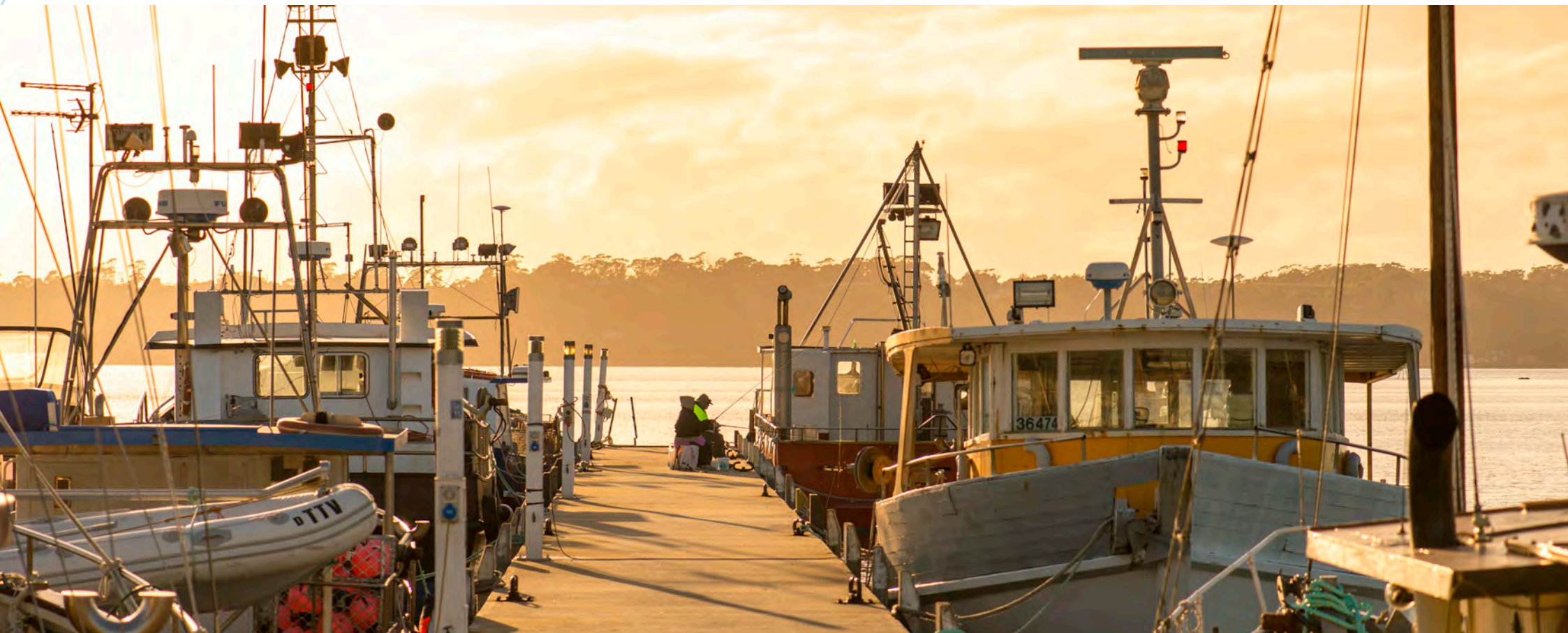




Annual Report 2017-2018



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Cover image : Sunrise over Georges Bay by Tourism Tasmania & Rob Burnett

This report has been prepared in accordance with the requirements of the Local Government Act 1993. The report relates to Council's Annual Plan and Strategic Plan for the year ending 30 June 2018 and provides an overview of Council's operations and achievements during this period.

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Fast Facts



Municipal area

- 3809 square kilometres



Population

- 6104 (ABS 2016 data) permanent residents to more than 15,000 in the summer months
- Rated properties: 6386



Major Industries

- Tourism
- Retail Trade
- Health Care and Social Assistance

Industries of growth

- Fishing and Aquaculture
- Agriculture
- Forestry
- Tourism
- Mining



Adventure

- Blue Derby Mountain Bike Trails
- Fishing – Game fishing including tuna, marlin, swordfish, shark, deep sea and reef fishing for a variety of species as well as Bay River and estuary fishing.
- Diving - Bay of Fires
- Bush walking – there are a range of trails on offer in our municipality for all fitness levels
- Camping - there are a number of free camping grounds in our municipality located at the Bay of Fires.



Natural Attractions

- Bay of Fires
- Peron Dunes
- Mt Victoria
- Blue Tier
- Evercreech White Gum reserve
- Mt William National Park
- Eddystone Point
- St Columba Falls
- Halls Falls
- St Patricks Head

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Region Snapshot



The Break O'Day municipality extends along the East Coast of Tasmania from Eddystone Point (Irapuna) in the north to Denison River in the south and west through the Fingal Valley. Our region includes a diverse range of scenery and townships from the arty and creative hub of St Marys, historic townships like Fingal, Mathinna and Weldborough, the mining town of Cornwall, rich farming

towns like Pyengana and Goulds Country as well as coastal towns and hamlets such as Seymour, Four Mile Creek, Falmouth, Ansons Bay, Scamander, Beaumaris, Binalong Bay and St Helens - the Game Fishing capital of Tasmania.

St Helens is the major hub of the Break O'Day region and East Coast featuring a hospital, numerous accommodation options, a District High School that offers Kindergarten to grade 12, Trade Training Centre, Neighbourhood House, Business Enterprise Centre, numerous restaurants and cafés, retail outlets and more.

St Marys is the main hub of the Fingal Valley and features a District School offering Kindergarten to grade 12, a Community Health Centre, a range of unique local businesses, coffee shops and regular artisan markets.

While our region has won international acclaim for the coastal beauty of the Bay of Fires, which is synonymous with pristine white sand, turquoise water and distinguishable orange lichen covered rocks, we also have a range of national parks, conservation areas and reserves on our doorstep.

Mt William National Park, located in the northern reaches of the municipality blends beach-scapes with the forest.

There are also some beautiful waterfalls in the area from the striking St Columba Falls, one of Tasmania's highest, multi-tiered falls to beautiful Halls Falls.

The beauty of the Blue Tier has long been a secret quietly kept by the locals but is now gaining recognition thanks to the Blue Derby Mountain Bike Trails which operate in this area, however the Blue Tier also offers 4WD and bush walking opportunities. It is an area of diverse cultural and historic significance that starts with the region's aboriginal people through to the early days of tin mining which brought a large Chinese population to the area.

The Fingal Valley is predominantly an agricultural area but also features many forest walks and recreation areas. Head to the forest reserve of Evercreech which features some of the tallest gums in the world and visit Mathinna Falls while you are there. If you are the adventurous type you could climb St Patricks Head and get a 360 degree view of the coast and the valley; a trek well worth the effort.

From the mountains to the sea, the Break O'Day region is abundant in natural attractions, activities and development opportunity.

About Us

Our Vision

"A naturally beautiful environment that speaks to our heart. A diverse and thriving community; a place of opportunity. A place where everyone feels safe, welcome and connected."

Our Values

Working as a TEAM with OPEN & HONEST COMMUNICATION; we act with INTEGRITY whilst showing RESPECT and being POSITIVE and proactive in our actions

Our commitment to our community Leadership/ Ownership:

- We will be visionary and accountable leaders who advocate and represent the views of our community in a transparent way.
- We will make decisions for the greater good of Break O'Day by being accessible and listening to our community.

Great Communication:

- We will listen, consult and engage with the community and individuals.
- We will be open, honest and proactive in our communication. We will keep people informed about the things that matter to them.

Infrastructure and services:

- We will plan, deliver and maintain quality infrastructure and services.
- We will strive to deliver excellent customer service and promote Break O'Day as a desired destination.

Working together:

- We will build, and maintain strong relationships and partnerships through consultation, engagement and collaboration.
- We will support and facilitate our community.

Stewardship/ Custodian:

- We will be responsible in planning and management of the Break O'Day area.
- We will make good decisions about our environment and resources.

- We will balance competing needs and demands while keeping a sustainable future in mind.

Fiscal Responsibility:

- We will work within a culture of financial sustainability focusing on securing outside funding, spending wisely and being fair to all.
- We will recognise the limitations of resources and the community's capacity to pay.
- By ensuring that all we do fits within the above mentioned ideals, we will be able to successfully, and positively influence our customer's perception of us and therefore our brand.

Mayor's Message



Mayor's Message

Welcome.

It has been another packed and busy year for Break O'Day Council and our community.

We have been the recipients of some major funding both at a Federal and a State level which included the last \$1.5 million required to complete both the St Helens stacked loop and the Bay of Fires Descent mountain bike trail projects. I am personally very proud of these forward thinking initiatives by our Council as I think it represents the values that we have as a region; a love of the natural environment and finding ways of enjoying and exploring our environment in a sustainable way.

We also welcomed several election promises from the State Government which will ensure our roads and marine infrastructure will cater to our growing population and visitor numbers into the future. This included taking over the management and maintenance of Binalong Bay Road, a logical decision considering it is the end point for the Great Eastern Drive. They also agreed to do significant works on the Tasman Highway between Scamander and St Helens. With the increase in visitors to our region combined with its reputation as a caravanning and boating friendly destination, ensuring

that our road network is able to cope with increased visitation is as much about infrastructure as it is safety for residents and tourists.

In terms of Marine Infrastructure, the State Government promised more than \$1.5 million over four years. The lion's share of this, \$685,000, will go towards the refurbishment of our timber jetties, while \$500,000 will go to the development of the Burns Bay carpark. There is also \$250,000 for the development of the Scamander Bridge area which will be administered by MAST and BODC. Lastly, St Helens Marine Rescue and the St Helens Game Fishing Club will receive \$130,000 to update their headquarters and provide a combined clubroom as well as a boat/equipment storage facility. All these projects are not only beneficial to our community but will also make our area a more attractive destination for families, fishermen and campers. We look forward to working with the State Government on these projects.

While it is easy to think that these election promises have appeared out of the blue, Council have been actively pursuing these commitments in the background by lobbying government and its respective agencies and generally advocating for these projects.

Another project we are working on in partnership with the

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State Government is the new St Helens District Hospital. The construction of the hospital is well and truly under way and at the time of writing this report, on schedule for a November 2018 completion. The addition of this facility to our growing region, which has a high rate of retirees, is going to ensure we have an adequate framework for comprehensive health infrastructure well into the future

While the financial side of things is important as it informs what we can and cannot do as a Council, it is our community spirit that is the biggest source of pride for me. I am often quoted as saying that as a community “we punch well above our weight” and I truly believe this and wow, this year we have really seen some amazing examples of this of which we should all be proud.

There is no way that I could pen a message in the Annual Report without mentioning what will be the biggest thing to ever hit the East Coast, triple j’s One Night Stand. The amazing opportunity to host this event came directly from the community. Local legend aka “Tassie’s coolest mum”, Kristi Lette-Chapple, wanted to see our youth celebrated and put in a formal application to the ABC, for St Helens to host the event. At the time of writing this report we are still in the planning stages of this event, but one thing has been evident so far, and that is our community’s

willingness and excitement in embracing the opportunity to host the event. I can’t wait to see how the event plays out and what some of our community members have planned!

Speaking of our community embracing opportunities, the recent regional tourism figures for our area keep going from strength to strength and it has been great to watch local businesses doing what they can to take advantage of this as well as watching new businesses coming to our area in recognition of this opportunity.

Two businesses that come to mind are the Big 4 Caravan Park which has added accommodation and facilities in anticipation of the mountain bike trail projects. We have also seen a brand new development get underway at Parkside. This is a \$10 million investment in our area and not only represents growing confidence in our region but will also provide employment opportunities both through construction as well as once completed.

Confidence in our region is certainly on the up and it has been an honour to be the Mayor of our beautiful municipality over the last four years and watching our area grow in opportunity and recognition. Council elections will be held in October of this year and no matter what

happens, I can honestly say that it has been my pleasure and honour representing our area and our community.

LATE NOTE: It may not be technically in this financial year but I just wanted to make comment about the One Night Stand. I don’t think I have ever been prouder of our community than I was over the September 1 weekend. The community spirit had the whole region buzzing, from the bright orange banners and shop fronts through St Marys and St Helens to the spin-off events organised by dedicated community members, it certainly was a weekend for us all to be proud of!

I wanted to use this opportunity to thank everyone in the community for doing their bit and helping to make this the biggest and best One Night Stand ever.

Lastly I would like to thank all the BODC staff who worked tirelessly behind the scenes to get the event off the ground. What a massive achievement for a town whose population literally grew 10 fold for the night!

Congratulations to all of us!

Mick Tucker, MAYOR

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Sunrise over Georges Bay



Mayor and Councillors

The Council is comprised of nine Councillors (including the Mayor and Deputy Mayor) elected by the community; each serve for a term of four years.

All Councillors must comply with Council's Code of Conduct. The Code covers issues such as the requirement to act in good faith, duty of due care and diligence, conflict and pecuniary interest, issues of improper use of power and information, independence, confidentiality and the obligation to uphold the law.

The Council meet monthly for workshops, scheduled Council meetings and as required when Special Council Meetings are called.

Member expenses are made up of printing and stationery, telephone charges, internet, travel and sustenance and delegate expenses (conferences, committee meetings, strategic planning sessions and workshops to name a few).

Councillor Attendance 2017-2018

Councillor	Ordinary Meetings Attended	AGM Attended	Total Meetings Attended
Mayor Mick Tucker	11/12	1/1	12/13
Deputy Mayor John McGiveron	11/12	1/1	12/13
Clr Janet Drummond	11/12	1/1	12/13
Clr Barry LeFevre	12/12	1/1	13/13
Clr Glenn McGuinness	12/12	0/1	12/13
Clr Margaret Osborne	10/12	1/1	12/13
Clr Hannah Rubenach-Quinn	10/12	1/1	11/13
Clr John Tucker	9/12	1/1	10/13
Clr Kylie Wright	9/12	0/1	9/13

Organisational Structure



General Manager's Report



The 2017-2018 year has enabled us to continue to build on what we have achieved over the last few years and progress key projects and activities whilst building the future the community seeks.

