

The background of the cover is a scenic landscape photograph. In the middle ground, a yellow stone church with a bell tower and a red roof is perched on a hillside. The church has several arched windows and a red door. The hillside is covered in dense green vegetation, including trees and shrubs. In the background, there are rolling hills and a clear blue sky. The overall scene is bright and sunny.

Annual Report 2010-2011

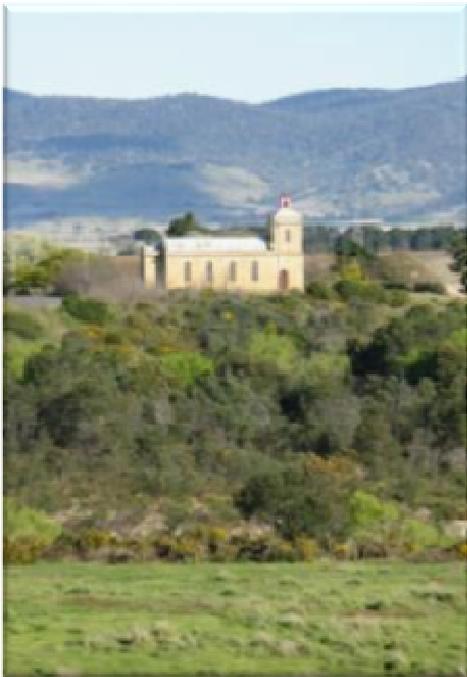


Image:
Avoca Village
Provided by:
Colin Eacher

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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 12,654 by the March 2011 ABS figures. This was 2.2% of the estimated State population that totalled 507,643.



MESSAGE FROM THE MAYOR



On behalf of Council, it is my pleasure to present to you the Northern Midlands Council 2010/2011 Annual Report.

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

During the past 12 months, Council has undertaken 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. Some of the major capital works undertaken during the past year include:

- ❖ Rural Road reconstruction including sections of Pateena Road Longford, Relbia Road Evandale, Liffey Road near Bracknell, and Macquarie Road Campbell Town
- ❖ Major stormwater upgrade in Smith Street and Wellington Street at Longford
- ❖ Upgrade and extension of the footpath network across the municipal area
- ❖ Replacement of the Brookstead Road timber bridge with a concrete structure
- ❖ Replacement of the Cressy Swimming Pool Amenities building and solar heating of the pool
- ❖ Construction of the Campbell Town Skate Park
- ❖ Upgrade of the Ross and Cressy Town Hall kitchens
- ❖ Installation of the Heritage Style Street Lamps in the township of Ross

The population of the Northern Midlands area is steadily increasing and despite the impact of the global economic crisis building approvals for the period July 2010 to June 2011 amounted to \$83m (compared to \$41.75m for the period July 2009 to June 2010). 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 2011 Australia Day celebration was held at the Poatina Village with awards presented to:

- ❖ Citizen of the Year - Ronald Denne
- ❖ Event of the Year - No 7 Elementary Flying School (7EFTS)—Western Junction Dedication Ceremony

Council continues to play a very pro-active role in working with individuals and the various organisations and groups that assist in a range of activities such as promoting our history and our heritage, our culture and community spirit and the general well-being of the community. I would



like to commend those residents who have given their time so generously by participating in our Local District Committees as well as our numerous management committees. Without their assistance, Council's tasks would be much more difficult.

During the period July 2010 to June 2011 an amount of \$19,489 was provided to 25 organisations that organised special events within the community and \$20,629 to a variety of organisations that assisted with the provision of human services such as the Helping Hand Association, Longford Care-A-Car Committee and the Campbell Town and Cressy Schools No-Dole Programmes. A further \$40,090 was provided to 15 sporting and community groups to improve their infrastructure.

This is a small contribution compared to the priceless gift of time given by our extra-ordinary volunteers.

I wish to acknowledge the exceptional commitment of all Council employees and express my appreciation to my fellow Councillors for their support.

I look forward to continuing to engage with the community in 2011/2012.



Kim Polley OAM
MAYOR



Australia Day Awards: Event of the Year 2011 – Dean Family photographed at the Dedication Memorial Ceremony to the RAAF No. 7 Elementary Flying School at Western Junction 1940-1945.



2010/2011 Volunteer Recognition Awards



GENERAL MANAGER'S REVIEW



The 2010/2011 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.

Council will be faced with many more challenges in the next five 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.

In July 2010 the Council's Workplace 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 twelve 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, Planning and Natural Resource Management Services) and Flinders Council (Governance and Accounting Services).

Council signed a resource sharing Memorandum of Understanding during the past twelve months with Launceston City Council, the agreement aims 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 over the past twelve months. 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 during 2010/2011. The demands placed on Councillors over the past twelve months 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

- ❖ Approximately 60% of the population resides in 5% of the area, that is, generally in the North which includes Longford, Perth and Evandale.
- ❖ Council is responsible for maintenance of 972 kms roads - more than any other council in the state.
- ❖ Council's annual turnover (all functions) in 2010/2011 was \$14.8 million (2009/2010 \$14.2 million).
- ❖ 47% of the total revenue of the municipality comes from rates; 31% from Government Grants, the remainder comes from user fees and other sundry revenue.
- ❖ Council's total ratepayer equity is \$255.5 million.

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

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

FACILITIES MAINTAINED

- | | |
|-----------------------------------|------------------------------|
| ❖ 572km of sealed roads | ❖ 25 community halls/centres |
| ❖ 400km of unsealed roads | ❖ 2 caravan parks |
| ❖ 148 concrete structures | ❖ 3 swimming pools |
| ❖ 37 timber deck bridges | ❖ 7 waste transfer stations |
| ❖ 8 ovals for sporting activities | |

Council controls property, plant and infrastructure assets amounting to \$204 million including \$28.2 million of land and buildings, \$135 million of roads and bridges and \$20.3 million of stormwater.



MUNICIPAL MAP



OUR STAFF

- ❖ Permanent 68 (61 EFT)
- ❖ Casual 17 (3 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 held Ordinary Council meetings monthly on a 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		
2010/11	2009/10	2008/09
92%	97%	93%

TOTAL REIMBURSEMENTS		
2010/11	2009/10	2008/09
\$161,151	\$158,070	\$142,689

NUMBER OF ITEMS CONSIDERED BY COUNCIL		
2010/11	2009/10	2008/09
369	348	345

COUNCILLOR ALLOWANCES & REIMBURSEMENTS		
	2010/2011	2009/10
Mayor Polley	\$44,465	\$45,233
Deputy Mayor Downie	\$24,233	\$25,790
Cr M Brooks	\$13,355	\$13,318
Cr A Calvert	\$14,279	\$11,693
Cr J Carins	\$12,074	\$11,693
Cr M Geeves	\$12,218	\$11,865
Cr I Goninon	\$12,074	\$12,443
Cr R Goss	\$12,635	\$12,056
Cr T Polley		\$3,471
Cr M Knowles	\$15,817	\$10,511

COUNCILLOR ATTENDANCE										
Date	Meeting	Councillor								
		Brooks	Calvert	Carins	Downie	Geeves	Goninon	Goss	Polley	Knowles
19/07/10	Ordinary	✓	x	✓	✓	✓	✓	✓	✓	✓
16/08/10	Ordinary	✓	x	✓	✓	✓	✓	✓	✓	✓
20/09/10	Ordinary	✓	✓	✓	✓	✓	✓	✓	x	✓
18/10/10	Ordinary	✓	✓	✓	✓	✓	x	✓	✓	✓
15/11/10	Ordinary	✓	✓	✓	✓	✓	x	✓	✓	✓
13/12/10	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
13/12/10	Annual	✓	✓	✓	✓	✓	✓	✓	✓	✓
17/01/11	Ordinary	✓	✓	x	✓	✓	✓	✓	✓	✓
21/02/11	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
21/03/11	Ordinary	✓	✓	x	✓	✓	✓	✓	✓	✓
18/04/11	Ordinary	✓	✓	✓	✓	✓	✓	x	✓	✓
16/05/11	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
20/06/11	Ordinary	✓	✓	✓	x	✓	✓	✓	✓	✓



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

MAYOR KIM POLLEY

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



DEPUTY MAYOR DAVID DOWNIE

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

COUNCILLOR MATTHEW BROOKS

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

COUNCILLOR ANDREW CALVERT

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

COUNCILLOR JEFF CARINS

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

COUNCILLOR 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 20 years and been heavily involved with the Perth Community Centre for the last 10 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	Councillor	Deputy Mayor D Downie
Members	Ms M McCallum Mr B Perkins Ms M-A Orchard	Mrs J Davis Ms S Hills Mrs J Lyne	Mr J Ashman Mrs H Roetman

Cressy Local District Committee

Chairperson	Mr S Saltmarsh	Councillor	Cr R Goss
Members	Mrs H Williams Mrs F Cox Mrs A Jenkins	Mrs S Cole Mr N Maxwell Mrs M Taylor	Mrs H Howard Mrs A Green

Evandale Local District Committee

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

Longford Local District Committee

Chairperson	Mr R Archer	Councillor	Cr M Brooks
Members	Mr D Betts Mr H Galea Mrs E Seymour	Mr R Keam Mr L Grant Mr P Schild	Mrs R McKinnon Dr T Flanagan

Perth Local District Committee

Chairperson	Mrs J Lambert	Councillor	Cr M Geeves
Members	Mr G Eberhardt Mr J Stagg	Mr O Nilon	Mr P Dell

Ross Local District Committee

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

Avoca, Royal George & Rossarden Local District Committee

Chairperson	Mrs C Freeman	Councillor	Cr M Knowles
Members	Mrs S Squires Mr A Hicks Mrs C Freeman	Mrs S Freeman Mr T Gee Mr H Reynolds	Ms M Hunt



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 2011/2012.

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 product development, 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 2010/2011 included providing continued support to the Inspiring Futures Program (previously No Dole Program) at Cressy and Campbell Town District High Schools; and coordinating 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, Longford, Cressy and the Avoca, Royal George and Rossarden area.



WATER QUALITY & SEWER SERVICES

The State Government reformed Water and Sewerage services in Tasmania which meant 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 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.

MAINTAINING CORE FUNCTIONS OF COUNCIL

One of the Council's core responsibilities is the on-going management of its total asset base. While Council has acknowledged its expanding role in community development, it must balance this with adequate maintenance and renewal of its assets.

During 2010/2011 Council spent \$2.8 million towards upgrading the road network and \$2.024 million towards maintaining the road asset base. An amount of \$85,000 was spent to replace one (1) bridge with concrete structures and widen one (1) box culvert, and \$470,000 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 is currently lobbying the Federal Government for the continuation of the Roads to Recovery Program after 2014 as, being the Council with the most road length in the State, it is imperative to ensure maintenance of this important infrastructure into the future.

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

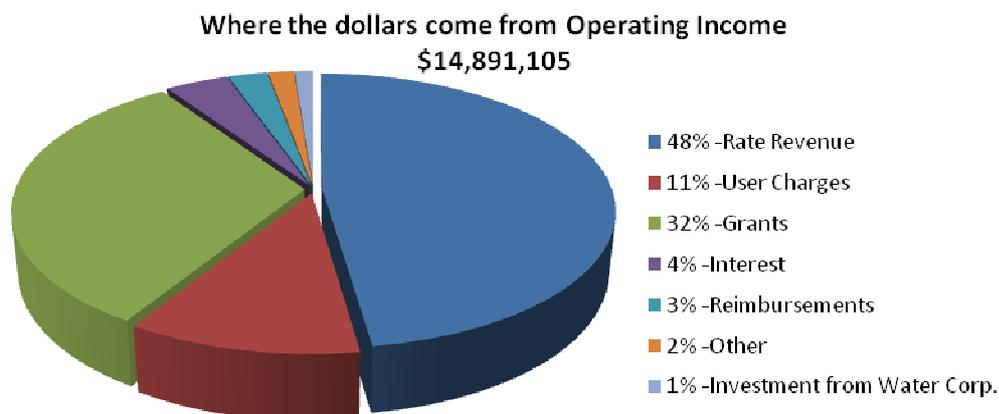
THE FINANCIAL STATEMENTS

The Statement of Comprehensive Income

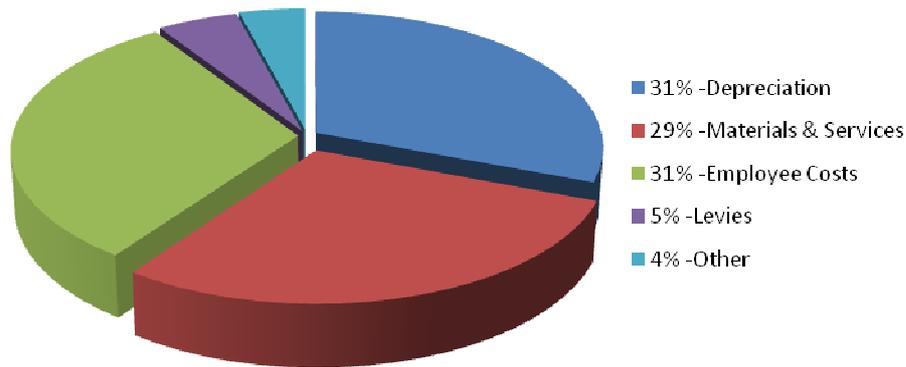
The Statement of Comprehensive Income provides information relating to

- ❖ 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 go Operating Expenditure
\$14,320,192**



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

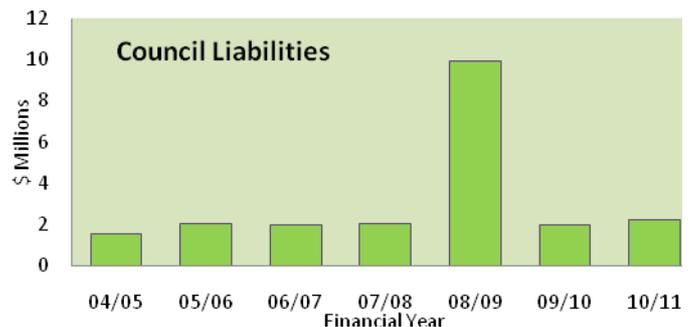
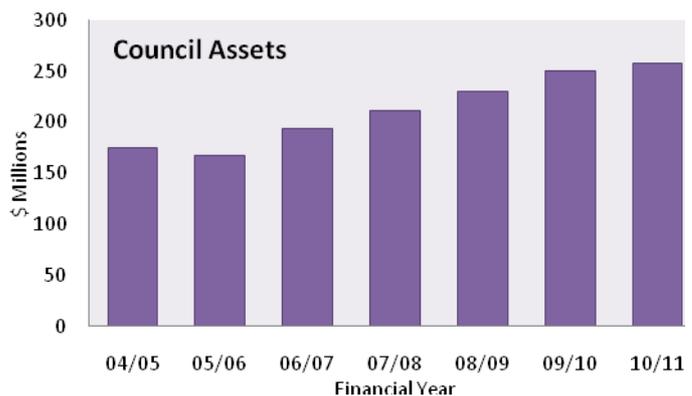
The Statement of Financial Position provides a snapshot of Council’s financial situation at the end of the financial year (30 June).

