Profit \$	Equity \$	Profit \$	Equity \$		Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets										
Cash & Cash Equivalents	8,251,541	(82,515)	(82,515)	165,031	165,031	11,448,405	(114,484)	(114,484)	228,968	228,968
Receivables	233,891	(2,339)	(2,339)	4,678	4,678	265,744	(2,657)	(2,657)	5,315	5,315
		(84,854)	(84,854)	169,709	169,709		(117,141)	(117,141)	234,283	234,283

(f) Categories of Financial Assets & Liabilities

Carrying amounts classified as:

	2010 \$	2009 \$
Financial Assets		
Loans and receivables	532,485	791,108
Cash and cash equivalents	8,251,541	11,448,405
Available for Sale - Investment in Ben Lomond Water	43,397,646	-
	52,181,672	12,239,513
Financial Liabilities measured at amortised cost		
Payables	863,156	1,386,593
Borrowings	-	7,500,000
	863,156	8,886,593
NET FINANCIAL ASSETS / (LIABILITIES)	51,318,516	3,352,920

(g) Analysis of unimpaired Financial Assets

	2010 \$	2009 \$
Rate debtors over 60 days past due	71,016	102,130
Trade Debtors Sundry, not past due	140,193	387,860
Trade Debtors Sundry, less than 30 days past due	2,890	32,292
Trade Debtors Sundry, over 30 days less than 60 days past due	18,625	36,840
Trade Debtors Sundry, over 60 days past due	18,523	58,260
Accrued Income, Current	117,978	10,672
	369,225	628,054

(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 2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Available for sale financial assets	-	-	43,397,646	43,397,646
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 the period				

Reconciliation of Level 3 Fair Value Movements 2010	Level 3 \$
Opening Balance	-
Investment on transfer of net assets	45,841,025
Gains (losses) recognised in other comprehensive income:	
<i>Change in Fair Value of Investment in Ben Lomond Water</i>	(2,443,379)
	43,397,646

23. Significant Business Activities

	Water Reticulation		Sewerage Disposal		Road Infrastructure	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Revenue						
Rates	-	1,351,771	-	891,462	1,725,170	1,615,109
Grants	-	12,332	-	-	3,616,430	2,615,277
User Charges	-	675,261	-	56,100	-	-
Gain on Disposal of Fixed Assets	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Reimbursements	-	17,290	-	45,054	10,825	9,156
Other	-	287,383	-	1,128,317	4,036	5,189
	-	2,344,037	-	2,120,933	5,356,461	4,244,731
Expenditure						
<i>Direct</i>						
Employee Costs	-	303,719	-	391,615	649,039	580,728
Materials & Services	-	764,317	-	2,335,275	1,411,525	1,218,132
Levies	-	10,729	-	36,719	950	886
Interest	-	-	-	-	-	-
Loss on Disposal/ Revaluation of Fixed Assets	-	19,269	-	9,730	843,040	519,438
Other	-	22,577	-	106,880	3,008	2,977
	-	1,120,611	-	2,880,219	2,907,562	2,322,161
<i>Indirect</i>						
Administration & Engineering	-	119,286	-	310,902	282,743	195,252
	-	119,286	-	310,902	282,743	195,252
<i>Capital Costs</i>						
Depreciation	-	549,673	-	739,262	3,143,680	2,739,068
Opportunity Cost of Capital	-	1,713,610	-	1,371,741	8,342,494	7,269,587
	-	2,263,283	-	2,111,003	11,486,174	10,008,655
COMPETITIVE NEUTRALITY COSTS	-	190,298	-	27,393	-	-

Certification

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

- 1) the financial report set out on pages one to thirty nine fairly presents
 - a) the financial position of the Northern Midlands Council as at 30th June 2010, 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 30th day of September 2010.

Independent Audit Report



INDEPENDENT AUDIT REPORT To the Councillors of Northern Midlands Council

Financial Report for the Year Ended 30 June 2010

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 2010, the comprehensive income statement, 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.

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 (including Australian Accounting Interpretations) and Section 64 of the *Local Government Act 1992*. 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 statements 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 statements 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 statements.

Specialised assistance or interpretation of laws or other provisions, or assistance in connection with the preparation of financial statements, is not provided by the Auditor-General.

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.

Auditor's Opinion

In my opinion the financial report of Northern Midlands Council:

- (a) presents fairly, in all material respects, the financial position of Council as at 30 June 2010, and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1992* and Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE

JJ Tong
TECHNICAL AND QUALITY DIRECTOR
Delegate of the Auditor-General

HOBART
13 December 2010

This document is prepared for the use of the Tasmanian Audit Office and is not intended to be used for any other purpose. It is not to be relied upon for any other purpose.