Early in the year the new Break O'Day Strategic Plan was formally adopted following an extensive consultation process during the previous year. Each year an Annual Plan is developed to guide the activities and programs of the organisation. This year we delayed the finalisation and adoption of the 2017-2018 Annual Plan as it was logical that it reflect the key focus areas and strategies in the new Strategic Plan. Flowing on from this has been a change in the structure of this Annual Report with it reflecting the structure of the new Plan and Key Focus Areas. New management reporting software was introduced during the year which is greatly enhancing reporting on progress with achieving the Plan. As we get used to using this software we will be able to further improve the flow of information to the community through a public dashboard.

The focus on organisational performance continued through the year as we built on the initial examination of 'the way we do business' by focussing on the way that the individual departments operate and integrate with

each other. Strengthening communication and customer service is something which we are continuing to develop and the new website which is currently being developed will play a significant role in how the community interacts with Council when it comes on line in the next few months.

We are fortunate to have a relatively stable workforce as this certainly minimises disruption and facilitates continuity of projects we are working on. During the year a couple of our long term employees in the Works team retired, Stephen Cherry and Peter LeFevre, which marked a bit of a change in the guard so to speak. We welcomed David Jolly into the redesigned role of Manager Infrastructure and Development Services. A key part of the redesigned role is the integration of the systems and processes which overlap the Works and Development Services Departments.

A major challenge during the year which tested the organisation was the introduction of the household kerbside recycling service. Whilst it sounds simple on the face of it, it not only involved a massive logistical exercise as we rolled the service out ourselves rather than use a contractor; but the need to educate the community on the use of the bins for recycling when they have been used for waste for a number of years. The appreciation of

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the new service by residents is reflected in the increasing amount of recyclable materials which is being diverted from land fill.

We were ecstatic when it was announced in June 2018 that St Helens would be hosting the triple j One Night Stand concert, once the initial euphoria started wearing off a sense of trepidation was taking hold as the mammoth task in front of us with a short time frame really started to sink in. Right from the start the community came on-board strongly taking the leading role in key areas which reduced the load on Council staff.

Another highlight during the year was securing the full amount of funding necessary to complete both the St Helens MTB Project and the MTB Descent from Poimena to the Bay of Fires through a combination of sources at both the Federal and State level. The Council team have been diligently working our way through the project design, detailed ecological investigations and approvals process which culminated in the Development Approval process commencing late in the year. We look forward to finally commencing construction of this long awaited project and realising the benefits it will bring to the community.

A State Election always provides a unique opportunity for the Council to advance priorities which have been previously identified and during the year this was an important focus of the Council. A range of infrastructure related projects (some of which had been the subject of submissions to State Budget consultation processes) were lobbied with the major parties. It was pleasing to see that after many years upgrading of the Tasman Highway south of St Helens received funding along with responsibility of Binalong Bay Road transferring to the State Government.

For a number of years we have questioned Marine and Safety Tasmania as to why jetties were not being funded through the Recreational Boating Fund, finally we saw the change as part of a State Election commitment which also included funds for an upgrade around Georges Bay. On reflection, the communities of Break O'Day did very well from the State Election process and we hope that we can advance further priorities in the forthcoming Federal Election Process.

The outcome of the State Election also resulted in a changed tack by the new Government in relation to the takeover of TasWater. The language changed towards a joint ownership approach with the State Government securing partial ownership from a capital injection. We

can now move forward in a logical manner to continue infrastructure upgrades around the State.

The support that is received from everyone associated with the Council, Councillors, employees, volunteers, community groups and members, stakeholders and other organisations is greatly appreciated by myself and the organisation as a whole, it certainly helps us to achieve things for the community.

John Brown, GENERAL MANAGER

Stephen Cherry and Peter Lefevre with General Manager John Brown



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SCAMJAM is a youth event run by youth for youth.



1. Community

To strengthen our sense of community and lifestyle through opportunities for people to connect and feel valued.

Strategies

- 1. Create an informed and involved community by developing channels of communication.**
- 2. Build community capacity by creating opportunities for involvement or enjoyment that enable people to share their skills and knowledge.**
- 3. Foster and support leadership within the community to share the responsibility for securing the future we desire.**
- 4. Foster a range of community facilities and programs which strengthen the capacity, wellbeing and cultural identity of our community.**

Key Focus areas

Communication

Improve and develop communication processes that lead to the community feeling more informed and involved.

Website

This financial year we began redeveloping our website with our community in mind. The main aim of the redevelopment was to create an easy to navigate site with easy to read information.

All content has been rewritten in plain English and departmental headings have been replaced with headings that are more logical for the community to navigate in order to find the information they need. It will also have a focus on Search Engine Optimisation (SEO) with a tourism and visitor focus. The aim here being that the Break O'Day Council website will become a top ranking source of information regarding our townships and local attractions, both natural and man-made.

Surveys

Surveys and polls are a great way for Council to seek feedback from our ratepayers. Generally surveys and polls are run online through our website and promoted through

our Facebook. To ensure we reach those without a digital presence, we also promote our surveys via our newsletter and people are welcome to come into the office and fill out a hardcopy. Staff can then input the data into the survey database to ensure all information and feedback is compiled in one place.

In the last 12 months we have published four surveys. We will continue to use this method of consultation in the coming financial year.

FAQ Sheets

Through the rewriting of all information for the website several FAQ sheets were developed and incorporated on the website.

These FAQs include:

- Attending a council meeting
- Dog registration and
- Council elections

All of these FAQs have been written in easy to understand language and designed in an easy to use format for online platforms. We will continue to develop FAQ sheets and other Council information so that it is in an easy to read and understand format.

Email database building

Email is one of the best ways to directly communicate with our ratepayers. Over the last 12 months we have steadily been building various different email databases. These include township contacts, business contacts, community group contacts and people who would like to receive the newsletter via email. This is something that we will continue to focus on in an effort to not only be able to communicate with our community in a timely and efficient manner but also in an effort to reduce paper.

Facebook

The establishment of the Council Facebook page has been of great benefit to not only the community but the brand of Council overall. Facebook allows us to communicate with our community in an informal and casual way which has seen some change in how our community view Council. Our following has been steadily building but more importantly our engagement rates have also been building. The engagement rate reflects the community's interactions with a post, for example through sharing and commenting. A high engagement rate is a good indicator of relevance of a post as well as loyalty and interest.

Positive News Stories

The Communication Coordinator sent out 20 media releases last financial year with 12 being picked up by various media outlets from local newspapers including the Coastal Column, Valley Voice, The Examiner and ABC. This included both print and broadcast stories.

The Communications Coordinator also regularly 'tips off' the various media to the activities of businesses and community members in the region which has resulted in a number of other good news stories about our region. At a more local level, positive stories about our community are also shared through Facebook and our newsletter. All in all the increase in positive media we believe reflects a growing confidence in our municipality.

Events and Activities

Create a culture of volunteering and support to enable vibrant and sustainable events, activities and community groups.

Council each year provides funding to community groups with their annual events and during the year funding assistance was provided to 19 events including, St Helens Athletics Carnival, Fingal Valley Festival, Wheels Wine and Dine, Bay of Fires Winter Arts Festival, Break O'Day Triathlon

etc. Council staff also work alongside the members of these community groups to assist with planning these events.

Senior & Volunteer Event

Council in conjunction with other local organisations held a Combined seniors and volunteer event at Cerise Brook – the event was attended by approximately 70 people who were all presented with a small gift in appreciation for the work that they do in our community.

Australia Day 2018

This year Australia Day was celebrated at the Portland Hall, St Helens with participation in this event growing each year. Our Australia Day Ambassadors this year were Chris and Jack Duffy from the Just Like Jack Foundation. Chris Duffy spoke about his family life and what it meant to be an Australian. Chris and Jack then participated in the family activities which followed the main event eg, pie eating competition.

Congratulations to the following on winning their Awards:

- Australia Day Citizen of the Year: Gary Barnes
- Australia Day Young Citizen of the Year: Nathan Tetlow and Marcus Reid
- Mayor's Choice Award for outstanding contribution to the community: Kerri Webb and Michael Richards
- Break O'Day Municipality Excellence Award: St Helens Marine Rescue and Bob McQuattie

Australia Day Ambassadors Chris and Jack Duffy compete in the pie eating competition.



Youth event

On Saturday May 26, members of Break O'Day youth, Break O'Day Council and Break O'Day Cycles delivered SCAMJAM; a BMX and Scooter competition delivered for the youth, by the youth. Those in attendance were also treated to a free BBQ, fruit and well deserved water.

Council would like to congratulate all participants and parents on a fantastic day out at Scamander Skate Park and especially to Harley Newman and Marlee Jenkinson in helping plan, promote and deliver the event along with Council's Community Services Department.

Community and Council Collaboration

Work within a community engagement framework which defines the relationship between the community and Council in decision making and project delivery.

Local Township plans

As part of the community conversations that were held during the process of developing Council's 10 year Strategic Plan, Council advised that township meetings would follow the completion of this process. This saw Council staff visit townships within our municipality and ask individual communities to identify what they saw as important for the future of their township and how Council could work with them to develop their ideas.

Council has so far developed four Local Township Plans in consultation with the following communities:

- Ansons Bay
- Binalong Bay
- Fingal
- Mathinna

Some of the issues that have been raised by the communities so far have been similar e.g, increased signage and access to walking and bike trails including mountain bike trails.

Ansons Bay's Local Township Plan identified issues such as increased transport for elderly or those unwell who needed to attend appointments, town maintenance and a recycling area at the Ansons Bay Tip.

Binalong Bay's Local Township Plan will address issues such as protecting and enhancing the environmental values of Binalong Bay, ensuring that there are enough community facilities to service Binalong Bay's future needs and transport and movement related issues including trails and pedestrian safety along the foreshore.

Fingal's Local Township Plan also identified the need to protect and enhance the environmental values of Fingal

and ensure that there are enough community facilities for the future needs of the Fingal area and also projects that will support tourism for their area.

The last plan developed to date, was actioned by the community of Mathinna. The Mathinna Local Township Plan aims to maintain the character of Mathinna but also create a healthy place to live.

The Local Township Plans have a term of two years and after this period all action lists will be reviewed. Council will provide feedback to the communities as to the progress of their Plans. All Local Township Plans are located on Council's website under "My Community".

One Night Stand

A member of the Break O'Day community, Kristi Chapple made an application for St Helens to host triple J's One Night Stand (ONS), which was one of 900 applications. ONS is an event that provides the youth and their families with access to a drug, alcohol and entry free music concert. The concert is for all ages and will be televised on ABC and broadcast on triple j.

St Helens was lucky enough to secure the 2018 triple j's One Night Stand Event – planning commenced for this

event in early June 2018 and Council staff worked closely with triple j and ABC staff, the Break O'Day Chamber of Commerce, business community and various community groups.

triple j's Production Manager informed Council there would be an opportunity for 10, not-for-profit food vendors inside the ONS event. Council's Community Services Department promoted via BODC Facebook and the Community Group email database for a public meeting held on Wednesday 13 June 2018.

At this meeting, there was representation from over 20 different community groups. After Council delivered the information and requirements, it was identified that they would not be able to cater for the food requirements if each community group attempted this mammoth task individually.

This saw a co-operative formed between 17 community groups dubbed 'One Night Mayhem' who were focussed on a collection of stalls offering a range of dishes all inspired by local produce with proceeds to be split evenly amongst the groups. This will be a huge fundraising opportunity for our community groups which will see funds go back our community.

The community group food vendors in action at the One Night Stand.



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St Helens courtesy of East Coast Regional Tourism Organisation



2. Economy - *To foster innovation and develop vibrant and growing local economies which offer opportunities for employment and development of businesses across a range of industry sectors.*

Strategies

- 1. Develop and highlight opportunities which exist and can be realised in a manner that respects the natural environment and lifestyle of the BOD area.**
- 2. Provision of relevant training and skills development programs to create a workforce for the future that meets the changing needs of business.**
- 3. Create a positive brand which draws on the attractiveness of the area and lifestyle to entice people and businesses' to live and work in BOD.**
- 4. Support and encourage innovation and growth in the economy through local leadership; infrastructure provision; support services and customer focussed service delivery.**

Key Focus Areas

Support

Integrate and simplify processes to help grow business.

During the 2017-2018 financial period Council supported the rollout of the Tasmanian Government's "iplan" initiative. iplan is an online state wide resource for planning and development in Tasmania. iPlan (www.iplan.tas.gov.au) provides users with access to information on

- Planning Schemes
- Assessments and Hearings
- Planning enquiries
- Interactive Maps

A current focus is the development of a Development Application portal. As an interim measure simplified information sheets are being developed for Council's Development Application Process.

Council also continues to assist business enquiries and is currently reviewing the integration of Economic Development activities with Development Services with a focus on simplification and improvement of processes and communication for business and developers.

Opportunities

Economic Prospectus with opportunities; infrastructure and land availability and local resources.

The key focus of the Economic Development Officer has been the development of an Economic Prospectus for the area. This document is seen as an important method of communicating with people interested in moving to the area with either their existing business or to set up a new business. The document is in the final stages of completion and will be available through Council's website.

A close working relationship with the Break O'Day Business Enterprise Centre (BEC) is important in ensuring that people exploring opportunities are directed towards Council for assistance or vice versa. Whilst a number of these approaches may end up not proceeding, there are numerous examples where assistance provided has resulted in economic growth and new businesses or activities being established. For example, at the end of the year, the Economic Development Officer in collaboration with the BEC is working with some 15 small businesses aiming to establish themselves in BOD.

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These include:

- Boutique brewery;
- Aircraft maintenance and sea plane tours business;
- Kayak hire business;
- Intensive agriculture/tourist venture;
- Tackle retail business.

The BEC annual report indicates that 59 prospective businesses sought advice regarding start up this financial year. New business details are now being collected to assist with assessing the outcomes of the Workforce for the Future project.

Following a concept idea from a member of the community, research and investigations are occurring on a housing assistance program designed to assist people currently renting to construct their own home. A discussion paper is being prepared for Council's consideration.