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.

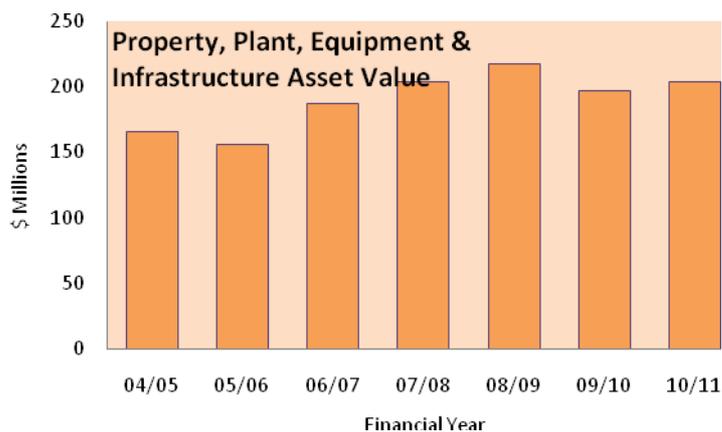
The Assets and Liabilities are separated into Current and Non-Current categories, Current Assets and Liabilities are those which will fall due within the next reporting period (the next financial year).



Current & Non-Current Assets

Current & Non-Current Assets include:

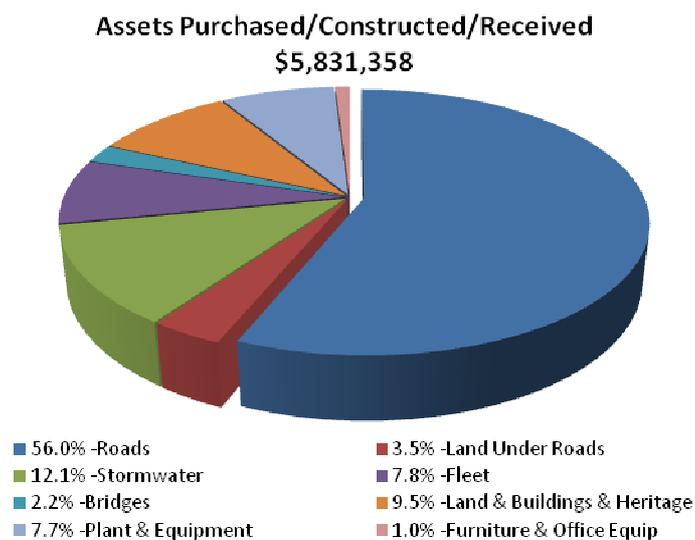
- ◆ Cash & cash equivalents – cash held in the bank, petty cash and cash investments such as term deposits.
- ◆ Trade & other Receivables – monies owed to Council by ratepayers and others who have been invoiced or billed.
- ◆ Other Assets – inventory and services which have been prepaid and monies owed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



Net Assets

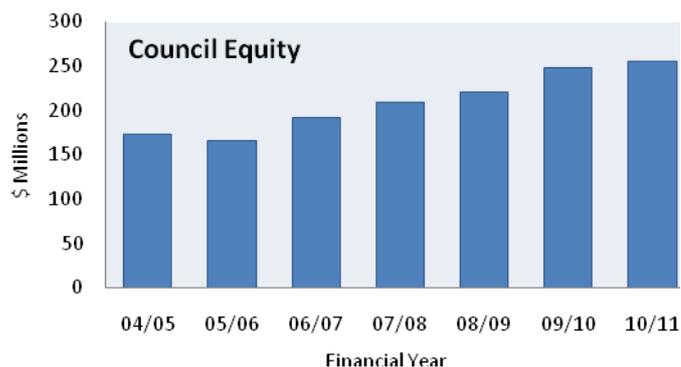
This term describes the difference between the value of Total Assets and Total Liabilities and represents the net worth of Council as at 30 June.



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 were held in 2010/2011. Attendance by the public was welcomed and copies of Meeting Agendas and supporting documentation were made available. A twenty (20) minute public question time was provided at each Council meeting at 6.45 pm.

Council held its Annual General Meeting on 13th December 2010.

Councillors had a Bus Tour of the municipal area meeting community groups and assessing budget priorities on 29 March 2011.

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.

Local District Committees established for areas of Longford and Cressy.

Reviewed the following governance policies: Recording of Meetings Policy, Councillor Allowances, Travelling & Other Expenses Policy, Code of Conduct for Elected Members Policy, Donations Policy and Code of Tendering & Procurement Policy.

Signed the Midlands Highway Partnership Agreement with the State Government.

Advanced actions on the 2nd Partnership Agreement between Council and the State Government



Premier Lara Giddings and Mayor Kim Polley signed the 2nd Partnership Agreement on 22 February 2011



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.

Lobbied the State Government to undertake urgent remediation to the intersection on the Midland Highway at Eskleigh and agreed to contribute 20% capped at \$40,000 towards the works.

Continued to be an active member of Northern Tasmania Development.

Entered into Shared Services Agreements with Launceston City Council and Ben Lomond Water in regard to flood warnings and flood response issues.

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 2011 Australia Day Awards were presented as part of a community event held at Poatina.

The following Australia Day Awards were presented:

- ◆ Citizen of the Year 2011 – Mr Ronald Denne for exceptional contribution to local community organisations over a number of years.

- ◆ Event of the Year 2011 – Dedication Memorial Ceremony to the RAAF No. 7 Elementary Flying School at Western Junction 1940-1945. Guests included 20 RAAF surviving veterans from the No 7 EFTS together with their family and friends who travelled from NSW, Victoria, ACT, South Australia and West Australia as well as veterans from throughout Tasmania.

Supported Eskleigh in its efforts to secure additional Government funding.

Supported the Northern Tasmanian Regional Strategic Plan Proposal.

Participated in the LGAT statewide residential satisfaction survey.

Donated \$2,000 to Rotary Appeal for flood relief in Queensland.



Ronald Denne recipient of the Award, Citizen of the Year 2011, photographed together with members of the Tasmanian Fire Service, Longford



Objective:

Human Resources:

To provide a workplace that promotes high productivity and job satisfaction

Performance:

Total payroll cost in 2010/2011 was \$3,653,041 compared to \$3,421,815 in the previous year. Other employee costs including payroll tax, superannuation, workers compensation, insurance, corporate uniform and leave provisions amounted to \$1,009,549.

Supported LGAT's proposal to focus on the development of a single modern Tasmanian Local Government Award.

Adopted a Human Resources Management Plan 2012-2013.



Dallas Crosswell – 40 years of service

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

Adopted an Occupational Health & Safety Policy and a Sun Protection Policy.

Reviewed Recognition of Employment Service Policy.

Service Certificates were presented the following staff members:

- ◆ Jacquie DeAngelis - 10 Years Service
- ◆ Anthony Arnold - 10 Years Service
- ◆ Dallas Crosswell - 40 Years Service
- ◆ Michael Leedham - 40 Years Service

During the past twelve months Tim Heron successfully completed Certificate III in Information Technology.

Provided performance appraisal and salary reviews for all staff.

Adopted a new 3 year Enterprise Bargaining Agreement effective July 2010 providing staff with a 3.4 percent wage increase per annum.

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

Senior Staff Remuneration		2010/2011	2009/10	2008/09
Between \$140,000 - \$160,000		1		
Between \$120,000 - \$140,000				1
Between \$100,000 - \$120,000		5	6	
Between \$ 80,000 - \$100,000				4
Specific Data		2010/11	2009/10	2008/09
Payroll costs		\$3,653,041	\$3,421,815	\$4,149,088
Superannuation contributions		\$430,165	\$397,946	\$430,181
Workers Compensation Insurance/Expenses		\$67,159	\$38,519	\$52,750
Annual & Long Service Leave Provisions		\$1,382,668	\$1,098,700	\$1,047,502
% of Payroll Capitalised		6.4%	7.5%	8.3%
Permanent Staff		61 EFT	61 EFT	71 EFT
Casual		3 EFT	4 EFT	4 EFT
Sick Leave Taken/Permanent Employees (paid days)		9.6	4.7	5.9



CORPORATE SERVICES

Corporate Services includes provision of financial services and information systems.

Objective:

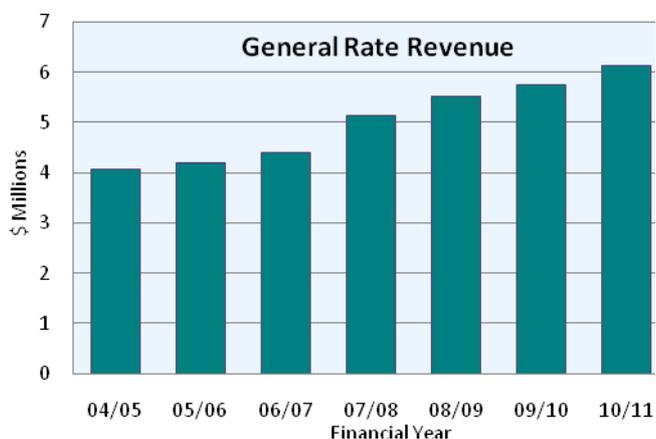
Financial Resources:

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

Performance:

Adopted a 2010/2011 Annual Plan and Budget on the 19th July 2010.

The Financial Statement for the year ended 30 June 2011 is appended to this report. Included is the Independent Audit report provided by the Tasmanian Audit Office.



Council's total revenue during 2010/2011 was \$14.8 million and expenditure was \$14.3 million, which resulted in an operating surplus of \$1,175,747 from ordinary activities (or an underlying net operating surplus of \$570,913 after adjustment for gain/loss on disposal of fixed assets and capital grants).

The Operating surplus for 2010/2011 of \$570,913 was \$284,486 more than budgeted.

Rate Revenue continued to be raised via a differential rating system in 2010/2011 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 3.65% resulting in total rate revenue amounting to \$7.1 million or 47.7% of operating

revenue and was generally within budget expectations. Rate receivables at 30 June 2011 represent 2.7% (2009/10 3.5%) of rate revenue. The Longford Flood Levee Separate Rate was raised for the 7th rating period.

Officers participated in the State review of Valuation and Rating during 2010/2011.

Commonwealth Financial Assistance Grant Revenue increased by \$167,252 in 2010/2011 to \$3.605 million. In addition, Council received \$1,343,785 special grant funding for projects including:

◆ Roads to Recovery	\$744,850
◆ Rural & Remote Child Care	\$159,760
◆ Heavy Vehicle Motor Tax	\$100,529
◆ Regional and Local Community Infrastructure Program	\$121,000
◆ Longford Community Sports Complex	\$100,000
◆ Perth Child Care Service	\$64,374
◆ Midlands Kids Club	\$26,652
◆ Restoration of Military Field Guns	\$10,000
◆ Longford Flood Mitigation	\$7,000
◆ Employee Training Programs	\$5,500
◆ Campbell Town Skate Park	\$2,000
◆ Campbell Town Pool Swimming Squad Establishment	\$1,417
◆ State Emergency Equipment Grant	\$703

User Charges Revenue was \$169,829 above budget mainly due to increased building levies collected in relation to major development at Western Junction.

Reimbursement Revenue was higher than budget which was mainly due to additional reimbursement revenue for trade waste disposal fees of \$210,000 which related to the previous financial period.



Investment revenue from Ben Lomond dividend distributions and tax equivalent income totaling \$178,582 was not included in the budget figures due to the uncertainty of the amount.

Operating Expenditure for the year was \$413,154 higher than budgeted mainly due to

- ◆ Additional Employee leave provision allowances of \$148,000
- ◆ Government Levies paid to State Government which were greater than budget due to additional building assessment levies at Western Junction.
- ◆ Special Committee expenditure which increased approximately \$74,000.

Council recorded a net increase in asset revaluation of non-current assets of \$6 million, and total changes in equity of \$7.6 million for the year.



Campbell Town Skate Park

Council recorded non-current infrastructure assets with a written down value of \$204 million (or Gross Value of \$285.7 million) as at 30 June 2011. (Note 13 in the financial statement provides a breakdown of asset values recognised.)

Payments for purchase/construction of fixed assets totaled \$5.08 million, representing 71% of budget.

Cash and investments totaling \$8.7 million were on hand at the end of the reporting period, which is an increase compared to last year of \$8.2 million. Cash and investments on hand represent money quarantined for the following areas:

- ◆ Roads/ Bridges/ Stormwater Infrastructure \$6.2m
- ◆ Grants for Committed projects \$1.1m
- ◆ Trust Funds & Employee Entitlements \$0.7m
- ◆ General Funds \$0.3m
- ◆ Waste Management \$0.3m
- ◆ Special Committees \$0.2m

The Tasmanian State Audit Office was appointed auditor for financial period ending 30 June 2011 at a cost of \$20,290 (2009/2010 \$22,000).

Council adopted a 2011/2012 Annual Plan and Budget on the 20th June 2011.

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.



Military Field Guns



Note:

Ratios are as prepared by the Tasmanian Audit Office (TAO) for inclusion in the Auditor General's Report to be tabled in Parliament in November 2011. In calculating the ratios the TAO makes a number of adjustments to the figures in Council Financial report, to more consistently report figures state wide, these adjustments include RTR Grants as noted in the operating surplus ratio commentary above, adjustment for grants received in advance and reclassification of interest revenue. Bench marks quoted are as provided by the TAO.

Operating Surplus Ratio

Operating Surplus Ratio:

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

Benchmark:

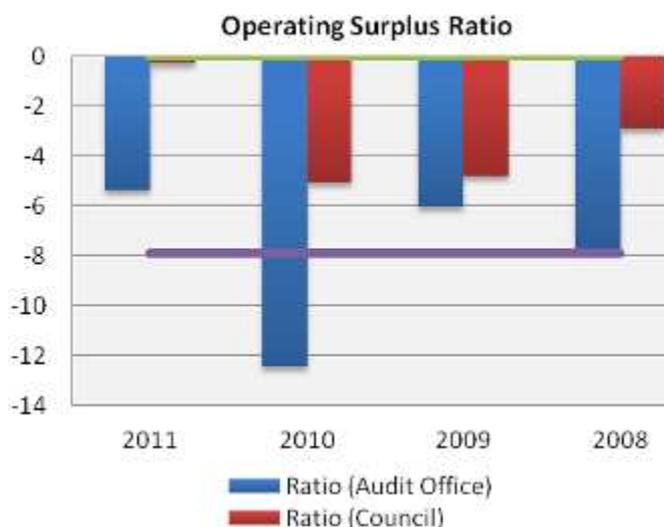
> 0

Audit Office Comment:

"Councils Operating surplus ratio reflects operating deficits recorded in each of the past four years. The negative ratios indicate council did not generate sufficient revenue to fulfil its operating requirements, including its depreciation charge".

Response to Audit Office Comment:

The Audit Office for its financial analysis has determined that Roads to Recovery (RTR) Grants amounting to \$744,850 (\$962,020 2009/10) be excluded from operating income for the purposes of its calculation, Council Officers believes that roads to recovery income should remain as operating income as per the audited accounts, this brings the ratios much closer to the benchmark ratio of 0.



Own Source Revenue

Own Source Revenue:

Measure of Council's ability to generate its own funding without reliance on recurrent government funding (operating revenue excluding grants divided by total operating revenue).

Benchmark:

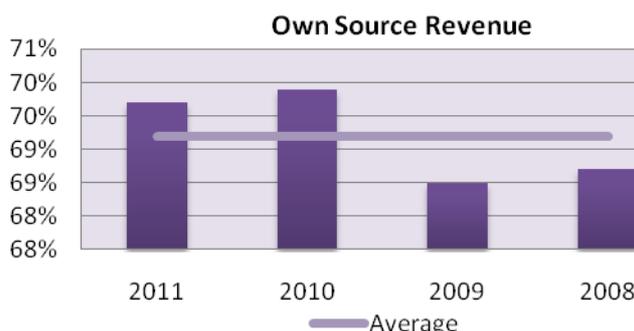
Not Provided

Audit Office Comment:

"Own Source revenue was constant over the period, with Council generating the majority of its operating revenue from its own sources. In 2010-11 it was reliant on grant funding to the extent of 28% (2009-10, 31%)".

Response to Audit Office Comment:

Nil.



Self Financing Ratio

Self Financing Ratio:

Measure of ability to fund the replacement of assets from cash generated from operations (cash flows from operations divided by total operating revenues)

Benchmark:

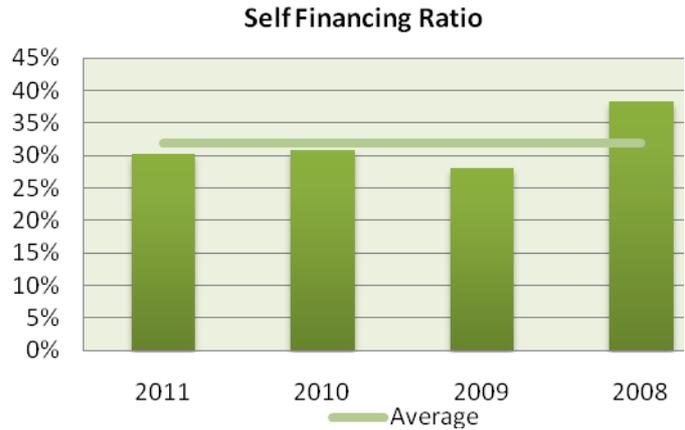
Not Provided

Audit Office Comment:

"Self financing ratios indicate Council was generating good operating cash flows which were contributing towards its capital expenditure programs".

Response to Audit Office Comment:

No further comment.



Current Ratio

Current Ratio:

Measure of ability to meet short term liabilities (total current assets divided by total current liabilities).

Benchmark:

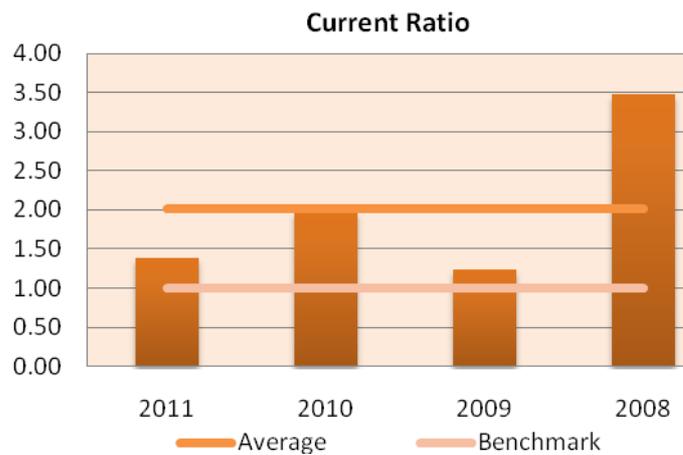
> 1

Audit Office Comment:

"Councils liquidity and Current ratios were generally above benchmark in all years indicating an ability to meet short-term commitments. This was due mainly to the large cash investments held at each year end".

Response to Audit Office Comment:

Agree with comment.



Asset Sustainability Ratio

Asset Sustainability Ratio:

Measure of maintenance of asset levels (expenditure on replacement and renewal of fixed assets divided by depreciation charge).

Benchmark:

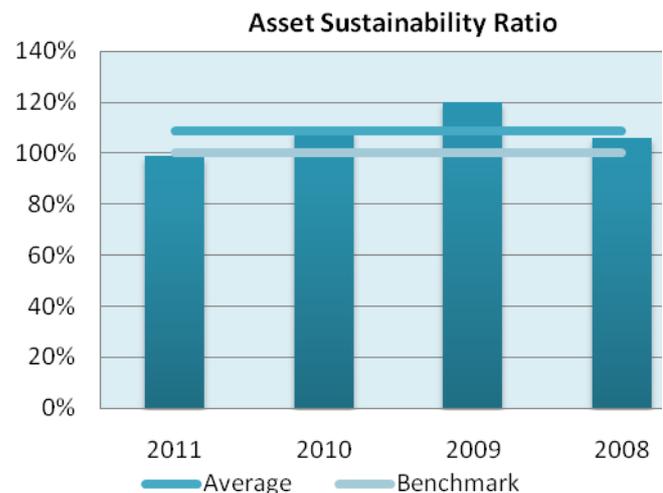
100%

Audit Office Comment:

"Asset sustainability ratios were above the 100% benchmark in the first three years under review, but declined in 2010-11 to be slightly below benchmark. Over the four year period, Council's average ratio was 109%, indicating it maintained its investment in existing assets at levels in excess of its annual depreciation charges".

Response to Audit Office Comment:

Nil.



Road Consumption Ratio

Road Consumption Ratio:

Measure of Council's Utilisation of road infrastructure assets (written down value of road assets divided by gross value of road assets).

Benchmark:

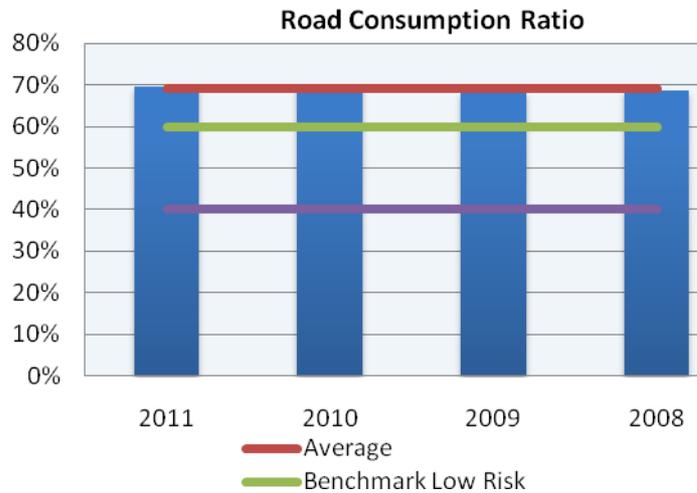
> 60% Low Risk < 60% & > 40% Medium risk
< 40% high risk

Audit Office Comment:

"The ratio at 30 June 2011 indicates Council has used (Consumed) approximately 30% of the service potential of its road infrastructure assets. This was a small improvement on the average ratio over the period of 69%. This result is considered a low financial sustainability risk and Council's road assets had sufficient capacity to continue to provide service to ratepayers".

Response to Audit Office Comment:

Agree with comment.



Net Financial Liabilities Ratio

Net Financial Liabilities Ratio:

Measure of Council's Liquidity position (liquid assets divided by current and non current liabilities)

Benchmark:

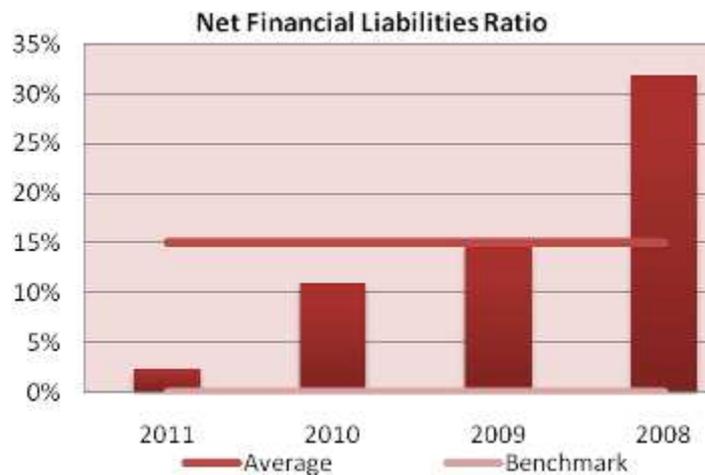
> 0% to -50 %

Audit Office Comment:

"Council recorded a positive Net financial liabilities ratio with liquid assets greater than than current and non-current liabilities in each year under review. This indicates a strong liquidity position, with Council able to meet existing commitments. Although the ratio is trending downwards, the ratio is still above our benchmark of between 0% and -50 %. However, the downward trend needs constant monitoring".

Response to Audit Office Comment:

Nil.



Objective:

Information Systems:

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

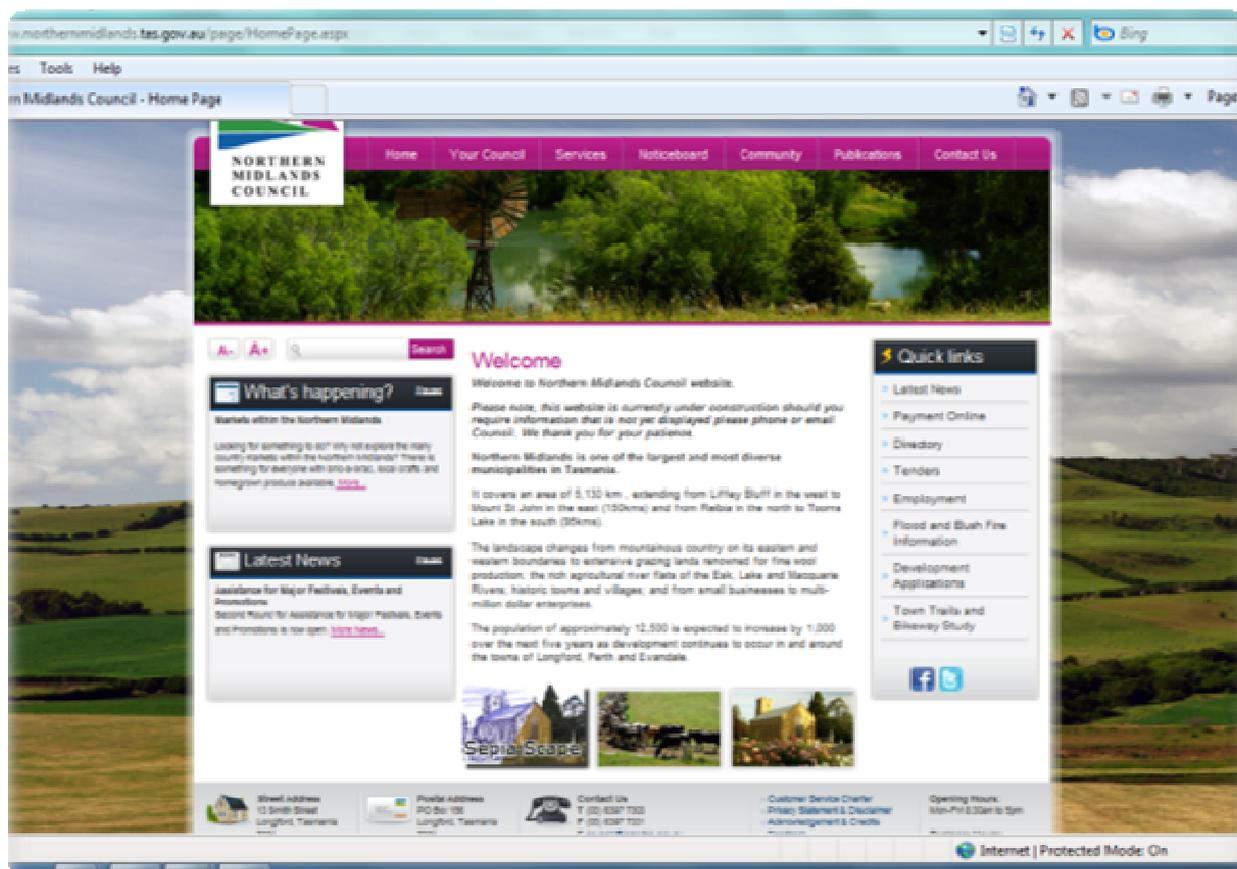
To deliver information management services to meet organisation, statutory and community needs

Performance:

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

Improvements to Information Technology systems as follows:

- ◆ Installed new Hi Fi sound system and projectors in the Ross Town Hall \$14,880;
- ◆ Upgraded 7 desktop/ laptop computers, \$8,811;
- ◆ Purchased a new connection switch, \$2,100;
- ◆ Purchased 3 cameras, several mobile phones and sundry items, \$8,884;
- ◆ Upgraded to the latest version of all Microsoft software products for all users and network servers;
- ◆ Upgraded Technology One records management system, \$17,386;
- ◆ Upgraded website design and engaged new hosting service.