A small group of local community members have come together to form a local economic steering group with several meetings having been held. The group is actively working on projects including a microbrewery and a major event on Georges Bay.

A business case for the Georges Bay slip is being compiled

for Council. The brief is to investigate the feasibility of developing a marina, slip and retail complex for the site. The business case will also investigate different business models for the project. A visit to Triabunna marina and discussions with Glamorgan-Spring Bay Council staff regarding costs, design and their business model provided some information to assist with developing the business plan.

Initial investigations for the opportunity to develop agriculture and horticulture within the Break O'Day area particularly in the Fingal Valley have commenced.

Tourism

Broadening, lengthening and improving the visitor experience through development of attractions and activities; promotion and signage; and great customer service.

Our reliance on tourism to support our local economy is reflected by Tasmania's east coast being the sixth most dependent on Tourism in Australia. During the 2017-2018 year the East Coast continued its strong growth with an increase of 4% in visitation compared to the Tasmanian growth of 2%.

The following tables show statistics from the Tasmania Visitor Survey.

Places stayed overnight

	July 2014 – June 2015	July 2015 – June 2016	July 2016 – 2017	July 2017 – June 2018
St Marys	4866	7429	9604	9820
St Helens	70153	70705	76077	83114

Number of Nights stayed in each place

	July 2014 – June 2015	July 2015 – June 2016	July 2016 – 2017	July 2017 – June 2018
St Marys	9394	25657	25125	23979
St Helens	135151	163178	180804	218233

Average nights spent in each place

	July 2014 – June 2015	July 2015 – June 2016	July 2016 – 2017	July 2017 – June 2018
St Marys	1.9	3.4	2.6	2.4
St Helens	1.9	2.3	2.4	2.6

The growth in Tourism brings with it a range of pressures and opportunities. Already popular destinations, its infrastructure can become stretched to bursting point. Binalong Bay is one of these destinations and during the year Council commenced discussions with the local community on solutions to car parking, traffic and pedestrian movement as well as commercial businesses as part of the Binalong Bay Local Township Plan. Given the location, Parks & Wildlife Service is a key partner in any solution and something they are working with Council on.

With growth comes the need for more employment in businesses that benefit from this increased visitation. The need to proactively address this is vital to ensuring that growth is not stifled by a bad experience. With the support of local industry, Council has been at the forefront of addressing this challenge through a Skills Tasmania funded project.

As an organisation, Council contributes \$267,000 directly to supporting Tourism in the Break O'Day area through its support for the East Coast Regional Tourism Organisation (ECRTO); operation of the St Helens Visitor Information Centre; and the St Helens History Room. More broadly we provide a range of infrastructure facilities which are enjoyed by locals and visitors alike.

During the year Council supported the ECRTO in its endeavors to encourage the local business community to take responsibility for implementation of the St Helens Destination Action Plan. As the name implies, the plan is very much about taking actions to improve the local destination and strengthen the sector. One activity identified in the Plan was for a local group to pursue upgrading the signage for the Bay of Fires. Council, with the assistance of ECRTO, arranged for this signage to be upgraded prior to Christmas in preparation for the tourist influx. ECRTO and Council will continue to encourage the business community to take responsibility for reviewing and implementing the Plan, after all the steps can be small but important.

With the assistance of Tourism Northern Tasmania, Greater Esk Tourism which encompasses the communities of the Fingal Valley have developed a Destination Action Plan and the local business operators have commenced implementation of the Plan with a number of identified activities. A key project is the development of a History Trail in Fingal which a group of keen locals have developed and secured funding to implement.

Visitor Information Centre

The St Helens Visitor Information Centre (VIC) is capably staffed by a core of two permanent part time employees, supported by one casual and a team of 10 enthusiastic and knowledgeable volunteers.

The VIC is open every day of every week from 9.00am to 5.00pm (except Good Friday, Christmas Day and Anzac Day morning).

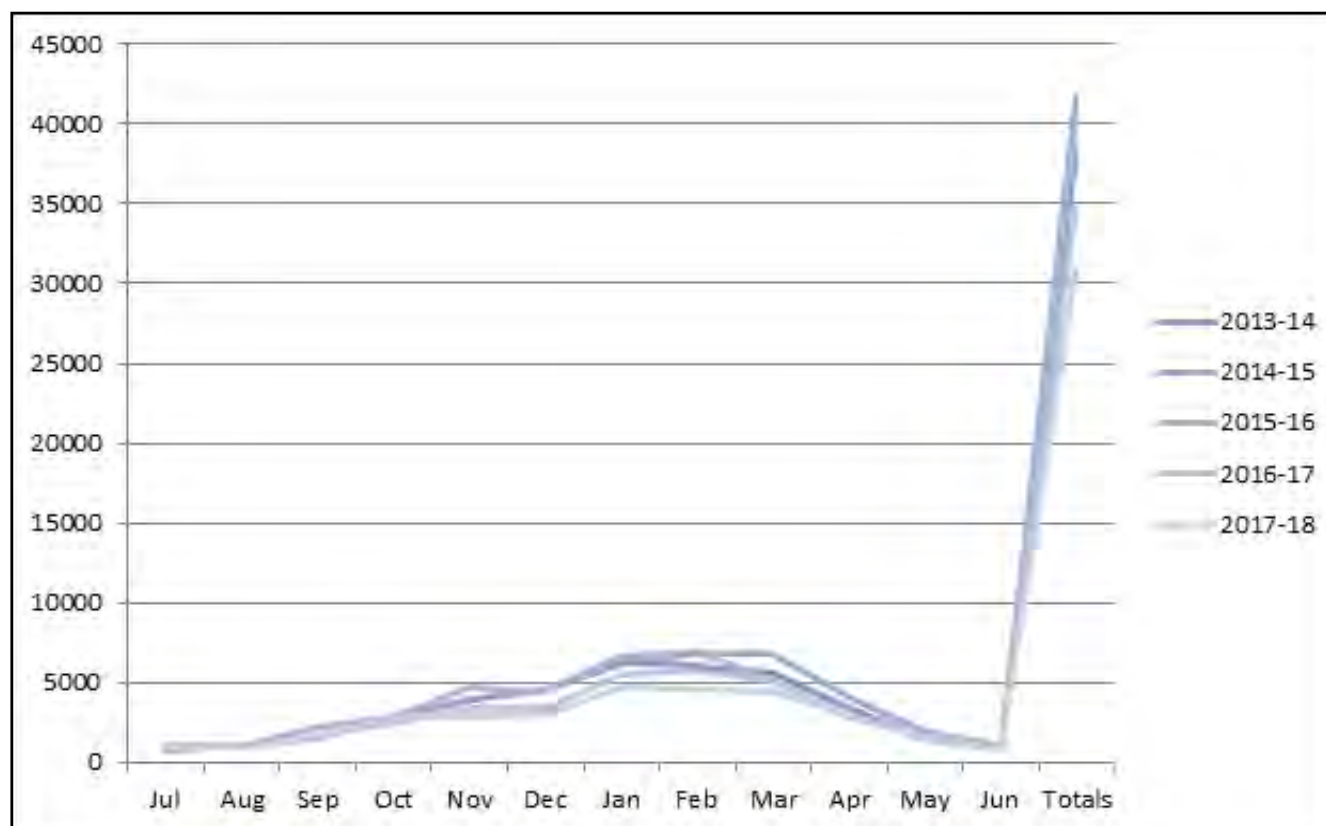
The VIC plays an integral role in tourism in our area. Not only do staff help visitors to our area find accommodation they also help them plan a range of activities to do and places to see. Working with local providers they ensure that our local businesses are represented in the centre.

Despite a changing visitor audience who tend to use their devices and apps to source information, the VIC still services thousands of visitors a year as illustrated in the below chart.

The change in visitor information seeking habits are reflected in the State Government's reinvention of their tourism strategy which will guide the future of Visitor Information Centres.

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The below table depicts the change in visitation statistics over the last 5 years.



The St Helens History Room Curators Report 2018

The St Helens History Room is based at the St Helens History and Visitor Information Centre. This facility is owned by the Break O'Day Council where in excess of 33,978 came to source local tourism information and out of those, 1079 visitors took advantage of visiting the museum in 2017. Located in the main street of St Helens, the St Helens History Room celebrates the history and culture of our unique and diverse area.

Displays

- Hirst Cabinet revamped (July 2017)
- Bark Canoe built by local Aboriginal Education Unit as part of NAIDOC celebrations donated by St Helens District High School (July 2017)
- Book Launch 'Up Country' (Oct 2017)
- Two new specimens on display in St Helens History Room. A Little Forest Bat and a Tawny Frogmouth are now part of the Natural History display (December 2017)
- Outward loan of 24 items from luni mapali stone tool collection to Arts Tasmania for their 10 Objects – 10
- Stories exhibition presented at Tasmanian Museum and Arts Gallery (TMAG) (March – May 2018)

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Exhibitions:

- 'From Over The Seas' (July 2017 – March 2018)
- 'My Culture, My Story' (April 2018 – August 2018)
- 'Siberia to Siberia' glass cabinet display in museum telling story of the steam engine now located outside the building (February 2018)
- A Woman's World c1890' (Foyer Display Case – March 2018)

Employment

Create a variety of jobs that will reduce the seasonality of the local economy and provide ample opportunities for youth to remain in the area.

Current estimates are there will be in excess of 30 jobs created by developments such as the cabin park at Parkside which will be opened in late October 2018 and other small business recently attracted to the area.

The Review of the Economic Potential of Stage 2 of the MTB trails for Council identified an additional 157 direct and 25 indirect jobs will be generated in the region by MTB visitor spending. During construction, the successful contractor will be employing some local labourers to work alongside experienced team members to develop their skills in this area.

There will be other spin-offs from the mountain bike trails (MBT) project not only with direct jobs but with existing businesses expanding to take advantage of visitors to the MBTs. An example of this is the Big 4 caravan park's recent additions targeted at mountain bike riders. These additions will employ two full time positions.

A skills audit currently being conducted by consultants BDO is in its final stages. This audit will identify current employment opportunities which can't be filled and where employment growth will be over the next five years as well as skill sets required. The project will then provide an analysis of the gaps and produce a workforce action plan to address these gaps. This plan will enable the development of a robust workforce that is tailored to the expanding needs of Break O'Day.

Following completion of the skills audit project the Economic Development Officer will work closely with the steering group to ensure the actions support employment growth in Break O'Day.

During the year an important initiative of the Tasmanian Government commenced, the Jobs Action Package delivered in conjunction with TasCOSS and TCCI. The initial stage of the project has involved TasCOSS

undertaking consultation with local job seekers, community organisations and other stakeholders to gain an understanding of the barriers to employment which are being experienced. This project dovetails very well with the Skills Tasmania funded project undertaken by Council.

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Part of an indigenous cultural display at the St Helens History Room.



Brand Development

Undertake and identify opportunities to develop a positive brand for Break O'Day Council and the area.

Brand development is, and always will be an ongoing activity of Council. While brand is predominantly intangible in that it is a perception or a feeling, we can undertake various activities that will influence our brand.

Some of the activities undertaken this year to influence brand include:

Development of a Communications Guide

This financial year a Style Guide was introduced at a corporate level to ensure a uniform look and recognisable style. The next step is to create a Communications Guide which will delve into tone, language etc. This will be an organisational document only. Some work has been started on this document but the project was halted due to more pressing work commitments.

Uniform Signage

The Work Health and Safety Officer has completed a review of all Council signage. With the new style guide now implemented, any new signage will incorporate the new style.

Development of a style guide

The new style guide ensures a consistent approach to all our communication across every Department and will be implemented in the next financial year. It includes corporate colours and typefaces as well as templates for presentations, advertisements and signage. We have also introduced motifs which reflect our area and were nominated and voted on by staff and feature threatened species of our area.

Website redevelopment

Having a website that promoted our values of transparency, accountability and open communication was a focus for Council. Our previous website was organised in a departmental way and therefore wasn't conducive to the general community.

A staff committee comprised of members from each department developed a navigation map for the new website focusing on what audiences would be looking for, and where they would expect to find information. The three audience groups determined were ratepayers, visitors to our area and those looking to move to our area. This led to the development of the main framework for the site which was broken into five main areas, My Council, My Property, My Community, Our Environment

and Discover Us. We also wanted the website to look fresh and welcoming, a better reflection of who we are as organisation and the natural environment and community we represent.

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Bay of Fires courtesy of East Coast Regional Tourism Organisation



3. Environment

To balance our use of the natural environment to ensure that it is available for future generations to enjoy as we do.

Strategies

- 1. Ensure the necessary regulations and information is in place to enable appropriate use and address inappropriate actions.**
- 2. Increase the community's awareness of the natural environment; the pressures it faces; and actions we can take to sustain it and what it provides.**
- 3. Undertake and support activities which restore, protect and access the natural environment which enables us to care for, celebrate and enjoy it.**
- 4. Recognise and alleviate the issues and risks to the environment from our use, and the risk to us from a changing environment. (For example flood and fire.)**

Key Focus Areas

Appropriate Development

Encourage sensible and sustainable development through sound land use planning, building and design

Land Use Strategy

The amended Regional Land Use Strategy (RLUS) came into effect on 27 June 2018 and sets out the strategy and policy basis to facilitate and manage change, growth, and development to 2032. Across the Northern Region the RLUS will guide land use, development and infrastructure decisions made by State and Local Government, and by key infrastructure providers.

The amendments to the previously declared Regional Land Use Strategy of Northern Tasmania include:

- A general review of the strategy that recognizes more recent government policies and legislative changes, such as the latest Tasmanian planning reforms, and better alignment with the key strategic land use planning outcomes for the Northern region;
- Incorporation of relevant parts of the Greater Launceston Plan;
- Minor adjustments to the Regional Settlement hierarchy and Activity Centre Network; and

- General review of introductory and commentary sections of the strategy and review of drafting style for the Goals, Strategies, Policies and Actions.

The amended strategy enables Council to progress the development of Local Area Provisions for inclusion in the new State-wide Planning Scheme.

During 2017-2018 Council began to address medium to longer term industrial land requirements. Suitable land has been identified, and progressing the development of a land use strategy is reliant on this land coming on the market.