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) \$3,626 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 boutique wine and brewery tour and a visit to Long Marsh Dam.
- ◆ Continuing an exceptional business person award to Longford, the 'Are you being served' Award.
- ◆ Developing a stronger presence for the Business Association in the south of the municipal area.
- ◆ Manage the Longford Economic Development Study, prepare the final reports, hold

consultative forums with business and community members and facilitate the development of the Longford Business Group.

- ◆ Organise career opportunity tours for local Grade 9 students to local businesses, aiming to encourage local students to gain higher education qualifications and to work in the Northern Midlands.
- ◆ Secure funding to develop and interactive iphone application for the Heritage Highway region.



Jon Erwin consulting with Longford Primary students (Grade 6) as part of the community consultations for the Longford Economic Development Study



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.

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

Development of a Northern Midlands Intratowns Trails / Bikeways Strategy.

Accepted ownership of 3 allotments at Rossarden located in Lee Street to be used as a public reserve.

Constructed the Campbell Town Skate Park at the War Memorial Oval.

Completed construction of a new barbeque shelter at Blackburn Park, Campbell Town.

Purchased 65 hectare reserve at Lake Leake.

Preparing funding applications for:

- ◆ Bishopsbourne Community Centre kitchen upgrade, \$8,559 secured.
- ◆ Participated on a steering committee for development of Northern Tasmania Mountain Biking and Cycling strategies.

Northern Midlands Community Sports Centre, Longford	2010/2011	2009/10	2008/09	2007/08
Gym Membership fees	25,870	\$26,326	\$21,158	\$19,832

Longford Caravan Park



*Barbeque Shelter
Blackburn Park*



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 \$15,000.

Worked with HHTRA's Board to:

- ◆ Develop and implement a business plan for the Association 2011-2012;
- ◆ 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' performance at the Interpretation Australia Symposium;
- ◆ Produce a 'Holiday at Home' TV promotional program for screening on Southern Cross TV across Australia on an ongoing basis;
- ◆ Produce high quality 30 second video clips on Ross, Longford and Oatlands, for screening regularly on Southern Cross TV and linked online;
- ◆ Blog, twitter and facebook the HHTRA;
- ◆ Plan the commemoration of 200 years since Governor Macquarie explored the Heritage Highway Region in December 1911;
- ◆ Assist Tourism Tasmania with reviews of the touring routes, regional marketing and future tourism marketing structure for Northern Tasmania;
- ◆ Secure funding for interactive ipod and imax screen installations at the Red Bridge Providore, Campbell Town;
- ◆ Develop 'Convict Connections' tour in collaboration with the National Trust (Tas);
- ◆ Hosted a symposium by the Managers of the eleven world heritage listed convict sites held in Longford;
- ◆ 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;

- ◆ 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;
- ◆ Continued the process to upgrade the town welcome signs across the Northern Midlands.

Working with Woolmers and Brickendon Estates World Heritage listing convict properties to leverage tourist number growth off the World Heritage listing.

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.

Collaborating with Octagon on the 2011 inaugural Longford Revival Festival.

Collaborated with Ten Days on the Island to achieve 6 events in the Northern Midlands.

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

Managing the Council/State Government Partnership Agreement relating to Tourism Development on Ben Lomond.

Secured funding for the renovation of the guns at the Perth and Ross War Memorials.

Working with Woolmers Foundation to introduce new major event to the Northern Midlands – 'The Festival of Roses'.

Participated on a working group (REASSIGN) exploring funding options to develop a Cultural Heritage Strategy for Northern Tasmania.

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. Contracted a local historian to research and write a book on the 200 years.

Supported Special Events within the area with \$19,489 Grants to:

- ◆ Ten Days on the Island \$4,024
- ◆ Targa Tasmania \$2,500
- ◆ Campbell Town Show \$1,000
- ◆ Australia Day Celebrations \$1,000
- ◆ Tas Trout Fishing Expo (Cressy) \$1,000
- ◆ Blessing of the Harvest \$1,000
- ◆ Longford Cup \$1,000
- ◆ Volunteer Recognition Event \$1,000
- ◆ John Glover Society Arts Festival \$1,000
- ◆ Longford Show \$1,000
- ◆ Evandale Village Fair \$1,000
- ◆ Woolmers 15th Birthday \$500

- ◆ Camp Quality Rock & Rod Fundraiser \$500
- ◆ Longford Fun Run \$500
- ◆ Tas Mountain Cattlemen's 24th Annual Get Together \$500
- ◆ Longford Revival Festival \$359
- ◆ P E Green memorial Cycling Road Race \$300
- ◆ Ross Rodeo \$256
- ◆ Fusion Australia Day Family Festival \$250
- ◆ RSL Longford-National Servicemen's Reunion \$200
- ◆ Fusion Poatina Open Day \$150
- ◆ Perth Primary School Fair \$150
- ◆ Ross Car Show \$123
- ◆ Remembrance Day \$100
- ◆ Ross Marathon \$77



Longford Revival Festival 2011



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); and before and after school care at Perth.

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).

Secured funding to furnish and equip the new child care centre being constructed in Campbell Town.

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 Inspiring Futures (formerly No Dole) Program in the two District High Schools.
- ◆ Promoting a positive image of youth through National Youth Week and Leadership projects.

Continued to advocate for the provision of community health services for Northern Midlands



Inspiring Futures - Career & Training Tour

Part A (the communities of Poatina, Cressy, Longford, Perth, Evandale and Devon Hills).

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.

Served on the Northern Midlands Early Learning Group that aims to improve service provision to families and children aged 0-4 years.

Collaborated with Central Highlands and Southern Midlands Councils to secure an application to the 'Healthy Communities' funding program.

Managed the introduction of the CORES suicide prevention training program into the Northern Midlands.



Objective:

Community Services:

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

Performance:

Participated on the Regional Community Recovery Committee.

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.

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

Secured funding for the Longford Anglican Parish's Christ Church clock upgrade project, giving an 1830's clock a 2011 GPS winding mechanism.

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 – funding secured.

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

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

Assisted with the establishment of the Longford Men's Shed.

Gained LGAT history award for the 100 years of local government in the Northern Midlands publication.



Council provided Donations totalling \$20,629 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)	\$3,811
◆ Longford Rotary Club for Queensland Flood Appeal	\$2,000
◆ Planning Fee Remission for community groups	\$1,245
◆ Helping Hand Association	\$1,000
◆ Longford Care-a-car Committee	\$1,000
◆ Longford Support Group	\$500
◆ Crimestoppers Tasmania	\$500
◆ Other flowers/cards	\$263
◆ Avoca, Evandale, Longford & Perth Primary School student achievement awards	\$140
◆ Perth Fire Brigade – Christmas Lolly Throw	\$50



Sporting Achievement Donations totalling \$200 were provided to:

◆ Miss Sydney Pitt	National Science & Engineering Competition	\$50
◆ Mr Andrew Collins	National Science & Engineering Competition	\$50
◆ Mr William von Stieglitz	Northern U15 Touch Football Team	\$50
◆ Mr Joshua Hall	School Sport Australian Track & Field	\$50
◆ Miss Kee Mansell	U15 Indoor Hockey Team	\$50
◆ Miss Ashley Gibson	Athletics Championships	\$50
◆ Miss Lauren Hall	U14 State Athletics Team	\$55
◆ Mr Jock Tate	Triathlon Team	\$55
◆ Mr Kurtis Franklin	Nth Tas U12 Soccer NSW Championships	\$55
◆ Ms Julie Zaporozec	Trans Tasman Bowls Test in New Zealand	\$110
◆ Mr Christopher Dudman	Trans Tasman Bowls Test in New Zealand	\$110
◆ Miss Chloe Pitt	U19 National Netball Championships	\$55
◆ Miss Lilli Rand	U13 Girls State Soccer Team	\$55
◆ Mr Kade Kolodjashnij	Tasmanian U16 Football Academy	\$55
◆ Mr Jake Kolodjashnij	Tasmanian u16 Football Academy	\$55
◆ Miss Madeleine Chick	Nth Tasmanian U13 Soccer Kanga Cup	\$55
◆ Mr Aaron Taylor	Tasmanian U18 Rugby Team	\$55
◆ Mr Latif Ucdereeli	Tasmanian U18 Rugby Team	\$55
◆ Mr Sam Goldsmith	Tasmanian U18 Rugby Team	\$55
◆ Mr Jesse Flakemore	Tasmanian U18 Rugby Team	\$55



*Lauren Hall:
Competing in
Newcastle State
U14 Little Athletics
Team*



*Josh Hall: Competing in Darwin in All
School Primary Exchange*

Burials/Placements performed in:	2010/2011	2009/10	2008/09	2007/08
◆ Lawn Cemetery	26	31	27	18
◆ Rose Gardens	13	12	18	8
◆ Niche Wall	2	3	2	2
Animal Control				
◆ Dog Registration	3,180	3,074	3,050	3,059
◆ Kennel Licences	63	53	59	63
◆ No. of Impounded Animals	96	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.

Agreed to lease the Campbell Town Court House for a 3 year term.

Agreed to lease the Avoca Old School at 16 Blenheim Street, Avoca for a term of 5 years.

Special Committees represent \$199,113 (including Council maintenance grants) operating income and \$170,134 operating expenditure in Council's financial statement. Special Committees capitalised assets of \$5,842 in 2010/2011 and ended the year with \$306,242 net assets.

Special committees of Council managed the following facilities during 2010/2011:

- ◆ Avoca Hall/Community Centre
- ◆ Avoca Tourism 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

Council allocated Special Project grants totalling \$40,090 to sporting and community groups as follows:

- | | |
|---|---------|
| ◆ Perth Recreation Ground Oval Rejuvenation | \$5,000 |
| ◆ Ross Community Sports Club Playground Equipment | \$5,000 |
| ◆ Ross Tourism Hub Group – AV Capability for Ross Hall | \$5,000 |
| ◆ Cressy Hall – Kitchen Appliance Upgrade | \$5,000 |
| ◆ Rossarden Progress Assoc. – Museum Toilet Upgrade & Storage | \$5,000 |
| ◆ Evandale Light Rail Society – Concrete Station Platform | \$3,000 |
| ◆ Ross Rodeo – Yard Upgrade | \$3,000 |
| ◆ Morven park Security Alarm & Painting | \$2,000 |
| ◆ Midlands Agricultural Society – Loading Ramp | \$1,500 |
| ◆ Longford Show Society – Tables/Chairs & Regravel Walkways | \$1,500 |
| ◆ Campbell Town Pool – Change Room & Kiosk Upgrade | \$1,000 |
| ◆ Cressy Trout Expo – Signage at Main Road and Brumby's Creek | \$1,000 |
| ◆ Fusion Australia – Automotive Training | \$1,000 |
| ◆ About Campbell Town Transit of Venus Exhibition | \$890 |
| ◆ Midlands Magic Netball Club – Training Equipment | \$200 |



Avoca Old School House



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 the Campbell Town Guide Hall renovation project funded under the Regional and Local Community Infrastructure Programme.

Replaced the Cressy War Memorial Swimming Pool Amenities Building, and provided solar heating for the pool, \$295,320.

Constructed new barbeque shelters at Blackburn Park Campbell Town and at the Public Reserve in Rossarden, \$64,715.

Renovated the Ross Town Hall kitchen, and the Cressy Town Hall kitchen, \$55,105.

Upgraded the Ross Caravan Park amenities, \$30,535.

Renovated the Longford General Cemetery Shed, \$14,844.

Upgraded the electrical works at the Evandale War Memorial Hall \$10,498.

Issued 284 building approvals totalling \$83.1 million.

Issued 1,050 Property Certificates (Sec 132 & 337), compared to 1,092 last year.

Adopted policy for oversized outbuildings in residential areas.



Cressy War Memorial Swimming Pool

Specific Data	2010/2011	2009/10	2008/09	2007/08
Applications approved	284	288	302	306
Dwellings	84	109	76	67
Add. to dwelling & out buildings	165	155	197	212
Industrial/Commercial	35	24	29	27
Value	\$83.13m	\$41.75m	\$37.81m	\$28.66m
Average Processing Time (Days)			13	15
♦ Building Permit	3	4	-	-
♦ Certificate of Likely Compliance	5	10	-	-
♦ Plumbing Permit	14	11	-	-
No of Inspections	829	997	1,011	1,012
Septic Tank & AWTs Applications	23	11	8	14
Licensed places of assembly	46	40	45	41



Objective:

Health:

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

Performance:

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

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

The Community Health Report addressed targets within the areas of:

- ◆ Infection Disease Control
- ◆ Prevent and Control of Disease
- ◆ Unhealthy Premises
- ◆ Public Health Risk Activities
- ◆ Regulated Systems for Air (Cooling Towers)
- ◆ Water Quality
 - Recreation water quality
 - Environmental waterways
- ◆ Environmental Protection
 - Dairy sheds
 - Refuse Transfer Stations
 - Environmental Incidents & Environment Nuisance Complaints

- ◆ Food Surveillance
 - Registered food premises
 - Food sampling program
 - Temporary food premises
- ◆ Cemeteries
- ◆ Management and Administration

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

- ◆ Plant emissions at Mt Joy road
- ◆ Mine tailings and river water quality at Royal George
- ◆ Tyre storage at Longford and Perth
- ◆ Smoke from agricultural burn-offs at Devon Hills.

Specific Achievements/Issues within the Community Health Report	2010/2011	2009/10	2008/09	2007/08
Notifiable diseases investigated	5	8	1	4
School immunisations administered	343	272	385	479
Drinking water health standard	n/a	n/a	97.4%	98.07%
Recreation water tests	60.2%	64.2%	79.4%	75.5%
Environmental nuisance complaints	35	19	22	28
Registered food premises	135	136	126	127
Food premises inspected	142	144	125	87
Registered temporary food premises	74	58	10	24
Public environmental incidents	4	4	3	3



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:

Continued with review of Planning Scheme to incorporate State Template (i.e. Interim Scheme), and participation in the Northern Tasmanian Regional Planning Project.

Implemented Tasmanian Planning Commission Planning Directive – Standards for Single Dwellings in current Planning Schemes.

Continued with preparation of Development Plans for Campbell Town, Cressy, Evandale, Longford and Perth.

Received 364 planning applications including:

- ◆ Longford Revival Festival at Pateena Road
- ◆ Campbell Town water treatment plant
- ◆ Campbell Town early learning centre

- ◆ Upgrade fish-hatching facility at Burlington Road, Cressy
- ◆ Alterations & extensions to abattoir at Burlington Road, Cressy
- ◆ Extension to value-adding plant at Macquarie Settlement Road, Cressy
- ◆ Redevelopment of service station/restaurant/takeaway; & temporary service station at Campbell Town
- ◆ Anaerobic digester & fertiliser batching facility at Bishopsbourne Road, Longford

Approved 339 applications, including 38 new houses, 40 new units, 46 new sheds, 20 new lots.

Refused 10 applications, and 17 were withdrawn.

Received 9 Notices of Appeal from RMPAT.

Increased follow-up of illegal works and non-compliance with planning permits, including issuing 25 planning notices.



Above: Statewide/Woolworths distribution centre at TRANSlink

Below: Brown's shopping complex, 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 – which delivers mechanisms as outlined in the Caring for Our Country Business Plan and Regional Strategy. For further details please go to www.nrm.gov.au or www.nrmnorth.org.au

Ongoing facilitation of Natural Resource Management Special Committee of Council.

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

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

Support and facilitation of devolved grant submissions for landholders.

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

Manned NRM exhibition at the Royal Campbell Town Show

Manned NRM exhibition at Cressy Trout Fishing Expo.

Adoption of Northern Midlands Council Integrated Weed Action Plan and facilitation of weed training

for Council Infrastructure staff in collaboration with NRM North & DPIPW.

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

Established the Nile Catchment Community Forum.

Participation on the Macquarie River Water Management Consultancy Group.



Cressy Trout Expo



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 40,126² of urban, and 14,105² rural pavement at a total cost of \$1,232,613.

Resheeted gravel roads at a total cost of \$194,845.

Reseals

Sealed 39,720m² new or reconstructed pavement; and resealed 116,123m² of the total sealed road network at a cost of \$966,702.

Roads to Recovery Projects (included in above)

- ◆ Pateena Road, Longford – reconstruction
- ◆ Liffey Road, Bracknell – reconstruction

at a cost of \$602,064.

Footpaths

Constructed/reconstructed footpaths at a cost of \$403,270:

- ◆ 225m² hotmix
- ◆ 2,150m² concrete.

Other Road Infrastructure

- ◆ Constructed 1,595m kerb and channel at a cost of \$334,673.
- ◆ Purchased road plant / vehicles at a net cost of \$457,211.
- ◆ Recognised subdivision road assets transferred to Council, \$432,840.
- ◆ Worked with developer to improve drainage and pavement in Wellington Street, Longford between the railway entrance and Union Street



Pateena Road reconstruction

- ◆ Continued with the Main Street Improvement Projects at Longford and Ross.
- ◆ Approved new street names – Minerva Drive and Partington Court at Perth.
- ◆ Lobbied State Government to improve the Midlands Highway /Eskleigh Road intersection.

Stormwater

Installed various stormwater pipes and associated manholes and gully pits at a cost of \$474,244.

Received a report on the West Perth Drainage Study.



Objective:

Bridges:

To manage bridges to ensure safety and maximum life span.

Performance:

Replaced 1 bridge or 52m² of timber bridge deck area with a concrete structure on Brookstead road, widened 1 box culvert on Relbia Road, installed guard rail on bridge at Saundridge Road at a total cost of \$85,389.

Took responsibility of the new Baptist Camp Road bridge at Liffey with a value of \$43,579.



Brookstead Road bridge

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, and adopted the Waste Management Agreement for Northern Tasmania.

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 a five year contract with Les Walkden for the mulching of green waste from the waste transfer stations.

Accepted a three year contract with Aussie Waste Management for removal of waste material from the waste transfer stations.

Replaced mobile garbage bins as required.



MAJOR WORKS

Action Plan Checklist - Legend

Completed

In Progress/on track

Ceased

ROAD INFRASTRUCTURE:

Action

Campbell Town

High Street – footpath reconstruction Church to Peddar

Glenelg Street – Road reconstruction and kerb King to Queen

Macquarie Road – Road reconstruction

Cressy

Main Street – footpath reconstruction

Evandale

High Street – footpath reconstruction

High Street – verge and kerb reconstruction Russell

Recreation Ground – reconstruction parking area

Relbia Road – road reconstruction

Longford

Pakenham Street – footpath reconstruction High to Pultney

Burghley Street – footpath reconstruction William to High

Tannery Road – footpath reconstruction railway to factory entrance

Wellington Street – footpath reconstruction railway to Union

Wellington Street – footpath reconstruction Malcombe to Bulwer

Smith Street – footpath reconstruction George to Wellington

Catherine Street – traffic calming

Catherine Street – reconstruction Cressy Road intersection

Liffey Road – road reconstruction

Musk Valley Road - realignment

Pateena Road – road reconstruction

Smith Street – reconstruct verge and kerb George to Wellington

Wellington Street- reconstruct verge

Perth

Drummond Street – footpath reconstruction to Midland Highway

Scone Street – footpath reconstruction to Midland Highway

Philip Street – footpath reconstruction Midland Highway to Banksia Grove

Main Street – reconstruct verge and side driveways Arthur to Philip



Recreation Ground – reconstruction of roadway and parking area	<input checked="" type="checkbox"/>
Fairtlough Street – road reconstruction from Arthur	<input checked="" type="checkbox"/>
Main Street – reconstruct verge Arthur to Philip	<input checked="" type="checkbox"/>
Mulgrave Street – road reconstruction from Seccombe	<input type="checkbox"/>
Old Punt Road – road reconstruction Midland Highway to William	<input type="checkbox"/>

Ross

Caravan Park – reconstruction roadway and parking area	<input checked="" type="checkbox"/>
Main Street – road reconstruction	<input checked="" type="checkbox"/>

URBAN STORMWATER:

Action

Evandale

Collins Street	<input type="checkbox"/>
Devon Hills	<input checked="" type="checkbox"/>

Longford

Smith Street – George to Latour	<input checked="" type="checkbox"/>
Wellington Street – Railway to Union	<input checked="" type="checkbox"/>

Ross

Tunbridge Tier Road - culverts	<input type="checkbox"/>
--------------------------------	--------------------------

BRIDGES:

Bridge Action

Relbia Road - Widen existing culvert	4208	<input checked="" type="checkbox"/>
Leona Road, South Esk - Timber to Concrete abutments	1135	<input type="checkbox"/>
Brookstead Road, St Pauls River - Concrete abutments	1129	<input checked="" type="checkbox"/>

RECREATION, BUILDING & COMMUNITY:

Action

Avoca

Avoca Hall - Doors	<input checked="" type="checkbox"/>
Old School - Building upgrade	<input type="checkbox"/>
Boucher Park - Sprinkler System	<input type="checkbox"/>

Campbell Town

Campbell Town Recreation Ground - Toilets	<input type="checkbox"/>
Campbell Town Recreation Ground - Arena fence	<input checked="" type="checkbox"/>
South of Red Bridge - Overnight camping area	<input checked="" type="checkbox"/>
Blackburn Park - BBQ	<input checked="" type="checkbox"/>
Skate Park - Construction	<input checked="" type="checkbox"/>



Cressy

Cressy Hall - Kitchen upgrade



Main Street - Street trees



Epping Forest

Epping Forest Hall - Paint



Evandale

Evandale Memorial Hall - Upgrade electrical cabinet & supply to memorial



Falls Park - Paint Roof



Falls Park - Toilets



Russell Street - Street Lighting



Falls Park - Replace hedge



Morven Park - Replace fence



Lake Leake

Lake Leake - septic tank improvements



Longford

Longford Library - Replace roof



Marlborough Street - Bus Shelter



Public Open Space – Upgrade Footpaths Stage 1



Little Athletics - Runups and sandpits



Recreation Ground - Raw Water System



Mill Dam - Improvements



St George's Square - Improvements



Main Street Program - Street Sculptures, trees, furniture



Longford Sports Centre - Equipment



Perth

Drummond Crescent - Bus Shelter



Perth River - Willow removal



Ross

Caravan Park Amenities



Ross Hall - Kitchen upgrade



Church Street - Heritage Street Lighting



Rossarden

Park - BBQ Shelter



REPORTING ON LEGISLATIVE REQUIREMENTS

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

Public Tenders:

Description of Contract	Period of Contract	Periods of any option for extending the contract	Value of Tender Awarded (excl. GST)	Business Name (successful contractor)	Business Address (successful contractor)	Minute Reference	Contract No.
Kerbside Waste Collection	1 July 2010 to 1 May 2019	2 years	\$128,775 p.a. plus cpi	Aussie Waste Management	128 Mornington Road, Mornington 7018	132/10	10/01
Kerbside Recycling Collection	1 July 2010 to 1 May 2019		\$155,439 p.a. plus cpi	Veolia Waste Management	PO Box 431, Rosny 7018	133/10	10/02
Kerbside Recycling Processing	1 July 2010 to 1 May 2019		\$59,587 p.a. plus cpi	Veolia Waste Management	PO Box 431, Rosney 7018	134/10	10/03 A
Management of Waste Transfer Stations	1 July 2007 to 30 June 2010		\$202,871 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 2011 to 30 June 2014		\$148,000 p.a. plus cpi	Aussie Waste Management	128 Mornington Road Mornington 7018	144/11	11/01
Replacement of Glen Esk Bridge Deck			\$318,969	Bridge Pro	PO Box 3253, Ulverstone 7315	61/10	11/04
Leona Bridge Replacement			\$163,789	VEC Civil Engineering	PO Box 812, Ulverstone 7315	198/10	10/03

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 2010-2011 Council provided allowances and reimbursements of all reasonable to the Mayor, Deputy Mayor and Councillors. The total amount of these payments was \$161,151 (compared to \$158,070 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 2010-2011 Council donations under section 77 as listed on page 37, and rate remissions under its Rate Remission Policy totaling \$41,289 (2009-2010 \$37,358).

Donation of Land (Local Government Act)

During 2010-2011 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)

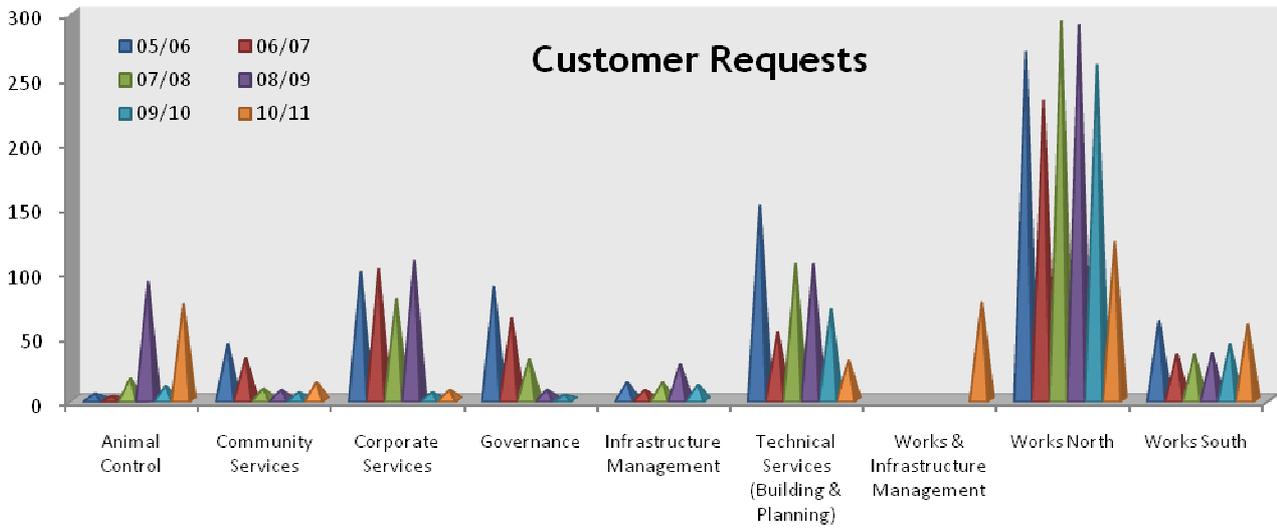
Council is committed to protect and promote the health and well being of its communities and spent \$106,755 on health projects in 2010/2011 (2009/10 \$125,730). Please refer to page 41 for further details of Council's Community Health Report.