In addition, Council acted to facilitate discussions with the community to examine opportunities to address the shortage of commercial premise locations, parking, pedestrian linkages and related issues in the Binalong Bay Area. A Consultation session was held at Binalong Bay in March 2018 and an action list in area of planning arising from the consultation session has been collated and is to be actioned over the next two years.

Dog Management Policy

During the year Council prepared an updated the Draft Dog Management Policy and invited Parks & Wildlife Service (PWS) and public comment on possible changes to dog access zones with the intent of developing a policy that is acceptable to the majority of the community and which can be effectively managed on land managed by Council and PWS.

The review of our Dog Management Policy received more detailed community input than ever before with views received from Ansons Bay to Bicheno and beyond. Obtaining input from PWS delayed the review process unfortunately. PWS has a crucial role on coastal reserves where dog access is popular and where the habitats of important shorebirds, such as the threatened hooded plover are found. The policy is to be referred to Council in the new financial year and another round of public comment sought prior to finalisation and being implemented.

Enjoying our Environment

Provide opportunities to access and learn more about our environment and the ways it can be enjoyed in a sustainable manner.

The NRM Facilitator has provided a range of opportunities to develop knowledge and skills to care for and use the environment sustainably for residents, landholders, groups and visitors. These include coastal holiday makers, Lower George Riverworks Trust and the Upper South Esk Landcare and Productivity group.

The Irapuna/Bay of Fires Community Weekend is a popular annual coastal walk which had 130 participants at the August 2017 event. Besides learning about marine plastic pollution, shorebirds and the heritage and cultural traditions of the area, the participants removed thousands of sea spurge plants (a beach weed) and 40kg of marine debris while walking 50km over three days. This event aims to build community connections by providing opportunities for the community and land managers to work and learn together, by enjoying and caring for the cultural and natural heritage of the area.

Development of mountain bike trails (MTB) has been an important new project to create a significant sustainable recreation and economic opportunity. The first stage this year has involved engaging a MTB project officer to lead the important planning and design process of assessing natural values along trail routes and developing management strategies with partners. Construction of these new MTB trails will give people exciting opportunities to experience our natural environment in a sustainable way. You can read more about this project in the Major Projects section of this document.

Council's partnership over the summer with the Discovery Ranger program of the PWS involved well over 100 people in activities learning about and enjoying the natural environment. Coastal activities at Scamander, the Bay of Fires Celebration and with the roaming Discovery Ranger involved 140 people in discovering new things about our beaches, rocky shores and coastal bushland environments. This program includes children's activities and takes place during the school holidays so is an excellent opportunity to get our children outside learning about our natural environment.

The Big Beach Walk is always a popular clean-up event.



During the year Council provided news, information and advice to visitors, landholders and businesses to support their awareness of environmental values and issues. The information also included tips on how they can enjoy our natural resources while managing them sustainably for future generations to enjoy. The Council's newsletter is produced monthly and includes good news stories on our area, regular stories on Council's works programs, events and activities as well as environmental matters, such as 'weed of the month'. Council's social media presence has increased significantly over the last 12 months and includes promotion of events and interesting sightings, such as whales, and raising environmental issues, such as with Council's dog policy. Council also helps people access information on environmental interests and management issues for our shared responsibility to look after the environment.

Land Management

Develop the financial and human resources to undertake projects and activities which address environmental issues such as weeds and land degradation.

Landholders impacted by the severe floods of June 2016 were helped by Council's NRM Facilitator to access funding for works and advice from river specialists through the

Tasmanian Agricultural Landscape Rehabilitation Scheme (ALRS). The ALRS program aims to protect land productivity threatened by rivers and involved site visits and river management workshops to ensure works by landholders were technically sound. Over \$200,000 of river bank stabilisation and protection works on the George and South Esk rivers were funded. The ALRS was delivered by NRM North, who provided additional funding more for water quality improvement and biodiversity protection projects in the George catchment. Some outcomes from these projects, worth \$75,000 in all, include improving the sustainability of intensive grazing enterprises and protecting core habitat of Davies waxflower, a threatened wildflower which naturally occurs only near St Helens.

Council made good progress on its weed management initiative, controlling priority weeds on Council roads, reserves and facilities from Ansons Bay to Pyengana, Mangana and Seymour. Priority was given to important and valuable sites, such as the Bay of Fires, knocking back expanding infestations and coordinating efforts to support the work of landholders. New treatment areas and methodical follow-up of the previous year's work resulted in removal of over 80,000 plants of Spanish heath, gorse, pampas, boneseed, African boxthorn, blackberry, Patersons curse plants and 'environmental weed' species.

Recognising weeds have no regard for property boundaries, Council's program has also worked with landholders and groups, providing control advice, contacting neighbours and supporting weed control works. Examples include a significant Patersons Curse infestation at Mangana, Spanish Heath at Four Mile Creek and a major gorse control project by the Seymour Community Action Group. Council's weed program follows its strategic Weed Action Plan, which will be updated to keep working on the many and extensive weed infested areas that remain and involve landholders and government agencies managing land to ensure a coordinated approach.

The Break O'Day NRM Committee also started a review of Council's Natural Resource Management Strategy to align it with the new municipal Strategic Plan 2017-2027. This Council plan will set out the priorities for managing our land, biodiversity and biosecurity, water quality and catchment health, access and enjoyment on natural resources and natural hazards management. Public consultation and the new NRM Strategy are planned for 2018-2019.

Aerial view of the George's River

Water Management

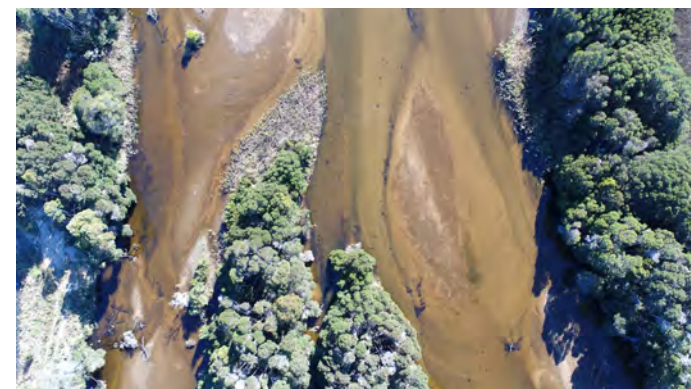
Develop and implement strategies and activities to reduce the risk of flooding, inundation and erosion within our rivers, estuaries and coastal areas.

Working closely with the community and government agencies Council championed action on two significant flood risk locations, St Marys township and the Lower George River floodplain.

Following three flood events in the one year (2016) at St Marys, Council obtained \$40,000 of funding from the National Disaster Resilience Grant Program to undertake detailed flood modelling studies. Computer modelling of how the St Marys Rivulet behaves in a flood was created from rainfall data and photos of the 2016 floods. An important part of this project was involving the community, SES and other government agencies in the scientific investigation as well as understanding the implications for the town. The community helped devise options for flood mitigation works and these were then tested in flood simulations, selecting the most effective options that would reduce flood risks, while protecting the amenity value of the stream for residents and visitors.

The NRM Facilitator worked with the Lower George River Riverworks Trust to engage landholders on the river below Priory on flood risk issues on the floodplain. Flooding and the risk of the river carving out a new course are a long standing threat to land owners and farm productivity as well as public infrastructure. The Trust was supported to obtain funding from the Tasmanian Agricultural Landscape Rehabilitation Scheme to undertake an investigation of flood and sediment management priorities.

23 people attended a field day supported by the Council to look at the findings and discuss priorities for an action plan for river and flood management. Participants inspected large volumes of sand sediments at Priory that threaten to choke the river channel through the floodplain, which when it floods often spills out over the grazing land and cuts Binalong Bay Road. Complex environmental, landholder and regulatory conditions make management of the floodplain challenging and Council will continue to work with the Trust and others to develop strategies to manage the future flood risks and river.



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Binalong Bay courtesy of East Coast Regional Tourism Organisation



4. Infrastructure

To provide quality infrastructure which enhances the liveability and viability of our communities for residents and visitors.

Strategies

- 1. Be proactive infrastructure managers by anticipating and responding to the growing and changing needs of the community and the area.**
- 2. Work with stakeholders to ensure the community can access the infrastructure necessary to maintain their lifestyle.**
- 3. Develop and maintain infrastructure assets in line with affordable long-term strategies.**

Key Focus areas

Towns

Create townships that are vibrant and welcoming through improvements to infrastructure such as streetscapes parking, safety and signage.

Council has initiated streetscape projects in the townships of Fingal and St Helens.

Cecilia Street, St Helens

A preliminary streetscape concept has been prepared and presented to Councillors for review and consideration. The project scope includes the footpath upgrade on the eastern side of Cecilia Street between Circassian Street and Georges Bay Esplanade. Consideration is also being given to a realignment of the Georges Bay Esplanade and Cecilia Street road intersection. The proposed concept will be available for public comment in the near future. The 2018-2019 capital allocation is \$15,000 for design.

Talbot Street, Fingal

A preliminary streetscape concept has been developed and will be presented to Councillors at the July 2018 Councillor Workshop for review and consideration. The project scope is limited to the upgrade of footpath and kerb and channel

along the northern side of Talbot Street between the Fingal Post Office and Mathinna Road. Discussion on the staging of upgrade works occurred during the development of the Fingal Local Township Plan in 2018. Further public comment on the design will be invited in the near future. The project has been assigned a capital allocation of \$500,000 for design and construction in the 2018-2019 financial year.

St Marys Streetscape Improvement Works

Council was successful in seeking loan funding through the Accelerated Local Government Capital Program to bring forward the St Mary's Streetscape improvement works to the 2017-2018 financial year.

By tender, Streetwise Developments Pty Ltd was awarded the contract to undertake the works.

The project that commenced in February and concluded in May 2018 involved improvement to two areas of the St Marys streetscape:

- The southern side of Main Street between the Bridge at St Marys Rivulet and the IGA store
- The eastern side of Story Street to the western side of the Main Street bridge.

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The works included the replacement of footpaths, property driveways with charcoal grey concrete aggregate finish and kerb and channel in keeping with previous upgrade works within the town shopping precinct. In Main Street, a new stormwater main with increased capacity was installed to enable the efficient collection of surface water from the carriageway and pedestrian areas.

The project was completed on-time and within budget.

Scamander Northern Entrance

A project has been initiated to enhance the northern entrance of Scamander at Wrinklers Lagoon bridge with a concept developed that provides a preliminary plan of the site layout including access points, car parking, footpath, facilities and vegetation areas. A Traffic Impact Assessment (TIA) has been completed and provided to the Department of State Growth and Parks & Wildlife Service (road and land owners) for comment.

Departmental comments and recommendations will be considered and integrated with the draft design plan. Federal and/or State Government co-funding will be required to progress the project to full completion.

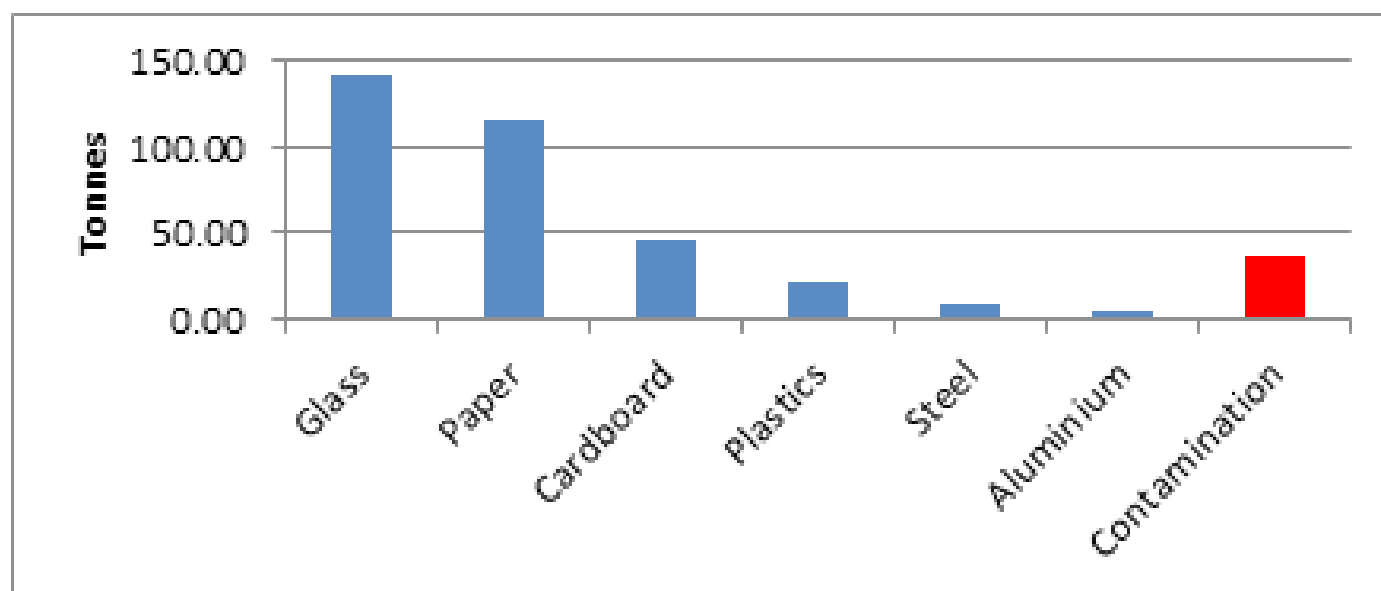
Waste Management

Provide access to services and facilities which support a sustainable lifestyle.

In the 2017-2018 period, Council introduced a range of waste management initiatives that resulted in the diversion of 478 tonnes of municipal waste from landfill compared to the base year of 2015 - 2016.

A fortnightly Kerbside Recyclables Collection Service introduced in December 2017 to 4,200 tenements saw the total collection of 375 tonnes of co-mingled recyclables up to 30 June 2018. Of this total, 338 tonnes of material was sorted for recovery, with the remaining 37 tonnes (10%) of contaminated waste landfilled.