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 four (4) new applications under the Right to Information for the period 1 July 2010 to 30 June 2011. 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.





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STATEMENT OF COMPREHENSIVE INCOME – FOR YEAR ENDED 30 JUNE 2011

	Note	2011		2010		2011 Budgeted	
		\$	%	\$	%	\$	%
INCOME							
Rate Revenue		7,108,605	47.74	6,565,775	46.11	7,158,066	50.43
Grants	4	4,718,905	31.69	5,103,159	35.84	4,608,203	32.47
User Charges		1,653,100	11.10	1,460,077	10.25	1,483,271	10.45
Interest		606,555	4.07	497,629	3.49	593,670	4.18
Reimbursements		377,148	2.53	372,728	2.62	90,549	0.64
Investment revenue from Water Corporation	5	178,582	1.20	1,241	0.01	-	0.00
Other		248,210	1.67	238,421	1.67	259,706	1.83
		14,891,105		14,239,030		14,193,465	
EXPENSES							
Employee Benefits	7	4,429,465	30.93	3,957,569	29.34	4,299,271	30.71
Materials & Services	8	4,166,742	29.10	3,910,028	28.99	4,028,078	28.77
Depreciation and Amortisation	9	4,410,078	30.80	4,405,258	32.67	4,582,220	32.72
Government Levies & Charges		722,949	5.05	676,524	5.02	622,066	4.44
Other	10	590,958	4.13	536,563	3.98	471,390	3.37
		14,320,192		13,485,942		14,003,025	
		570,913		753,088		190,440	
SURPLUS(DEFICIT) BEFORE:							
Capital grants received specifically for new or upgraded assets	4	230,000		300,500		251,000	
Contribution of non-monetary Assets	13	931,639		1,737,228		-	
Gain/(Loss) on disposal of Fixed Assets	6	(556,805)		(1,396,967)		-	
		1,175,747		1,393,849		441,440	
NET SURPLUS(DEFICIT) BEFORE							
Net Increase in asset revaluation reserve arising from revaluation of Non-Current Assets	13	6,007,156		28,466,756		-	
Financial Asset Available for Sale: Fair value adjustment on investment in Ben Lomond Water	2	479,121		(2,443,379)		-	
		7,662,024		27,417,226		441,440	
		7,662,024		27,417,226		441,440	

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

STATEMENT OF FINANCIAL POSITION – AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and Cash Equivalents		1,998,603	2,891,596
Trade and Other Receivables	11	555,266	532,485
Inventory	12	23,760	21,264
		2,577,629	3,445,345
NON-CURRENT ASSETS			
Work in Progress - at cost		470,838	287,386
Property, Plant & Infrastructure	13	204,038,019	197,317,313
Financial Assets		6,756,259	5,359,945
Investment in Ben Lomond Water	2	43,876,767	43,397,646
		255,141,883	246,362,290
TOTAL ASSETS		257,719,512	249,807,635
CURRENT LIABILITIES			
Trade and Other Payables	14	829,041	863,156
Provisions	15	1,033,889	889,624
		1,862,930	1,752,780
NON-CURRENT LIABILITIES			
Provisions	15	348,779	209,076
		348,779	209,076
TOTAL LIABILITIES		2,211,709	1,961,856
NET ASSETS		255,507,803	247,845,779
RATEPAYER EQUITY			
Accumulated Surplus		133,990,633	132,814,886
Reserves		121,517,170	115,030,893
		255,507,803	247,845,779

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 2011

	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserves
2011	\$	\$	\$	\$
Ratepayer Equity at beginning of the year	247,845,779	132,814,886	115,030,893	-
Write back of Water and Sewer Asset Revaluation Reserve to Accumulated Surplus	-	-	-	-
Restated Ratepayer Equity at Beginning of Year	247,845,779	132,814,886	115,030,893	-
Comprehensive Result	7,662,024	1,175,747	6,007,156	479,121
Ratepayer Equity at end of the year	255,507,803	133,990,633	121,038,049	479,121

	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserves
2010	\$	\$	\$	\$
Ratepayer Equity at beginning of the year	220,428,553	118,396,158	102,032,395	-
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	133,864,416	86,564,137	-
Comprehensive Result	27,417,226	(1,049,530)	28,466,756	-
Ratepayer Equity at end of the year	247,845,779	132,814,886	115,030,893	-

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 2011

	Note	2011		2010	
		\$	\$	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES					
Outflows					
Employee Costs		(4,131,098)		(3,879,461)	
Materials and Services		(5,138,565)		(5,374,299)	
Levies Paid		(722,949)		(676,524)	
Other		(530,042)		(457,947)	
Inflows					
Receipts from Ratepayers		7,089,590		6,515,644	
Government Grants		4,754,754		5,141,478	
User Charges		1,698,116		1,930,173	
Interest Received		588,291		390,323	
Other		625,357		611,148	
Receipts from Australian Taxation Office		793,531		854,039	
Net Cash Provided by Operating Activities	20		5,026,985		5,054,574
CASHFLOWS FROM INVESTING ACTIVITIES					
Outflows					
Purchase of fixed assets		(1,746,905)		(411,752)	
Payment for construction of fixed assets		(3,336,265)		(5,260,417)	
Payments for purchase of financial assets - Investments		(1,396,314)		(5,359,945)	
Inflows					
Capital Grants		230,000		300,500	
Investment Revenues		178,582		1,241	
Proceeds from sale of fixed assets		150,924		150,584	
Net Cash Provided by (Used in) Investing Activities			(5,919,978)		(10,579,789)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD			(892,993)		(5,525,215)
Cash and Cash Equivalents at the Commencement of the Period			2,891,596		8,416,811
NET CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD			1,998,603		2,891,596

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT – FOR THE YEAR ENDED 30 JUNE 2011

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 does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not for profit entities.

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

(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/ Interpretation	Summary	Applicable for Annual Reporting Periods	Impact on Local Government Financial Statements
AASB 9: Financial Instruments, AASB 2009–11 and AASB 2010-7 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]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> • simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; • removing the tainting rules associated with held-to-maturity assets; • removing the tainting rules associated with held-to-maturity assets; • simplifying the requirements for embedded derivatives; • removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; • allowing an irrevocable election on initial 	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.

Standard/ Interpretation	Summary	Applicable for Annual Reporting Periods	Impact on Local Government Financial Statements
	<p>recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and</p> <ul style="list-style-type: none"> • reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows. 		
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.
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 makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2010-5 : Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140,	This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Report. There is no financial impact resulting from the application of this revised Standard.	Applicable for annual reporting periods commencing on or after 1 Jan 2011	These amendments are not expected to impact Council

Standard/ Interpretation	Summary	Applicable for Annual Reporting Periods	Impact on Local Government Financial Statements
1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010).			
AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7].	This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.	Applicable for annual reporting periods commencing on or after 1 Jan 2011.	These amendments are not expected to impact Council
AASB 1053: Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of for preparing general purpose financial statements. This reporting requirements Standard is not expected to impact Council. However, it may affect disclosures if reduced disclosure requirements apply.	Applicable for annual reporting periods commencing on or after 1 Jan 2013.	These amendments are not expected to impact Council
AASB 1054: Australian Additional Disclosures	This Standard sets out the specific disclosures for entities that have adopted Australian Accounting Standards that are additional to the requirements under International Reporting Standards, including disclosures relating to the nature of the financial report, audit fees and the reconciliation of net operating cash flows to net result.	Applicable for annual reporting periods commencing on or after 1 Jan 2011.	This standard is not expected to have a financial impact.

(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.

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

- ◆ *Fair Value of Property Plant & Equipment*
Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 1(f).
- ◆ *Defined benefit superannuation fund obligations*
Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 22.

- ◆ *Employee entitlements*
Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 1(g).

(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 acquisitions 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 and all other costs incurred) in getting the asset ready for use.

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

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

‘Fair value’ means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arms length transaction.

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

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

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

iv) Valuation of Non-Current Assets

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

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

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

Asset	Valuation basis
Land	Fair value
Land Under Roads	Fair value
Buildings	Fair value
Flood Levee Infrastructure	Cost
Furniture, Fittings & Office Equipment	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	100
- Non-Depreciable Component	Unlimited
Furniture, Fittings & Office Equipment	2 – 20
Fleet	2 – 20
Heritage Assets - Depreciable Component	20 - 100
- Non-Depreciable Component	Unlimited
Plant & Equipment	10
Roads Infrastructure - Depreciable Component	10 – 70
- Non-Depreciable Component	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 22.

iii) Annual Leave

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

iv) Long Service Leave

The liability for employee entitlements to long service leave represents the value of the estimated future cash outflows to be made by Council resulting from employees' services provided up to the balance date. In determining "pre-conditional" entitlements, the amount of cash outflows required to be made by Council in the future have been estimated on a group basis after taking into consideration Council's experience with staff departures.

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

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

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

v) Classification of Employee Benefits

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

vi) Sick Leave

Council does not recognise a liability for sick leave because such leave is non-vesting and because it is probable that sick leave expected to be taken in future reporting periods will be less than entitlements which are expected to accrue in those periods. Employees receive 10 days sick leave per year and the average sick leave taken by each employee for the 2010/11 financial year was 9.6 days (2009/10 was 4.7 days).

vii) Rostered Days Off

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

vii) Number of Employees

Number of employees as at 30 June are:

	Total	Full Time Equivalent	Total	Full Time Equivalent
	2011	2011	2010	2010
Permanent	68	61	67	61
Casual	17	3	18	4
Total	85	64	85	65

(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 24.

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) Website Costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(o) Taxation

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

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

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.

(p) Budget Figures

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

(q) Rounding

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

2. WATER AND SEWER INFRASTRUCTURE

At 30 June 2011, Council had an ownership interest in the net assets of the corporation of 8.9%, as per advice from the Department of Treasury and Finance. 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.

	2011 \$	2010 \$
Opening Balance Investment in Water and Sewerage Corporation	43,397,646	-
Net assets transferred 1 July 2009	-	45,841,025
Change in fair value of investment	479,121	(2,443,379)
Total Investment in Water and Sewerage Corporation	43,876,767	43,397,646

3. FUNCTIONS/ACTIVITIES OF THE COUNCIL

(a) Functions/Activities of the Council

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

Details of the functions/activities of each Business Unit are set out in Note 3 (b).

	2011		2010	
	\$	\$	\$	\$
<u>Governance</u>				
Income				
Grants	100,496		1,123,134	
Other	1,297,342		6,000,509	
<i>Total</i>		1,397,838		7,123,643
<i>Expenses</i>		1,180,705		1,136,413
Surplus (Deficit)		217,133		5,987,230
ASSETS		87,052,536		84,219,132
<u>Economic & Community Development</u>				
Income				
Grants	398,251		252,865	
Other	922,398		378,497	
<i>Total</i>		1,320,649		631,362
<i>Expenses</i>		1,206,864		1,080,127
Surplus (Deficit)		113,785		(448,765)
ASSETS		377,402		405,680

	2011		2010	
	\$	\$	\$	\$
Planning & Development				
Income				
Grants	119,996		33,618	
Other	1,317,256		659,709	
<i>Total</i>		1,437,252		693,327
<i>Expenses</i>		1,419,726		1,180,818
Surplus (Deficit)		17,526		(487,491)
ASSETS		315,885		288,178
Works & Infrastructure				
Income				
Grants	4,100,162		3,693,542	
Other	6,635,204		2,097,156	
<i>Total</i>		10,735,366		5,790,698
<i>Expenses</i>		10,512,897		10,088,584
Surplus (Deficit)		222,469		(4,297,886)
ASSETS		169,973,689		164,894,645
TOTAL				
Income				
Grants	4,718,905		5,103,159	
Other	10,172,200		9,135,871	
<i>Total</i>		14,891,105		14,239,030
<i>Expenses</i>		14,320,192		13,485,942
Surplus (Deficit)		570,913		753,088
ASSETS		257,719,512		249,807,635

(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 and Recreation Management

Planning & Development

The provision of the following services to Council:

Planning, Building, Health & Environmental Management and 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:

	2011		2010	
	\$	\$	\$	\$
Federally funded capital grants				
Regional & Local Community Infrastructure Program	121,000		118,000	
		121,000		118,000
Other federally funded grants:				
Employee Training Programs	5,500		9,100	
Midlands Kids Club	32,931		-	
Perth Child Care Service	57,215		37,942	
Roads to Recovery	744,850		962,020	
Rural & Remote Child Care Service	159,760		157,400	
Commonwealth financial assistance grant	3,605,120		3,437,868	
		4,605,376		4,604,330
State funded capital grants				
Campbell Town Skate Park	2,000		-	
Flood Mitigation Longford	7,000		-	
Roads Black Spot	-		122,500	
Cressy Pool Amenities Building	-		10,000	
Longford Community Sports Complex	100,000		-	
Unmade Street Scheme	-		50,000	
		109,000		182,500
Other Grants:				
Community Road Safety Partnership	-		17,845	
Campbell Town Pool Swim Squad Establishment	1,417		-	
Electronic DA Project	-		25,000	
Flinty Creek Interpretation Plaque	-		1,100	
Heavy Vehicle Motor Tax Grant	100,529		110,241	
Local Roads Emergency Repairs	-		300,000	
Masonic Lodge Longford Disabled Access Ramp	-		6,000	
Mill Dam Revegetation & Clean-up Project	-		6,500	
Perth Child Care Facility Management Grant	880		-	
Re-Assign Project	-		10,000	
Restoration of Military Field guns at Perth and Ross	10,000		-	
SES Equipment Maintenance Grant	703		-	
Water & Sewer Reform	-		22,143	
		113,529		498,829
Total Recurrent Grants	4,718,905		5,103,159	
Total Capital Grants	230,000		300,500	
Total Government Grants		4,948,905		5,403,659

Government funds received in relation to pensioner rates of \$311,784 (\$317,610 – 2009/10) have been treated in the Statement of Comprehensive Income as rate revenue.