The graph below shows the quantity of each material class collected under the new kerbside recycling service December 2017 to June 2018.



By broad analysis, paper (recyclable) and cardboard collectively contributed to 162 tonnes or 43% by weight.

Glass was the major single component of the waste stream at 142 tonnes or 38% by weight.

Plastics contributed to 21 tonnes or 5.6% of recyclables collected, comprising of high density polyethylene (HDPE), polyethylene terephthalate (PET) and polyvinyl chloride (PVC).

Increased segregation of recoverable materials at the Fingal, St Marys, Scamander and St Helens Waste Transfer Stations resulted in increased recovery rates of cardboard, scrap metal, glass and e-waste.

We also ran a comprehensive education campaign aimed at educating the community about the new service as well as what could be recycled. This included a sticker design competition that was run through both local schools and involved students creating designs for a general waste sticker and recycling sticker. These were designed to be placed on the lids of the bins to help residents understand which bin was for what waste. The winners of the competition were; Zoe McKellar-Smith, age 9 from St Helens District High for her Recycling sticker, and the winners of the waste sticker,

Monique Dufty and Erinn Spilsbury age 14 from St Marys District High who submitted a joint entry.

St Helens District High School was particularly engaged with this competition and recycling in general, even dedicating their end of school production to educating the community about waste. The students not only wrote the scripts, songs and choreography for the production they made all the sets and costumes from recycled and reused items.

We used our Council Facebook page to run a campaign on the A-Z of recycling, promoted the Recycle Coach App as well as ran reminders for the first month of the recycling program.

We also utilised the local radio station to run collection reminders and even had an on-air discussion regarding the new service.

We believe that the recycling rates indicate that this education was successful. We will continue to promote Recycling as well as Reduce and Reuse as part as an ongoing waste strategy.

Break O'Day Council is a member of the Northern Waste Management Group (NTWMG) which was formed in 2007

with six other member councils from northern Tasmania: Dorset, George Town, Launceston, Meander Valley, Northern Midlands and West Tamar.

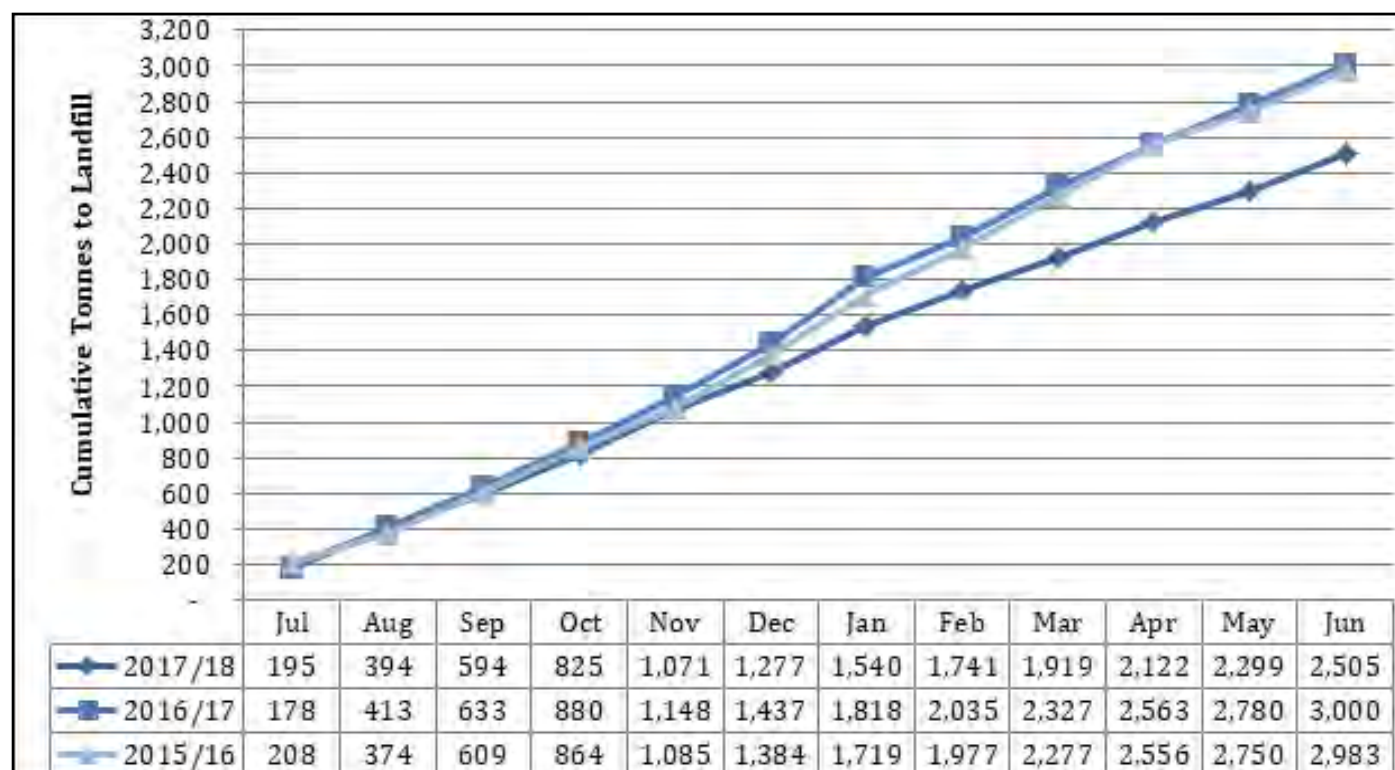
The role of the NTWMG is to provide advice, funding and education on better managing waste and recycling within northern Tasmanian communities, businesses and local governments. The NTWMG is able to provide these services through a levy on waste disposed to landfill from Northern Tasmania.

In the 2017-2018 financial year, a 17% reduction in municipal waste to landfill, an equivalent of 545 tonnes from the base year 2015-2016 was realised through the implementation of the following initiatives:

- A kerbside recyclables collection service, introduced in December 2017
- The provision of a paint recycling facility funded by the Northern Tasmanian waste Management Group at St Helens Waste Transfer Station (WTS) and acceptance at all municipal WTS's – February 2018
- Acceptance of fuel for recycling (petrol, diesel and engine coolants at the St Helens WTS – April 2018
- e-waste drop-off at the municipal WTS's – May 2018
- Mobile phone muster collection program
- Campaign promotion to Reduce – Recycle – Reuse

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The below graph shows the reduction of municipal waste to landfill in 2017/2018 against the previous two years, driven by the introduction of kerbside recycling and Waste Transfer Station waste to landfill diversion strategies.



Current project activity includes:

- A Cost Benefit Analysis and effectiveness of providing co-mingled recycling bins at Council's WTS's.
- Exploring potential local plastic recovery opportunities and practical strategy to reduce the quantity of single use plastics.
- Improvement of WTS layout and the provision of infrastructure to promote and increase the volumes of waste for recycling and re-use. Projects initiated for construction in 2018-2019 are the construction of new loading bays at both the St Marys and Fingal WTS's that provide greater opportunity for placement of recoverable materials into bulk transport bins and the general reorganisation of recyclables drop-off areas at each site.
- Promoting and providing support for the National Garage Sale Trails initiative.
- Assessment into the financial and operational feasibility of converting green waste to usable mulch that takes into account green waste volume (current and predicted future volumes received at each waste transfer station, site location, mulching and transport costs and the control of weed and other plant seed germination risks.
- Implementing initiatives to increase cardboard, paper metals and mattress material recovery.

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Roads and Streets

Develop a well-maintained road network that recognises the changing demands and requirements of residents and visitors.

Re-sheeting and Sealing Programs

Unsealed road re-sheeting was substantially completed during the financial year. Council placed 93,954m² of resheeting gravel at a cost of \$378,200 across the following roads:

Major Resheeting Works	m ²	\$
Ansons Bay Road	10,000	96,714
Lottah Road	14,291	85,215
Mathinna Plains Road	41,220	75,308
Anchor Road	9,295	37,600
Upper Scammander Road	8,090	34,074
Irishtown Road	6,388	32,318
Champ Street, Seymour	4,670	16,971
TOTAL	93,954	378,200

A shortage of crushed gravel towards the end of the year resulted in the deferral of some road re-sheeting activity to early in the 2018-2019 financial year. Condition assessments previously undertaken on a three yearly cycle provided Council with guidance information by

which to make informed decisions when allocating capital for re-sheeting works. The schedule was changed to an annual assessment in the 2017-2018 year, which provides the basis for improved road maintenance planning and scheduling of re-sheeting including the sourcing of crushed gravels.

Council resealed 75,410m² of pavement at a cost of \$326,702 across the following roads:

Resealing Works	m ²	\$
Rossarden Road ⁽¹⁾	26,024	134,487
Mathinna Plains Road	25,215	101,851
Cornwall Road	5,966	23,229
Gardiners Creek Road	4,984	18,363
Fraser Street	3,957	13,316
Clarke Street	2,250	10,049
Harefield Road	2,880	9,962
The Flat	1,274	5,797
Dunn Street	1,627	5,025
High Street	855	3,341
Russell Street	378	1,282
TOTAL	75,410	326,702

⁽¹⁾includes \$127,792 of Australian Government Roads to Recovery funding.

State Government Roads

Council continues to pursue upgrades to State Government roads with a focus on:

- Main Street - St Marys: A proposal is being developed for the installation of pedestrian refuge islands and a centre median strip along Main Street with the aim of improving pedestrian access from the northern side of the road to the main shopping precinct.
- Tasman Highway - discussions continue with the Department of State Growth to progress shoulder widening between St Helens and Beaumaris, for road intersection upgrades at Flagstaff Road and Basin Creek Road.

Heavy Vehicle Access

Local Government Association Tasmania (LGAT) has been actively working with the Tasmanian Government Department of State Growth (DSG), as well as the National Heavy Vehicle Regulator (NHVR), to maintain smooth progress on implementation of the Heavy Vehicle National Law (HVNL) and to ensure Tasmanian Councils are well supported throughout the process. Council has been participating with DSG and the NHVR to support the aim of simplifying and reducing the number of access conditions across the municipal road network, yet ensuring that road safety for all network users is optimised.

Providing consent is important in maintaining the economic flow of goods and services and lawful access for heavy vehicles using the Council road network. Key focus areas have been the development of updated road travel conditions matrices and bridge loading risk assessment for all of Council's bridge assets, giving consideration to land-use and development, network capacity, creating shared road networks spaces, understanding competing user demands against the backdrop of varied infrastructure design, age and condition and balancing acceptable risks and the benefits that the road network provides to the community.

The Works crew resheeting Ansons Bay Road.



Community Facilities

Provide community facilities that encourage participation and supports the lifestyle of residents and growing visitor numbers.

Council continues to be active in providing facilities that encourage participation and which support the lifestyle of residents and growing visitor numbers. Priorities actioned during the 2017-2018 financial year are as follows:

Old Tasmanian Hotel, Fingal

The Break O'Day Council has dedicated a significant amount of resources in the conservation of the Old Tasmanian Hotel, Fingal. The building accommodates various uses including the Fingal Neighbourhood House, Child Care Centre, RSL – Sub-branch meeting room, community kitchen and community meeting rooms and is one of the municipality's highest use buildings. The building is one of several heritage listed buildings in Fingal and demonstrates the history of the area with sandstone outer wall construction.

A Conservation Management Plan has been developed which has highlighted various upgrading works required to the building in order to return the building to its former glory. A significant lower storey renovation has

been completed which was completed through the Building Connections program managed by the Fingal Neighbourhood House. The Conservation Management plan informs Council in relation to suggested scope of works and Council Officers have progressed the suggested scope of works in stages.

Council has identified a five year budget program to progress the Conservation Management plan. Opportunities for grant funding continue to be explored.

Bendigo BOCS - Progression of Stage 2

Council were successful in obtaining \$50,000 contribution from the Tasmanian Community Fund in order to progress the Kiosk fit-out at the Bendigo Bank Community Stadium. The project involved specialist architectural input from Edwards & Simpsons Architects who worked collaboratively with the user groups of the facility to ensure it catered to their needs. With the engagement of the community groups and specialist skills, Council designed and installed a very functional area which now has the ability to raise funds for community groups and organisations.

The commercial kitchen has been installed to the highest standard with commercial vinyl, stainless steel benches

and splash backs as well as a range of good quality commercial appliances. The kitchen has been endorsed by Council's Environmental Health Officer for commercial use and is now available for any organisation or community group to use whether providing training or catering for an event.

The commercial kitchen is being used as a kiosk by the St Helens Netball Association who will use the kiosk throughout the season to raise funds for their organisation. Due to the standard of the kitchen fit-out they will now be able to offer healthy meals like curries, homemade nachos, pastas and more which has increased their fundraising as well as attracted more people to the events.

Upgrade of Municipal Toilet Facilities

Council continues to implement the 10-year Toilet Replacement Program and the 2017-2018 financial year saw the completion of a new BBQ and toilet facility located at Beaumaris Park and the replacement of the public toilet at the St Marys Lions Park (behind town library). Council officers also commenced design and planning to replace the amenities at Wrinklers Lagoon and Scamander with options currently being explored for public amenities in the Welborough township.