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

	2011 \$	2010 \$
Commonwealth Financial Assistance Grant	919,233	895,242
Community Safety Partnership	-	4,000
Electronic DA Project	6,973	9,070
Flood Mitigation Longford	7,000	-
Longford Community Sports Complex	94,218	-
Longford Historic Motorsport Festival 2010	4,455	-
Mill Dam Revegetation & Clean-up Project	-	6,500
Perth Child Care Service	880	482
Re-Assign Project	10,000	10,000
Regional & Local Community Infrastructure Program	121,000	99,380
Restoration of Military Field Guns at Perth and Ross	10,000	-
	1,173,759	1,024,674

5. INVESTMENT REVENUE FROM WATER CORPORATION

	2011 \$	2010 \$
Dividend Revenue	79,538	-
Tax Equivalents	98,244	-
Guarantee Fee	800	1,241
	178,582	1,241

6. GAIN/(LOSS) ON DISPOSAL OF ASSETS

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

	2011 \$	2010 \$
Land		-
Proceeds from sales / disposals	-	(15,368)
Written down value of assets sold / disposed	-	181,231
Gain /(loss) on sale	-	(196,599)
Buildings		
Proceeds from sales / disposals	-	-
Written down value of assets sold / disposed	-	176,566
Gain /(loss) on sale	-	(176,566)
Furniture, Fittings & Office Equipment		
Proceeds from sales / disposals	-	-
Written down value of assets sold / disposed	5,722	8,710
Gain /(loss) on sale	(5,722)	(8,710)
Fleet		
Proceeds from sales / disposals	150,924	165,952
Written down value of assets sold / disposed	161,065	159,838
Gain /(loss) on sale	(10,141)	6,114

	2011 \$	2010 \$
Plant & Equipment		
Proceeds from sales / disposals	-	-
Written down value of assets sold / disposed	40,717	162
Gain / (loss) on sale	(40,717)	(162)
Roads & Streets		
Proceeds from sales / disposals	-	-
Written down value of assets sold / disposed	393,087	802,715
Gain / (loss) on sale	(393,087)	(802,715)
Bridges		
Proceeds from sales / disposals	-	-
Written down value of assets sold / disposed	1,488	40,325
Gain / (loss) on sale	(1,488)	(40,325)
Stormwater & Drainage		
Proceeds from sales / disposals	-	-
Written down value of assets sold / disposed	105,650	178,004
Gain / (loss) on sale	(105,650)	(178,004)
Total		
Proceeds from sales / disposals	150,924	150,584
Written down value of assets sold / disposed	707,729	1,547,551
Gain / (loss) on sale	(556,805)	(1,396,967)

7. EMPLOYEE BENEFITS

	2011		2010	
	\$	\$	\$	\$
Wages and Salaries	3,066,042		2,922,288	
Superannuation	430,165		397,946	
Annual/Sick/Long Service/Other Leave	586,999		499,527	
Total Employee Benefits Expenses		4,083,206		3,819,761
State Government Payroll Tax	206,744		203,525	
Workers Compensation	67,159		38,519	
Provision for Leave Entitlements	283,830		135,123	
Other Employee Oncost Expenses	21,651		17,594	
Total Other Employee Related Expenses		579,384		394,761
		4,662,590		4,214,522
Less Amounts Capitalised				
Non-current assets constructed		(233,125)		(256,953)
TOTAL EMPLOYEE BENEFITS AND RELATED EXPENSES		4,429,465		3,957,569

8. MATERIALS & SERVICES

	2011		2010	
	\$	\$	\$	\$
Contractor Payments				
Community Buildings and Halls	79,855		163,100	
Kerbside Garbage and Recycling	415,474		289,728	
Parks and Reserves	175,920		86,780	
Roads and Bridges	510,724		395,599	
Waste Transfer Stations	496,948		516,495	
Other Contractor Payments	267,252		357,146	
		1,946,173		1,808,848
Materials				
Community Buildings and Halls	20,749		22,017	
Corporate Services and Governance	175,993		150,802	
Parks and Reserves	46,958		82,084	
Roads and Bridges	524,165		457,708	
Other Material Purchases	340,636		260,124	
		1,108,501		972,735
Consultants Fees		569,006		444,224
Electricity Costs		182,266		283,412
Insurance		118,000		149,408
Telecommunication Costs		63,739		67,173
Other		179,057		184,228
TOTAL MATERIALS & SERVICES		4,166,742		3,910,028

9. DEPRECIATION & AMORTISATION EXPENSE

Depreciation and amortisation expense for the year is as follows:

	2011	2010
	\$	\$
Buildings	391,064	347,477
Plant & Equipment	144,777	186,455
Flood Levee Infrastructure	17,144	17,144
Furniture, Fittings, Office Equipment & Computers	127,637	113,976
Fleet	302,463	296,394
Road Infrastructure	2,850,417	2,900,883
Bridges	259,603	242,797
Stormwater & Drainage	311,850	295,290
Heritage Assets	5,124	4,842
TOTAL DEPRECIATION & AMORTISATION EXPENSE	4,410,078	\$4,405,258

10. OTHER EXPENSES

Other expenses for the year are as follows:

	2011	2010
	\$	\$
Bad & Doubtful Debts	19,462	18,108
Contributions & Donations	115,874	110,354
Councillors' Remuneration	161,151	158,070
Fringe Benefits Tax	30,591	22,254
Rate Remissions & Discounts	44,757	78,409
Special Committee Expenditure	170,134	95,763
Refunds & Reimbursements	40,330	34,824
Opening Work in Progress not capitalised	8,497	5,813
Other Expenses	162	12,968
	590,958	\$536,563

11. TRADE & OTHER RECEIVABLES

	2011	2010
	\$	\$
Current		
Trade Debtors - Sundry	227,033	180,616
Rates Outstanding	371,409	397,151
Less Provision for Impairment of Debts	(179,418)	(163,260)
Accrued Income	136,242	117,978
	555,266	\$532,485

Rates payments received in advance are treated as rate revenue in the year in which they are received, in 2010/11 this amounted to \$114,741 (2009/10 \$119,483).

12. INVENTORY

	2011	2010
	\$	\$
Fuel – held for distribution at average cost	13,003	7,796
Timber – held for distribution at average cost	10,757	13,468
	23,760	\$21,264

13. PROPERTY, PLANT, EQUIPMENT & INFRASTRUCTURE

LAND	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening balance	11,586,613		12,446,944	
Additions - Purchased	18,555		-	
Transfers to Ben Lomond Water	-		(1,162,109)	
Disposals	-		(181,229)	
Revaluation Adjustment	-		483,007	
NET AMOUNT AT FAIR VALUE		11,605,168		11,586,613

Valuation of land was determined by Mr I Mason the Acting Valuer General as at 1 July 2007. Council Officers have applied an adjustment factor provided by the Valuer General to determine a valuation as at 1 July 2010 (the change in this factor over the year preceding 1 July 2010 was Nil).

LAND UNDER ROADS	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening balance	356,833		-	
Additions – Donated or Contributed	204,781		356,833	
NET AMOUNT AT FAIR VALUE		561,614		356,833

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.

BUILDINGS	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	36,293,507		36,417,211	
Additions – Purchased/Constructed	532,788		109,662	
Transfers to Ben Lomond Water	-		(857,954)	
Disposals	-		(882,708)	
Revaluation Adjustment	2,608,087		1,507,296	
Closing Balance		39,434,382		36,293,507
Accumulated Depreciation				
Opening Balance	11,166,693		11,117,849	
Depreciation Expense	391,064		347,477	
Transfers to Ben Lomond Water	-		(57,796)	
Disposals	-		(706,143)	
Revaluation Adjustment	803,711		465,306	
Closing Balance		12,361,468		11,166,693
NET AMOUNT AT FAIR VALUE		27,072,914		25,126,814

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 "Non Residential Building index factor" obtained from the Australian bureau of Statistics to determine a valuation as at 1 July 2010.

HERITAGE ASSETS	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	760,288		728,397	
Additions – Purchased/Constructed	-		31,891	
Closing Balance		760,288		760,288
Accumulated Depreciation				
Opening Balance	125,342		120,500	
Depreciation Expense	5,124		4,842	
Closing Balance		130,466		125,342
NET AMOUNT AT COST		629,822		634,946

FLOOD LEVEE INFRASTRUCTURE	2011		2010	
	\$	\$	\$	\$
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	45,179		28,035	
Depreciation Expense	17,144		17,144	
Closing Balance		62,323		45,179
NET AMOUNT AT COST		4,969,725		4,986,869

FURNITURE, FITTINGS, OFFICE EQUIPMENT & COMPUTERS	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	1,774,022		1,550,618	
Additions – Purchased/Constructed	56,050		269,535	
Transfers to Ben Lomond Water	-		(23,397)	
Disposals	(128,037)		(22,734)	
Closing Balance		1,702,035		1,774,022
Accumulated Depreciation				
Opening Balance	1,172,559		1,086,240	
Depreciation Expense	127,637		113,976	
Transfers to Ben Lomond Water	-		(13,634)	
Disposals	(122,315)		(14,023)	
Closing Balance		1,177,881		1,172,559
NET AMOUNT AT COST		524,154		601,463

FLEET	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	3,643,859		3,752,118	
Additions – Purchased/Constructed	457,211		588,160	
Transfers to Ben Lomond Water	-		(240,800)	
Disposals	(346,857)		(455,619)	
Closing Balance		3,754,213		3,643,859
Accumulated Depreciation				
Opening Balance	1,428,249		1,512,080	
Depreciation Expense	302,463		296,394	
Transfers to Ben Lomond Water	-		(84,445)	
Disposals	(185,791)		(295,780)	
Closing Balance		1,544,921		1,428,249
NET AMOUNT AT COST		2,209,292		2,215,610

PLANT & EQUIPMENT	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	2,022,478		2,174,693	
Additions – Purchased/Constructed	428,963		56,138	
Additions – Donated or Contributed	20,444		-	
Transfers to Ben Lomond Water	-		(206,738)	
Disposals	(217,995)		(1,615)	
Revaluation Adjustment	-		-	
Closing Balance		2,253,890		2,022,478
Accumulated Depreciation				
Opening Balance	1,303,414		1,240,904	
Depreciation Expense	144,777		186,455	
Transfers to Ben Lomond Water	-		(122,491)	
Disposals	(177,277)		(1,454)	
Revaluation Adjustment	-		-	
Closing Balance		1,270,914		1,303,414
NET AMOUNT AT FAIR VALUE		982,976		719,064

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.

ROADS INFRASTRUCTURE	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	169,795,544		135,630,348	
Additions – Purchased/Constructed	2,846,519		3,477,284	
Additions – Donated/Contributed	432,840		611,743	
Disposals	(2,427,933)		(2,798,962)	
Revaluation Adjustment	4,448,643		32,875,131	
Closing Balance		175,095,613		169,795,544
Accumulated Depreciation				
Opening Balance	51,155,970		42,842,111	
Depreciation Expense	2,850,417		2,900,883	
Disposals	(2,034,848)		(1,996,246)	
Revaluation Adjustment	1,163,308		7,409,222	
Closing Balance		53,134,847		51,155,970
NET AMOUNT AT FAIR VALUE		121,960,766		118,639,574

Valuation of Roads and Streets was determined by Moloney Asset Management Systems as at 1 July 2009. Council Officers have applied a Road & Bridge Construction index factor obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2010.

BRIDGES	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	18,651,721		17,440,243	
Additions – Purchased/Constructed	85,389		821,563	
Additions – Donated/Contributed	43,579		-	
Disposals	(96,184)		(439,883)	
Revaluation Adjustment	558,002		829,798	
Closing Balance		19,242,507		18,651,721
Accumulated Depreciation				
Opening Balance	5,789,092		5,686,403	
Depreciation Expense	259,603		242,797	
Disposals	(94,696)		(399,558)	
Revaluation Adjustment	151,689		259,450	
Closing Balance		6,105,688		5,789,092
NET AMOUNT AT FAIR VALUE		13,136,819		12,862,629

Valuation of bridges was determined by Council's Consultant Engineer, Mr H Galea as at 1 July 2005. Council Officers have applied a "Road & Bridge Construction indexation factor" obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2010.

STORMWATER & DRAINAGE	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	25,052,332		23,247,464	
Additions – Purchased/Constructed	474,244		149,364	
Additions – Donated/Contributed	229,995		768,652	
Disposals	(158,268)		(236,619)	
Revaluation Adjustment	654,326		1,123,471	
Closing Balance		26,252,629		25,052,332
Accumulated Depreciation				
Opening Balance	5,465,434		5,010,790	
Depreciation Expense	311,850		295,290	
Disposals	(52,618)		(58,615)	
Revaluation Adjustment	143,194		217,969	
Closing Balance		5,867,860		5,465,434
NET AMOUNT AT FAIR VALUE		20,384,769		19,586,898

Valuation of stormwater & drainage was determined by Consulting Engineers, Pitt & Sherry, as at 1 July 2008. Council Officers have applied a "Road & Bridge Construction indexation factor" obtained from the Australian Bureau of Statistics to determine a valuation as at 1 July 2010.

TOTAL PROPERTY, PLANT, EQUIPMENT & INFRASTRUCTURE	2011		2010	
	\$	\$	\$	\$
Gross Value				
Opening Balance	274,969,245		238,420,084	
Additions – Purchased/Constructed	4,899,719		5,503,597	
Additions – Donated/Contributed	931,639		1,737,228	
Transfers to Ben Lomond Water	-		(2,490,998)	
Disposals	(3,375,274)		(5,019,369)	
Revaluation Adjustment	8,269,058		36,818,703	
Closing Balance		285,694,387		274,969,245
Accumulated Depreciation				
Opening Balance	77,651,932		68,644,912	
Depreciation Expense	4,410,079		4,405,258	
Transfers to Ben Lomond Water	-		(278,366)	
Disposals	(2,667,545)		(3,471,819)	
Revaluation Adjustment	2,261,902		8,351,947	
Closing Balance		81,656,368		77,651,932
NET AMOUNT AT FAIR VALUE		204,038,019		197,317,313

14. TRADE & OTHER PAYABLES

	2011	2010
	\$	\$
Current		
Trade Creditor	394,681	447,890
Accrued Wages	28,448	14,049
Money held in trust	405,912	401,217
	829,041	863,156

15. PROVISIONS

	2011		2010	
	\$	\$	\$	\$
Current				
Employee Benefits - Annual Leave	520,307		430,092	
Employee Benefits - Long Service Leave	344,502		298,451	
Employee Benefits - Oncosts	169,080		161,081	
		1,033,889		889,624
Non-Current				
Employee Benefits - Long Service Leave	291,135		169,012	
Employee Benefits - Oncosts	57,644		40,064	
		348,779		209,076
AGGREGATE EMPLOYEE BENEFITS		1,382,668		1,098,700

16. CAPITAL EXPENDITURE COMMITMENTS

CAPITAL CONTRACTUAL COMMITMENTS	2011	2010
	\$	\$
Estimated expenditure contracted for at balance date but not provided for:		
- payable not later than one year	1,177,430	788,101
- payable later than one year but no later than two years	508,522	545,921
- payable later than two years	2,559,880	2,715,560
	4,245,832	4,049,582

17. CONTINGENT LIABILITIES

Council has not recognised any contingent liabilities.

18. AUDITORS REMUNERATION

	2011	2010
Audit fees to conduct external audit – Tasmanian Audit Office	\$20,290	\$22,000

19. SPECIAL COMMITTEES

The statements include transactions for the following committees:

	2011		Amounts Capitalised	Net Assets
	Operating Income	Operating Expenditure		
	\$	\$	\$	\$
Avoca Community Centre	1,918	3,329	-	3,246
Avoca, Royal George and Rossarden Local District Committee	-	-	-	244
Bishopsbourne Community Centre	26,061	21,087	800	60,906
Campbell Town Swimming Pool	15,960	15,141	-	40,055
Campbell Town Recreation Ground	3,066	5,900	-	2,527
Cressy Hall	3,372	1,472	-	13,984
Cressy War Memorial Swimming Pool	27,262	28,259	-	38,305
Cressy Recreation Ground	10,598	3,359	-	17,084
Epping Hall	3,081	1,957	-	1,887
Evandale Community Centre and War Memorial Hall	24,790	19,597	-	27,342
Liffey Hall	160	519	-	1,447
Longford Recreation Ground	5,040	6,612	-	11,976
Morven Park Recreation Ground	11,937	13,193	1,550	12,708
Perth Community Centre	14,439	9,084	-	18,991
Perth Recreation Ground	9,840	5,236	3,492	7,736
Ross Community Sports Club	41,589	35,389	-	47,804
	199,113	170,134	5,842	306,242

20. RECONCILIATION OF INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOWS FROM OPERATING ACTIVITIES

RECONCILIATION OF INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2011	2010
	\$	\$
Increase in net assets resulting from Operations	570,913	753,088
Less: Investment Revenues	(178,582)	(1,241)
Add: Depreciation	4,410,078	4,405,258
Changes in Operating Assets & Liabilities		
(Increase)/Decrease in Trade and Other Receivables	(22,781)	258,623
(Increase)/Decrease in Inventory	(2,496)	(6,987)
Increase/(Decrease) in Creditors	(34,115)	(523,437)
Increase/(Decrease) in Provisions	283,968	169,270
NET CASH INFLOWS FROM OPERATING ACTIVITIES	5,026,985	5,054,574

21. RELATED PARTY DISCLOSURE

(a) Allowances & Reimbursements

	2011 \$	2010 \$
Councillors Allowances and Reimbursements	161,151	158,070

(b) Register of Interests – 2010/2011

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

No Material Interest Declared:

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

Material Interest Declared:

Cr Ian Goninon	Nature:	Shareholder/Director
	Period:	1 July 2010 – 30 June 2011
	Company:	Specialist Collection Services
	Relevant dealings:	Provision of Debt Collection Services
	Value of dealings:	\$17,533 (2009/10 \$20,193)

22. 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 \$77,075,401, 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.

At 30 June 2010 the Quadrant Defined Benefit Fund had returned to a 'satisfactory financial position' with the net market value of assets available for funding member benefits of \$57,230,000 being greater than the value of vested benefits \$56,180,000. The surplus at that date was \$1,050,000. The Quadrant Trustee again reviewed the employer contribution rate and confirmed the 9.5% contribution rate remained appropriate.

The next full triennial review will have an effective date of 30 June 2011 and is expected to be completed late in 2011 or early 2012.

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 \$43,519 compared to \$44,495 in the previous reporting period, and the amount paid to accumulation schemes was \$386,646 compared to \$352,305 in the previous reporting period.

23. FINANCIAL INSTRUMENTS

(a) Accounting Policy, Terms & Conditions

Financial Instrument	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	11	Rates are carried at nominal amounts due plus interest and penalty. Rate debtors are charges attached to the property and are recoverable on sale, therefore allowance for impairment is only made when it is unlikely the property could be sold for an amount which will cover the costs of the sale.	Rates are payable by three equal instalments during the year, or alternatively by one payment within 30 days of demand, which provides a discount of 1.5% (any such discount allowed is shown as an expense of Council in its income statement). Overdue rates attract a penalty of 5% (5% 2009/10), 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. 2009/10). 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.

Financial Instrument	Note	Accounting Policy	Terms & Conditions
Trade Debtors	11	Receivables are carried at nominal amounts due less any allowance for impairment. An impairment loss is recognised when collection in full is no longer probable. Ability to collect overdue accounts is assessed on an ongoing basis.	Payment is required within 30 days of 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	14	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:

	2011 \$	2010 \$
Total Corporate Credit Cards Facility Limit	50,000	50,000
Corporate Credit Card Facility Limit Used at Reporting Date	3,023	2,268
AVAILABLE AT REPORTING DATE CORPORATE CREDIT CARD	46,977	\$47,732

No other credit standby arrangements and loan facilities are used or available to be used as at 30/06/2011 (30/06/2010).

(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:

2011	Weighted Average Effective Interest Rate	Floating Interest Rate	1 Year or Less	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
Assets							
Current Assets							
Cash and Cash Equivalents							
- Cash	3.80%	1,050,304					1,050,304
- Investments	5.00%	25,603	922,696				948,299
Receivables							
- Rates	7.50%		191,991				191,991
- Sundry						227,033	227,033
Revenue Accrual						136,242	136,242
Non Current Assets							
Investments Available for Sale	6.30%		6,756,259				6,756,259
- Investment in Ben Lomond Water						43,876,767	43,876,767
Total Financial Assets 2011		1,075,907	7,870,946	-	-	44,240,042	53,186,895
Liabilities							
Trade and Other Payables							
- Sundry Creditors						423,129	423,129
- Monies held in Trust						405,912	405,912
Total Financial Liabilities 2011		-	-	-	-	829,041	829,041
NET FINANCIAL ASSETS/(LIABILITIES) 2011		1,075,907	7,870,946	-	-	43,411,001	52,357,854

2010	Weighted Average Effective Interest Rate	Floating Interest Rate	1 Year or Less	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
Assets							
Current Assets							
Cash and Cash Equivalents							
- Cash	2.20%	887,380					887,380
- Investments	3.40%	4,216	2,000,000				2,004,216
Receivables							
- Rates	7.50%		233,891				233,891
- Sundry						180,616	180,616
Revenue Accrual						117,978	117,978
Non Current Assets							
Investments	6.00%		5,359,945				5,359,945
Available for Sale							
- Investment in Ben Lomond Water						43,397,646	43,397,646
Total Financial Assets 2011		891,596	7,593,836	-	-	43,696,240	52,181,672
Liabilities							
Creditors							
- Trade and other payables						461,939	461,939
- Monies held in Trust						401,217	401,217
Total Financial Liabilities 2011		-	-	-	-	863,156	863,156
NET FINANCIAL ASSETS/(LIABILITIES) 2010		891,596	7,593,836	-	-	42,833,084	51,318,516

iv) Credit Risk

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

(d) Impairment Losses

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

	2011 \$	2010 \$
Balance at 1 July	163,260	163,054
Charge for the year	19,461	18,089
Amounts previously charged no longer impaired	(3,303)	(16,137)
Amounts written off	-	(1,746)
BALANCE AT 30 JUNE	179,418	163,260

(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:

2011	Carrying Amount Subject to Interest \$	INTEREST RATE RISK			
		-1% -100 base points		2% 200 basis points	
		Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets					
Cash & Cash Equivalents	1,998,603	(19,986)	(19,986)	39,972	39,972
Receivables	191,991	(1,920)	(1,920)	3,840	3,840
Investments	6,756,259	(67,563)	(67,563)	135,125	135,125
		(89,469)	(89,469)	178,937	178,937
2010					
Financial Assets					
Cash & Cash Equivalents	2,004,216	(20,042)	(20,042)	40,084	40,084
Receivables	233,891	(2,339)	(2,339)	4,678	4,678
Investments	5,359,945	(53,599)	(53,599)	107,199	107,199
		(75,980)	(75,980)	151,961	151,961

(f) Categories of Financial Assets & Liabilities

Carrying amounts classified as:

	2011 \$	2010 \$
Financial Assets		
Loans and receivables	555,266	532,485
Cash and cash equivalents	1,998,603	8,251,541
Investments	6,756,259	-
Available for Sale – Investment in Ben Lomond Water	43,876,767	43,397,646
	53,186,895	52,181,672
Financial Liabilities measured at amortised cost		
Payables	829,041	863,156
	829,041	863,156
NET FINANCIAL ASSETS / (LIABILITIES)	52,357,854	51,318,516

(g) Analysis of unimpaired Financial Assets

	2011 \$	2010 \$
Rate debtors over 60 days past due	192,510	234,276
Trade Debtors Sundry, not past due	154,491	140,193
Trade Debtors Sundry, less than 30 days past due	2,164	2,890
Trade Debtors Sundry, over 30 days less than 60 days past due	18,992	18,625
Trade Debtors Sundry, over 60 days past due	50,867	18,523
Accrued Income, Current	136,242	117,978
	555,266	532,485

(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 2011	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Available for sale financial assets	-	-	43,876,767	43,876,767
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
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 either period

RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS	2011 \$	2010 \$
Opening Balance	43,397,646	-
Investment on transfer of net assets		45,841,025
Gains (losses) recognised in other comprehensive income:		
Change in Fair Value of Investment in Ben Lomond Water	479,121	(2,443,379)
	<u>43,876,767</u>	<u>43,397,646</u>

24. SIGNIFICANT BUSINESS ACTIVITIES

ROAD INFRASTRUCTURE	2011 \$	2010 \$
Revenue		
Rates	1,938,140	1,725,170
Grants	2,880,430	3,616,430
Reimbursements	-	10,825
Other	10,804	4,036
	4,829,374	5,356,461
Expenditure		
<i>Direct</i>		
Employee Costs	678,264	649,039
Materials & Services	1,595,296	1,411,525
Levies	610	950
Loss on Disposal/ Revaluation of Fixed Assets	394,572	843,040
Other	1,075	3,008
	2,669,817	2,907,562
<i>Indirect</i>		
Administration & Engineering	318,014	282,743
	318,014	282,743
Capital Costs		
Depreciation	3,110,019	3,143,680
Opportunity Cost of Capital	10,650,890	11,173,307
	13,760,909	14,316,987
COMPETITIVE NEUTRALITY COSTS	-	-

CERTIFICATION

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

- 1) the financial report set out on pages one to thirty five fairly presents
 - a) the financial position of the Northern Midlands Council as at 30th June 2011, 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 **22nd** day of **August 2011**.



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Northern Midlands Council

Financial Report for the Year Ended 30 June 2011

I have audited the accompanying financial report of Northern Midlands Council (Council), which comprises the statement of financial position as at 30 June 2011, the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2011, and financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

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

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
• Professionalism • Respect • Camaraderie • Continuous Improvement • Customer Focus •

Making a Difference

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

TASMANIAN AUDIT OFFICE



J J Tongs
TECHNICAL QUALITY DIRECTOR
Delegate of the Auditor General

HOBART
30 September 2011

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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Making a Difference