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The stadium kiosk fit-out was made possible with a grant through the Tasmanian Community Fund



Dog Management Policy

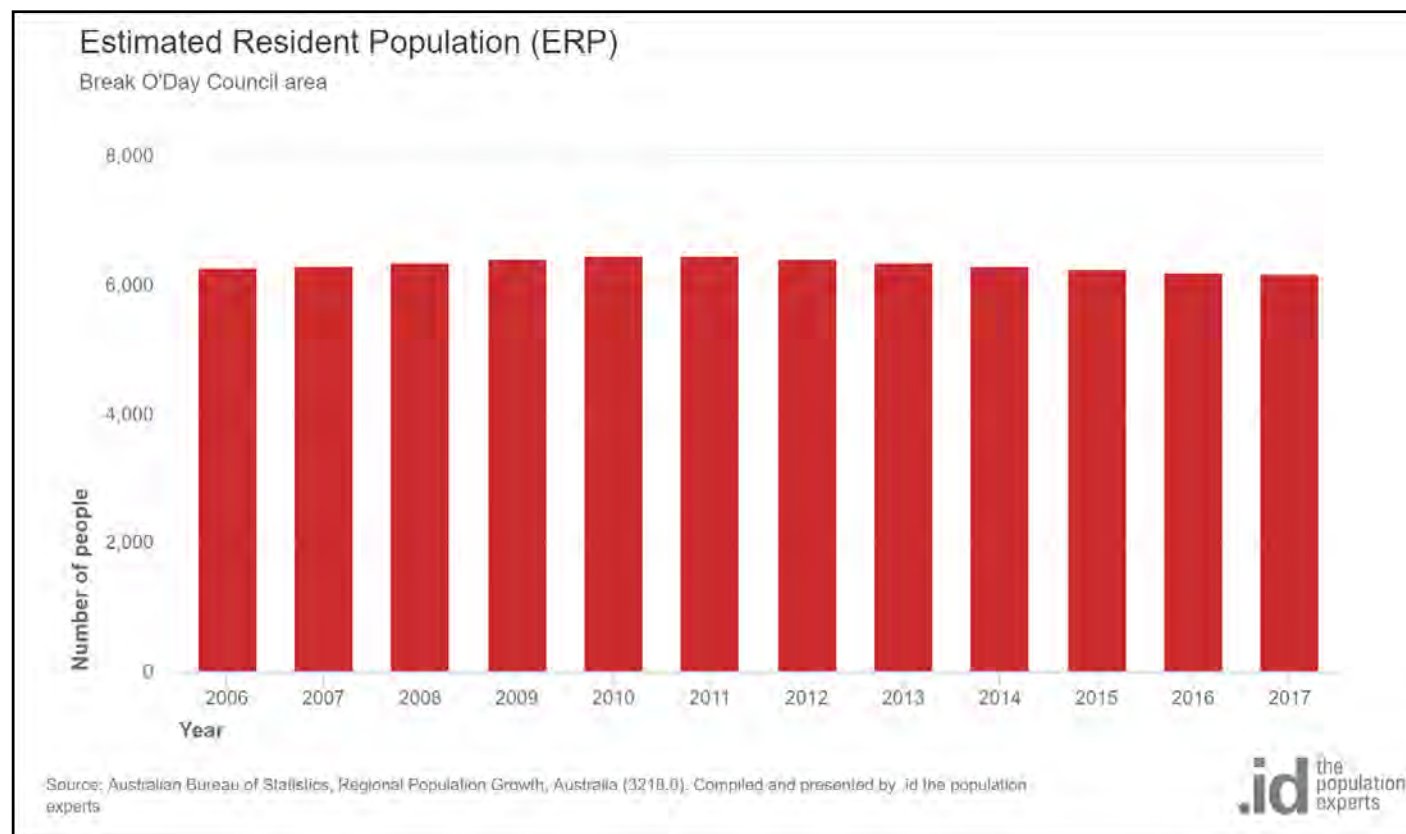
Dog Exercise Areas were included in Council's draft revised Dog Management Policy in December 2017. Community feedback supported more areas, in particular for Binalong Bay, St Marys and the possible expansion of the existing St Helens Dog Exercise Area. Establishing new areas was delayed due to a revision of the Dog Management Policy, which includes declarations under state legislation of off-lead access rights. Land for new areas also needs to be developed to provide safe fencing and facilities. A new Dog Management Policy is expected in the new year, including new Dog Exercise Areas.

Strategy 4.1

Be proactive infrastructure managers by anticipating and responding to the growing and changing needs of the community.

The following graph shows the estimated resident population of Break O'Day Council.

This information is used to help us plan for future infrastructure needs.



Annual Report 2017-2018

Telecommunications

Ensure residents and visitors can access telecommunication services such as NBN and mobile phone coverage where they are living and visiting.

At 30 June 2018, the Australian Government's Mobile Black Spot Program was well over halfway complete and is delivering improved coverage outcomes and benefits to the Australian community with 572 base stations already activated.

Stations within Break O'Day and adjoining municipalities funded under the first three rounds of the program are as per the below table:

On 10 June 2018, the Australian Government announced it will invest \$25 million of Mobile Black Spot Program funding towards a fourth round, to deliver improved mobile coverage to more regional and remote communities across Australia. The competitive selection process for Round 4 of the program is expected to commence in the second half of 2018.

In addition to black spot funded projects, development applications have been received for:

- The upgrade of the telecommunications tower from OPTUS at Baretop Hill
- The upgrade of mobile equipment on the Mount William Base Station Tower from Telstra.

The below table shows telecommunication station construction in our area.

Service Provider	Municipality	Location	Type	Service	Planned Completion
Telstra	BODC	Mathinna	Small Cell	4G	Completed
Telstra	BODC	Weldborough	Small Cell	4G	Completed
Telstra	Dorset	Musselroe Bay	Base Station	3G + 4GX	Q4,2018
Telstra	Northern Mid-lands	Avoca	Small Cell	4G	Completed
Telstra	Northern Mid-lands	Rossarden	Base Station	3G + 4GX	Completed
Vodafone	BODC	Pyenganna	Base Station		Q3, 2018
Vodafone	BODC	Goshen	Base Station		Q4,2018

Recreational Facilities

Support an outdoor, active and healthy lifestyle for residents and visitors through a range of recreational facilities including walking trails, bike trails and other identified infrastructure.

Mountain Bike Trails

Funding for the construction of the Bay of Fires Descent and St Helens Stacked Loop Network (\$4.75m in total) has been confirmed from Federal Government, State Government and Break O'Day Council contributors.

The Trails Project Manager position was established and commenced in October 2017 with the task of overseeing all aspects of the MTB projects as well as examining options for other trails including walking trails in our area.

The planning process for the establishment of Mountain Bike Trails progressed throughout the 2017-2018 financial year. Detailed investigations were undertaken on all aspects of the trail development including environmental assessments and land access leases.

The tender process for construction has commenced and is running in parallel to the planning process to be in a position to commence work on ground in the second

half of 2018 or when all the approvals have been granted. You can read more about this project in the Major Projects section of this document.

Great Eastern Walk

The Great Eastern Walk pilot stage from Musselroe to Coles Bay was not supported by the Tasmanian Land Conservancy. There is no funding to proceed but the proposal was supported by the community in recent Strategic Plan conversations.

Walking / Recreation Trails

Initial workshop with Council was held on 5 February 2018 to seek input and direction and form priority areas for walking trail opportunities throughout the district. A list of existing trails have been collated including trails on land owned by Park and Wildlife Service, Sustainable Timber Tasmania and private property to establish a comprehensive list.

Further investigation is ongoing to identify the condition of trails which will provide a basis for maintenance and upgrading works and to develop a consistent level of information to be available for trail users.

St Helens - Binalong Bay Link Trail

Preliminary investigation has commenced. A cost estimate is being developed and will be discussed in Council on the merit to progress to the next stage of planning in 2018-2019.

Georges Bay Foreshore Trail

Preliminary research and concept design to complete missing sections of the Georges Bay Foreshore Trail includes:

- St Helens Foreshore to Homelea - construction option has been defined. Concept design with construction cost estimates are being prepared for consideration.
- Talbot Street to O'Connors Beach - Concept design with construction cost estimates are being prepared for consideration.

Binalong Bay Foreshore Master Plan

Progression of the Binalong Bay Foreshore Master Plan is underway with finalisation of a lease with Parks and Wildlife Service (PWS) being progressed and developing a prioritised program of works with PWS and the community. The Binalong Bay Local Township Plan delves into actions for the foreshore and can be found on our website under "My Community".

Georges Bay Marine Infrastructure

Upgrade existing and provide new marine infrastructure (jetties, pontoons, boat ramps and shore facilities) around Georges Bay which meets the needs of the community and visitors in line with an agreed Strategy.

- Condition assessment of Kirwans Beach and Beauty Bay jetties undertaken to assist in developing the strategy and to understand completely the current condition and maintenance requirements.

Timber jetties in a salt marine environment have short operational lives, due to the penetration of a broad range of marine organisms and creatures such as the Teredo Worm. Piles need to be replaced every 5 to 10 years depending upon location and the degree of degradation activity taking place. The corresponding life cycle cost is approximately \$20,000 per jetty over five years. Nine jetties are maintained by Council. The application of Asset Management lead the Council to examine more cost effective ways of maintaining the jetties and extending operational life.

While researching alternative methods of construction for timber jetties, our Economic Development Officer found a unique product and process which involved heat shrinking

a polyolefin thermoplastic sleeve onto timber surfaces. This product and technique has previously been used to increase the life of buried cables and power poles all over the world. After 40 years of being buried, there was no evidence of deterioration giving the product an indefinite lifespan.

This method was adopted in the refurbishment of the Talbot Street jetty, a jetty inherited by Council in a state of poor disrepair.

Construction involved using inert sleeves which are lined with a hot melt adhesive that when heated shrink onto and adhere to the timber pylon surface protecting the surface from water and oxygen preventing timber rot and the penetration of marine creatures. The sleeve also has a glossy, slippery surface on the outside which makes it difficult for marine organisms to adhere to like oysters, muscles, barnacles etc.

The pylon sleeves do not leach plasticisers and are also resistant to attack by chemical agents.

The jetty was completed using this technique and user amenity was added through the inclusion of seating as well as a stainless steel scaling table.

The new Talbot Street jetty construction



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St Helens courtesy of East Coast Regional Tourism Organisation



5. Services *To have access to quality services that are responsive to the changing needs of the community and lead to improved health, education and employment outcomes.*

Strategies

- 1. Improve accessibility to a range of quality services and programs by advocating and pursuing for local delivery.**
- 2. Work collaboratively to ensure services and service providers are coordinated and meeting the actual and changing needs of the community.**
- 3. Ensure Council services support the betterment of the community while balancing statutory requirements with community and customer needs.**

Key Focus Areas Health

Retain and expand local provision of disability, preventative, chronic and acute health care services including pursuing innovative healthcare service delivery options.

The new St Helens Hospital is currently under construction with completion due November, 2018. Council has provided essential infrastructure to support this facility. The old St Helens Hospital will be part of an Expression of Interest process which will be undertaken by the State Government, this process will commence in late 2018.

Break O'Day Council and The Royal Flying Doctor Service (RFDS) continue to have a strong working relationship delivering Primary Health Care services to people living with mental illness, dementia, cardiovascular disease and chronic obstructive pulmonary disease.

Reporting and collection of data after 12 months identified that the Physical Health Worker and Mental Health Worker roles were in high demand yet the Rural Health worker role was not optimised as initially hoped. RFDS successfully negotiated a change in the positions and were able to

reduce the role of the Rural Health Worker and increase the roles of the Physical and Mental Health Workers to respond to the needs of the community.

In partnership with RFDS we have secured another three years funding from Primary Health Tasmania and will therefore continue to provide health services throughout the Break O'Day municipality.

RFDS recently partnered with RFDS Victoria which enabled our community to access a telehealth psychiatry service to eligible clients at no cost.

After the first 12 months of the program and discussions with local GPs, the Heart Foundation and the Launceston General Hospital, RFDS identified a significant gap in services for people in rural and remote areas of Tasmania who had experienced an acute cardiovascular or pulmonary event and were not attending recommended Phase III cardio/pulmonary rehabilitation. This was primarily due to issues around transport, distance and affordability. From this the "PRIME MOVER" – Phase III Cardiopulmonary Rehabilitation program consisting of exercises and educational programs was designed. The aim of Prime Mover is for participants to maintain behaviour and lifestyle changes and help to

reduce the risk of recurrence of cardiac and pulmonary events therefore reducing hospitalisations. 90% of participants in the Prime Mover program have completed the initial 14-week program.

The Prime Mover program is the first place-based cardiopulmonary rehabilitation program and means that those people who were previously not attending any form of rehabilitation due to the travel requirements, now have viable access to this essential service.

Mental Health

Improve the mental health of our community through stability in service delivery and a holistic approach to the provision of services locally.

The Mental Health Action group (representatives from health, education and community) was formed to lobby funding bodies to provide mental health services within our community where gaps had been identified such as; better pathway to referrals, more local workers on the ground and to stop duplication of services within our community from different funding bodies.

Other gaps identified were:

- More community awareness of Mental Health / suicide prevention help lines - 24 hour help lines are needed; and
- More community awareness of availability of Mental Health Call back services – a Mental Health Service Directory identifying all services has been created and continually updated as providers change.

The Group has already been recognised for its outstanding efforts and was awarded a Tasmanian LIFE Award for its contributions to the local community in the area of suicide prevention.

The Mental Health Action group will now meet twice a year due to the Break O'Day region being chosen as one of the five Tasmanian Local Government areas to participate in a national trial. This trial will test community-led approaches to suicide prevention.

A number of the Mental Health Action group members are now part of the working group that has been formed to develop a suicide prevention plan. The working group is made up of clinical and community members of the Break O'Day region and are working with PHT and the Black

Dog Institute utilising the LifeSpan model (see diagram) to build a safety net for our community. The aim of this model is to connect and co-ordinate new and existing programs to build the capacity of our community to better support people facing a crisis.

Community Champions Training was first undertaken by the Mental Health Action Group and will continue under this trial. It has been identified that many of us come across people who may have mental health issues whether it be at work or just talking to members of our community but often unsure how best to respond. Through this trial we are able to offer training for people to gain the skills and know how to support our community members. Additional training sessions will be scheduled for the future.



We are very proud of our partnership with THRIVE, which stands for Transforming Health Relationships Innovation Vocation and Education. This is a group of interested people who continue to address social determinants of health and work in partnership with external agencies. Some of the projects that fall under THRIVE is the mentoring program which is where people who wish to share their skills are placed with a student from St Helens District High School for a year and they meet weekly. The Building Project also commenced this financial year and a 1 bedroom unit was built from a container and sold – this project is ongoing and is working towards being sustainable. The other social enterprise project is the Community Garden where Council has leased the land to the St Helens Neighbourhood House and people volunteer their time to maintain the garden from which produce is sold.

Education Skills and Training

Improve education and skills and training opportunities and encourage greater personal development through the delivery of programs locally which meet the needs of industry and the community.

Important foundational work was commenced during the year through a Skills and Job Audit project funded by Skills Tasmania. Apart from identifying job opportunities which exist currently and future job opportunities, there was a focus on identifying the skill sets required to take advantage of these opportunities as well as employers identifying skill shortages they were seeing in employees and job seekers. This information will form the basis of a Skills Delivery Strategy with a focus on delivering as much of this training locally as possible.

The activities of the Trade Training Centre are seen as integral to the skills delivery and Council's Economic Development Officer has joined the Board of Management to assist in overall communication and coordination of activities and direction.

Transport

Facilitate a range of transport options that support movement within and outside the Break O'Day area.

Through an audit undertaken by the Disability Access Committee, perceived gaps have been identified in relation to vehicles suitable for carrying people who require wheel chair access.

Council's Learner Driver Mentor Program (Get In2 Gear) has increased access for learners to not only gain on road driving hours, but also limit their isolation within the Break O'Day Municipality.

There is no regular public transport available within Break O'Day (apart from the local Coach services and community transport activities) and this is something that learners who are early retirees relocating to the area had no idea about.

Learners have benefited from the Get In2 Gear program from all over Break O'Day, including Mathinna, Fingal, Cornwall, St Marys, Scamander, Beaumaris, Binalong Bay, St Helens and even Goshen and Lottah.

Often when learners arrive at Council to apply for the program, they lack self-confidence, can suffer from mental illness, have experienced a lifetime of isolation, or

a household where often there are no Tasmanian Drivers Licence holders.

After driving with the generous volunteer mentors, the learners gain a trusting relationship and more self-confidence, which is then proven by their new found confidence in safely driving and controlling the cars on the road.

Often the mentors will also drive door-to-door to pick the learners up from their homes, when needed. This service is second to none for those who are isolated or without support from family who can transport them to and from their mentoring session.

Once they pass the practical test, Council seeks their permission to write a story on their life and what brought them to Get In2 Gear.

Once the good news story is created and a photo of their achievement is taken, we post it on the BODC Facebook page. These posts are some of the most interacted with posts on our page and are often picked up by local Tasmanian media outlets, like the Examiner and ABC Radio. The learners are interviewed and get to feel a little famous for a day. This gives them a sense of achievement and pride.

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Two proud participants of the Learner Driver program

The Facebook posts have also resulted in a huge increase in learners achieving their licences, for example:

Licence Obtainments for Financial Year 2017/2018	
Provisional	17
L2	8
International Changeover	3
On Road Hours for Financial Year 2017/2018	946.50hrs
Facebook Posts for Financial Year 2017/2018	10
Employment Gained for Financial Year 2017/2018	
Full Time	5
Part Time	4
Casual	1



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Service Delivery

Ensure Council Services support the betterment of the community while balancing statutory requirements with community and customer needs.

Website copy has been rewritten to ensure there is plain English and easy to understand information for the public. FAQ sheets have been rewritten for the website which can then be incorporated into every day, print use.

These include:

- Fees and Charges - redesigned to be more user friendly and set up specifically for the website so that it is presented in a series of drop down menus and does not have to be downloaded as one document;
- FAQ sheet on attending a Council meeting;
- FAQ sheet on submitting a petition to Council;
- FAQ sheet on the General Manager's Roll and voting in a Local Government election rewritten, and
- FAQ for dog owners

The Tasmania Government is currently preparing a new IT platform which will be designed to support state wide consistency in the submission of documentation relating to Development Applications. Council staff are actively participating in the development of the software and it

is envisioned that this system will provide people with a clearer insight in relation to the status of their application and the approval processes involved.

Council has implemented some operational changes to create a more efficient and streamlined process for submissions of Development Applications. This has resulted in developers being able to make submissions electronically which have resulted in savings for Council in terms of staff time and resources. New processes have been implemented for electronic stamping of plans and a strong focus for next financial year will be moving to paperless filing systems. Further savings and efficiencies have been made in diversifying skills between Development Services Staff to alleviate workloads during periods of leave and peak periods.

Our Council is working to revolutionise the way in which 'Building Inspectors' are portrayed by providing a higher level of customer service focussing on Councils role as the 'Building Surveyor'.

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Number of Building Approvals Granted	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Dwelling	57	43	34	50	38
Additions/Alterations	24	33	32	38	32
Garages/Carports/Decks/Pools/Verandahs/Pergolas/ etc.	136	164	134	133	136
Commercial	15	13	9	11	6
Change of Use	1	8	8	5	0
Extension of time – Building Permit	211	197	165	160	106
Demolition	7	2	4	2	3
Special Plumbing/Waste Water	32	50	40	44	46
Amendments	2	6	4	3	6
Amenities	4	12	10	3	6
Miscellaneous	11	3	17	5	7
Total	500	531	457	454	386
Total value of Building Approvals for the Financial Year	34,562,462	15,209,923	13,036,219	15,552,405	12,812,558

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Priory Ridge Vineyard



Corporate Activities

Asset Management

Break O'Day Council manages the acquisition, operation, maintenance, renewal and disposal of an extensive range of physical assets that include land, buildings, parks, recreation areas, roads, footpaths, stormwater drainage systems, bridges and associated operating assets.

Council's aim is to provide the services needed by the community in a financially sustainable manner and work with our community to ensure that needed services are provided at appropriate levels of service at an affordable cost while managing risks.

Council's Strategic Asset Management Plan supports Council's Strategic and Long Term Financial Plans, providing the asset management objectives, principles, framework and strategies required to achieve our organisational objectives.

During the 2017-2018 financial year Council worked to progress a number of activities, summarised below.

Bridge Assets

A Bridge Asset Performance Review was undertaken which involved an engineering inspection of each bridge and

the updating of our Bridge Management System (BMS) with condition assessment data as well as information and revised operational lives for each bridge. The review has provided the framework to develop a bridge asset management in the 2018-2019 financial year.

Road Assets

A review of road assets (sealed and unsealed) was initiated with the aim of assessing the financial and risk drivers for these assets. The project extends into the 2018-2019 financial year. The project includes the review and validation of road registers, road class assignment, asset condition, useful life, service intervention levels and financial accounting aspects.

Stormwater Assets

A project has been initiated to update Council's stormwater asset register with additional information required to prepare a long term stormwater asset management plan. Current activity is focused on collating relevant storm water system data (inverts, pit condition, dimension and the verification of materials of construction) for the purpose of updating our GIS database, revising useful asset life and financial value.

In addition, Council has approved capital funding for the 2018-2019 financial year to undertake hydraulic assessment of the key catchment areas across the municipality to ensure that appropriate risk mitigation strategies and plans are prepared as per the requirements of the State Stormwater Act.

We are currently undertaking a large stormwater project in Parnella which is a landslip area. You can read more about this in the major projects section of this document.

Integrated Software to Manage Assets

Resource sharing by northern region Councils presents an opportunity to share common software platforms. Options are currently being considered that may enhance the management of Council's assets.

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Evercreech, Mathinna



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Financial Sustainability, Management and Reporting

As required by the Local Government Act 1993, Break O'Day Council has developed, adopted, implemented, maintained and reviewed strategic planning tools/documents/reports:

- Strategic Plan
- Long Term Financial plan
- Strategic Asset Management Plan

In implementing these Plans, Council adopts a variety of plans and activities such as:

- Policies and Procedures
- Annual Plan
- Annual Budget

The Strategic Plan resulted from strong consultation with the community and directs Council in meeting the broad, long term wishes for the municipality. The Long Term Financial Plan (LTFP) is updated on an ongoing basis during the 2017-2018 year and guides Council financially in how these wishes are going to be funded, confirming the financial sustainability of Council and particularly what part the raising of rates will play in these financial plans. When the LTFP was adopted, Council's annual financial results were consistently in deficit and many of Council's bridges were under-maintained to the point of having load limits.

Council adopted it's LTFP, including borrowings and above CPI rate increases to properly maintain and upgrade its infrastructure to meet the service needs of the community while moving to a point of operating sustainably - that is, for positive annual financial results.

Sustainability

In 2017-2018, Council was able to:

- Adopt a budget with less than the rate increase foreshadowed by the LTFP
- Meet the financial targets identified in the LTFP
- Meet its legislative obligations for financial management and reporting

Part of the process for achieving financial sustainability is an ongoing commitment to reviewing operations and activities of Council to identify opportunities for efficiencies, improvements, cost savings or more effective approaches. This is a standing agenda item for management meetings and is an identified imperative for managers. In 2017-2018, the major contributor to ongoing cost savings was the replacement of street lights to LED resulting in annual cost reductions of around \$70,000.

Another approach to sustainability is to actively seek external funding for identified activities of Council and

annually Council seeks to secure \$250,000 through grant applications. In 2017-2018, Council applied for:

Application Title	Funding Source	Amount sought
Tasmanian Road Safety Grant Application 2017	State Government	\$4,975
Stadium Commercial Kitchen Fit Out	Tasmanian Community Fund State Government	\$50,000
Mountain Bike Trails Stage 2	Regional Jobs & Infrastructure Program Federal Government	\$1,537,500
Mountain Bike Trail Network Brand and Marketing Development	Tasmanian Cycle Fund - State Govt.	\$220,000
Youth Week Tasmania Grants Program - ScamJam	State Government	\$2,000
Learner Driver Mentor Program - Get In2 Gear	State Growth	\$19,310

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Management

All Councils (and State Government entities) in Tasmania are audited by the Tasmanian Audit Office (TAO), either directly or by contracted auditors. Council was audited by TAO and achieved unqualified audit result – that is, Council fully complied with legislative requirements and obligations.

In terms of Council's finances, we have implemented the legislated requirement to install an Audit Panel to review Council's financial and other legislated obligations. The Audit Panel consists of an independent chairperson and two Councillors nominated by Council. The Audit Panel met four times in 2017-2018 and minutes and recommendations were received and adopted by Council.

Council has also implemented an internal audit process, over and above legislated obligations, over a three year period reviewing Council's systems and processes. In 2017-2018, the rating system and asset management processes were reviewed. Risk Management was also due for review but has been rescheduled to 2018-2019 to enable reciprocal reviews with West Tamar Council.

Reporting

In meeting the identified financial and other legislated reporting obligations, Council produces monthly and quarterly reports to Council and annual statements and reports, including this Annual Report.

In 2017-2018, Council implemented the Envisio system of planning and reporting to identify the goals and objectives of its Strategic and Annual Plans, as well as those of other corporate activities and facilitate the regular update of progress towards achieving those objectives. Management and other relevant staff undertook training in the system and Council adopted its first quarterly report, produced by the Envisio system, in 2017-2018. The 2018-2019 Annual Report has also been prepared in Envisio.

Performance Review

Major Project Updates

Mountain Bike Trail Projects

It is now getting very exciting in the development of the Mountain Bike Trails (MTB) for Break O'Day being the:

- The Poimena to Swimcart Beach Trail, and
- The St Helens Stacked Loop Network.

This financial year we were successful in receiving funding from the Federal Government through their Regional Jobs and Infrastructure Program. This was the last piece of funding required to complete both projects.

This brings the total funding received to more than \$4million. This funding was received from both the State and Federal Governments and was granted for the MTB projects only and can only be used for this purpose.

Last year we appointed a Trail Project Manager to oversee both MTB projects as well as other potential walking and trail opportunities.

The Trail Project Manager's appointment means that both these million dollar projects can get the focus and emphasis needed to maximise the opportunity the trails will mean for our community.

These benefits include;

Economic;

- Bringing more visitors to our region to utilise local business
- Increasing opportunity for development for new and existing businesses
- Expanding length of stay in the area and therefore economic activity

Community;

- Increasing opportunity to get active
- Increasing opportunity to experience nature in a low impact way
- Increasing involvement with our environment

Cultural;

- Increasing community pride of our area
- Increasing opportunity to learn more about our natural environment.
- Putting our region and community on the map for innovation.

This year we continued to work diligently through the approval process for both trail projects ensuring that we had landholder consent and had completed comprehensive ecological reports among others including Reserve Activity Assessment, Forest Practice Plan as well as engagement with all stakeholders including State Growth, Crown Land Services and Parks and Wildlife Service.

The advertising of the Development Application will occur early in the new financial year with assessment undertaken by West Tamar Council to provide another layer of transparency and due diligence to the process.

The ecological reports were prepared by Ecotas by their Senior Scientist. We also sought professional advice on eagle and weed management to ensure the construction of the trails would have minimal impact on the environment.

These documents will be made public through the Development Application Phase in September 2018.

The next step in development of the trails will be appointing a trail construction company to build the trails. At the same time we will tender for a brand and marketing specialist to help us establish a world class brand for the trails. At the time of writing this, it is anticipated we will appoint both a construction company and a brand strategist by late October.

Once a construction company is approved by Council we anticipate that the on-ground work will start pretty quickly. All going according to plan, we will begin construction of the trails by the end of 2018.

Mountain Bikers on the Blue Tier. Image courtesy of Tourism Tasmania



St Helens District Hospital

This financial year saw the construction of the new St Helens District Hospital really ramp up at the Annie Street site.

These works are being undertaken by Fairbrother on behalf of the Department of Health and Human Services and are expected to be completed in November 2018.

A joint project between the State Government and Council, we completed stormwater works in Annie Street to ensure the new infrastructure would cater for increased use. We will also install new kerb and channel next financial year once the construction works are closer to completion.

Council is excited to see this project steadily taking shape as we believe it will help safeguard the health service needs of our community now and in to the future. Considering our area has a high number of retirees, it is important that we continually look forward to ensure we are future proofing services for our community.

The existing hospital will remain operational over the 2018 Christmas period with a transition to the new hospital expected to take place in February 2019.

In terms of plans for the old hospital site, as a State Government owned asset, we will have to work with the Government and their plans for the site and we will be sure to keep our community abreast of any developments in this space.

Parnella Stormwater

During high rainfall events, stormwater in the Parnella area drains out of the steep slope at the southern side of Georges Bay which can trigger landslides. In order to mitigate this, Council undertook engineering and ground surveys to formulate a management plan.

We received \$500,000 in State Government funding and took out an interest free loan from the State Government of \$1,000,000 to undertake the project which requires comprehensive infrastructure works.

The Parnella Landslip works have been progressing steadily and this financial year saw the completion of catchment areas 3 and 5.

This work included upgrading and clearing the existing pipeline, installation of a new 900 stormwater pipe and the construction of a windwall where the pipe discharges. This also included a trap to capture any litter and coarse sediment before entering the watercourse.

Some vegetation clearing was required but this was kept to a minimum and the removed topsoil was returned and respread once the earth works were completed.

These works were partially tested by rainfall in the area which saw the drains and works hold up well but we will have to wait and see how they fare in the more extreme rainfall events before we can call the project a complete success.

Approximately \$200,000 from the State Government funding from this stage of the project was earmarked to mitigate the more critical parts of foreshore erosion along Georges Bay.

The drainage works listed above will complete an essential first phase in the reduction of groundwater coming out of Chimney Heights which was identified as the main cause of erosion in the Georges Bay escarpment. Once they are all in place, landowners will be encouraged to connect stormwater overflows from their properties into the new pipes instead of into soakage drains or onto open ground which might add to infiltration.

Works for the catchment 4 area are expected to begin in late September 2018.



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Legislated Requirements

Contributions and Requirements

Description	Recipient	Amount
East Coast Masters Golf Tournament	Scamander River Golf Club	1,500.00
Annual Sponsorship 2017 - 2018	The Portland Endurance Club Inc.	500
Annual Sponsorship 2017-2018	St Helens Marine Rescue	3,000.00
Annual Funding for Directory 2017 -2018	Business Enterprise Centre	3,818.18
Council Annual Funding 2017-2018	Greater Esk Tourism	2,500.00
Council Support 10/16.14.2.240	Business Enterprise Centre	25,454.54
2017- 2018 Annual Sponsorship	Fingal Valley Festival	2,000.00
Annual Contribution to BOD SES Unit	SES	17,000.00
2017- 2018 Annual Contribution	St Helens Little Athletics	2,500.00
2017-2018 Council Contribution Sponsorship	St Helens Athletics Club	2,500.00
2017 Annual School Prizes Monies	St Helens District High School	1,000.00

2017 Bay of Fires Winter Arts Festival	Bay Of Fires Arts Association	14,000.00
Annual Contribution 2017-2018	St Helens Ministers Fraternal	1,600.00
2017- 2018 Contribution to Annual Event	Break O'Day Woodcraft Guild	2,500.00
2017-2018 Council Support	Woodchopping event	1,000.00
2017- 2018 Contribution to Annual Event	East Coast Car Club	5,000.00
2017-2018 Council Support	St Helens Surf Angling Club	1,000.00
2017- 2018 Council Support	St Helens Game Fishing Club	2,000.00
2017-2018 Event Council Support	St Marys Community Car and Bike Show	2,000.00
2017-2018 Suicide Golf Day		1,000.00
2017-2018 Council Support	RSL Women's Auxiliary	1,000.00
2017-2018 Community Grant Program		12,950.00
Support towards Table Tennis Activity	St Helens Neighbourhood House	1,800.00

Rates and Charges

- Rates and Charges written off for the period: \$3,481
- Rate remissions/donations provided by Council: \$62,625
- Pensioner Rebates funded by State Government: \$407,457

Donation of Land Statement

Section 72(1)(da) of the Local Government Act 1993 requires Council to report on details of any land donated by Council during the year.

No donations were made during the 2017-2018 Financial Year

Enterprise Power Statement

Under section 72 (1)(ca) of the Local Government Act 1993 the council is required to report on exercising of enterprise powers relating to the formation and operation of corporations, trusts, partnerships or other bodies (section 21).

Northern Tasmanian Development Corporation Ltd
The Council is an initial member and shareholder of

Northern Tasmanian Development Corporation Ltd (NTDC).

NTDC is a not-for-profit public company limited by guarantee. The primary objectives of the NTDC are to:

- a) provide pro-active, engaged and strategic regional economic leadership;
- b) consolidate an agreed vision for the development, sustainability and prosperity of the geographic region that the Organisation's Members encompass;
- c) and implement a strategic economic action plan based on the Northern Regional Futures Plan framework or similar; and
- d) to provide effective representation and advocacy to State and Federal Government and other stakeholders.

The NTDC is currently engaged in a number of initiatives including the development of the Regional Economic Development Plan. This plan focuses on 6 key themes: Industry development, investment transaction, population growth, place-making, innovation and culture, and human capacity.

It is considered that Council, the Municipality and rate payers generally, will benefit from the investment in

NTDC. The organisation will effect direct and material economic, employment, and investment outcomes, and contribute indirectly to social and community benefits as a consequence of NTDC achieving the objectives that it will be set up to achieve.

Council's shareholding is based on annual funding contributions calculated using a formula based on municipality population. Council's annual membership fee for 2017-2018 was \$26,257 (2016-2017: \$25,667.40).

Code of Conduct Complaints

During the 2017-2018 Financial Year there were no upheld Code of Conduct complaints, either wholly or in part and no cost incurred to Council.

Right to Information

Council received three requests for information under the Right to Information Act 2009.

Public Interest Disclosure Statements

Current public interest disclosure procedures are available in Council's Policy LG30 – Public Interest Disclosure which can be viewed or downloaded from Council's website, under My Council, Policies.

Annual Report 2017-2018

Disclosures during 2017 - 2018:

The number and types of disclosures made to Break O'Day Council during the year and the number of those disclosures that the Council determined to be public interest disclosures – Nil

The number of disclosures determined by Break O'Day Council to be public interest disclosures that it investigated during the year - Nil

The number and types of disclosed matters referred to Break O'Day Council during the year by the Ombudsman - Nil

The number and types of disclosed matters referred during the year by Break O'Day Council to the Ombudsman to investigate - Nil

The number and types of investigations of disclosed matters taken over by the Ombudsman from Break O'Day Council during the year - Nil

The number and types of disclosed matters that Break O'Day Council has decided not to investigate during the year – Nil

The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation - Nil

Any recommendations of the Ombudsman under this Act that relate to Break O'Day Council – Nil

Financial Assistance Grants to Local Government

Break O'Day Council receives approximately \$2.6 million in Financial Assistance Grants (FAG's) each financial year. This is of vital importance to Council and our community because:

- It is a significant source of funds; and
- Unlike many other grants and subsidies, it is “untied”, that is, Council has complete flexibility to use these funds to achieve identified priority outcomes

Council utilises these funds in many ways to protect and maintain assets and infrastructure within the community:

- Capital and major maintenance works on Council owned/managed built facilities, eg halls, toilet blocks, BBQ facilities, etc.
- Undertake road and street upgrades, streetscape works, footpaths, etc in townships.

- Bridge replacement programs.
- Natural Resource Management and community development activities, and more.

Remuneration Statement

The following table provides the remuneration for those positions designated by Council as senior positions as required under the Local Government Act 1993. The positions of General Manager, Manager Corporate, Services, Works Manager, Manager Community Services, Human Resources Manager and Building Services, Coordinator, have all been defined as senior positions by Break O'Day Council.

The Remuneration Band Positions	Number
\$80,000 - \$100,000	6
\$101,000 - \$120,000	2
\$121,000 - \$140,000	-
\$141,000 - \$160,000	-
\$161,000 - \$180,000	-
\$181,000 - \$200,000	1

Contracts and Tenders

The following contracts/tenders were awarded during 2017- 2018 with a value greater than \$50,000.

Description	Period of Contract	Value Ex. GST	Name	Address
2017 – 2018 Bridge Replacement Program – 030\001\100	Completed by 30 April 2018	\$292,800.00	BridgePro Engineering Pty Ltd	Ulverstone, Tas
Kerbside Recyclables Collection Service – 030\001\101	Contract expires 30 June 2020	\$250,286.40 + processing fee \$44.00 per tonne + \$15.00 per bin delivered & maintained	JJ Richards & Sons Pty Ltd	Cleveland, Qld
Regional Skills Audit – 030\002\010	Completed by 30 June 2018	\$57,200.00	BDO (Tas) Pty Ltd	Hobart, Tas
St Marys Streetscape Upgrade – 030\001\102	5 February 2018 to 27 April 2018	\$708,659.70	Streetwise Developments	Kings Meadows, Tas
2017 – 2018 Bituminous Surfacing Program – 030\001\086	Completed by 28 February 2018	\$341,399.16	Crossroads Civil Contracting Pty Ltd	Rocherlea, Tas
Annie Street Stormwater Main – Stage 1 – 030\001\103	Completed by 18 May 2018	\$272,312.74	Civilscape Contracting Tasmania	Ridgley, Tas
Bridge 4650 Forester Creek, Ansons Bay Road Replacement – 030\001\104	Completed by 14 December 2018	\$217,300.00	BridgePro Engineering Pty Ltd	Ulverstone, Tas
Purchase of 10 Yard Tip Truck – 030\001\108		\$179,895.00	CJD Equipment	Launceston, Tas
Purchase of Backhoe – 030\001\105		\$146,772.73	DLM Machinery	Launceston, Tas

Public Health, Environmental Monitoring and Reporting

Monitoring Programs

Relevant legislative requirements are specified in the Public Health Act 1997.

Council monitors six beaches for compliance with the Public Health Act 1997 and the Recreational Water Quality Guidelines 2007.

Type of sampling conducted: Bacteriological – indicator organisms *Enterococci*/100ml.

Sampling Details

Water Sampling was conducted once a month from December 2017 to January 2018.

Results of the water sampling are below:

BEACH	14/12/17	3/01/18
Grants Lagoon	<10	<10
Beauty Bay	<10	<10
Wrinklers Lagoon	<10	<10
Scamander River	<10	<10
Henderson Lagoon	<10	<10
Yarmouth Creek	<10	<10

Food licence registrations 2017-2018

Food Registrations = 107

Food Stalls = 28

Food Vans = 9

Private Water Licences = 95

Immunisations

Immunisation programs were conducted for children in Grade 7, in addition to any catch-up vaccinations for children up to the age of 19 in compliance with the Immunisation Program required by the Department of Health and Human Services.

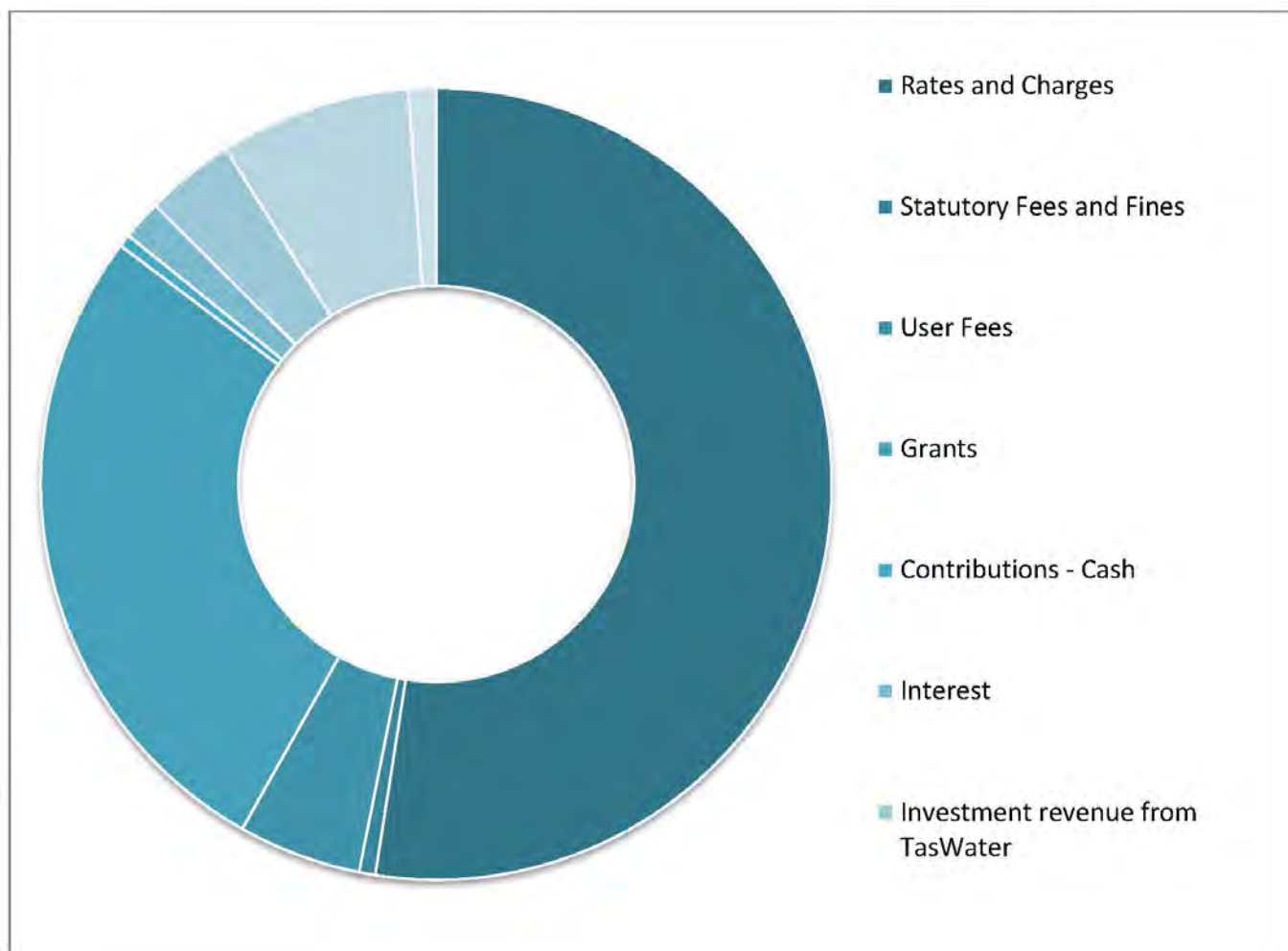
In 2017-2018 a total of 251 children were vaccinated and a total of 297 vaccines administered.

Annual Report 2017-2018

Financial Snapshots

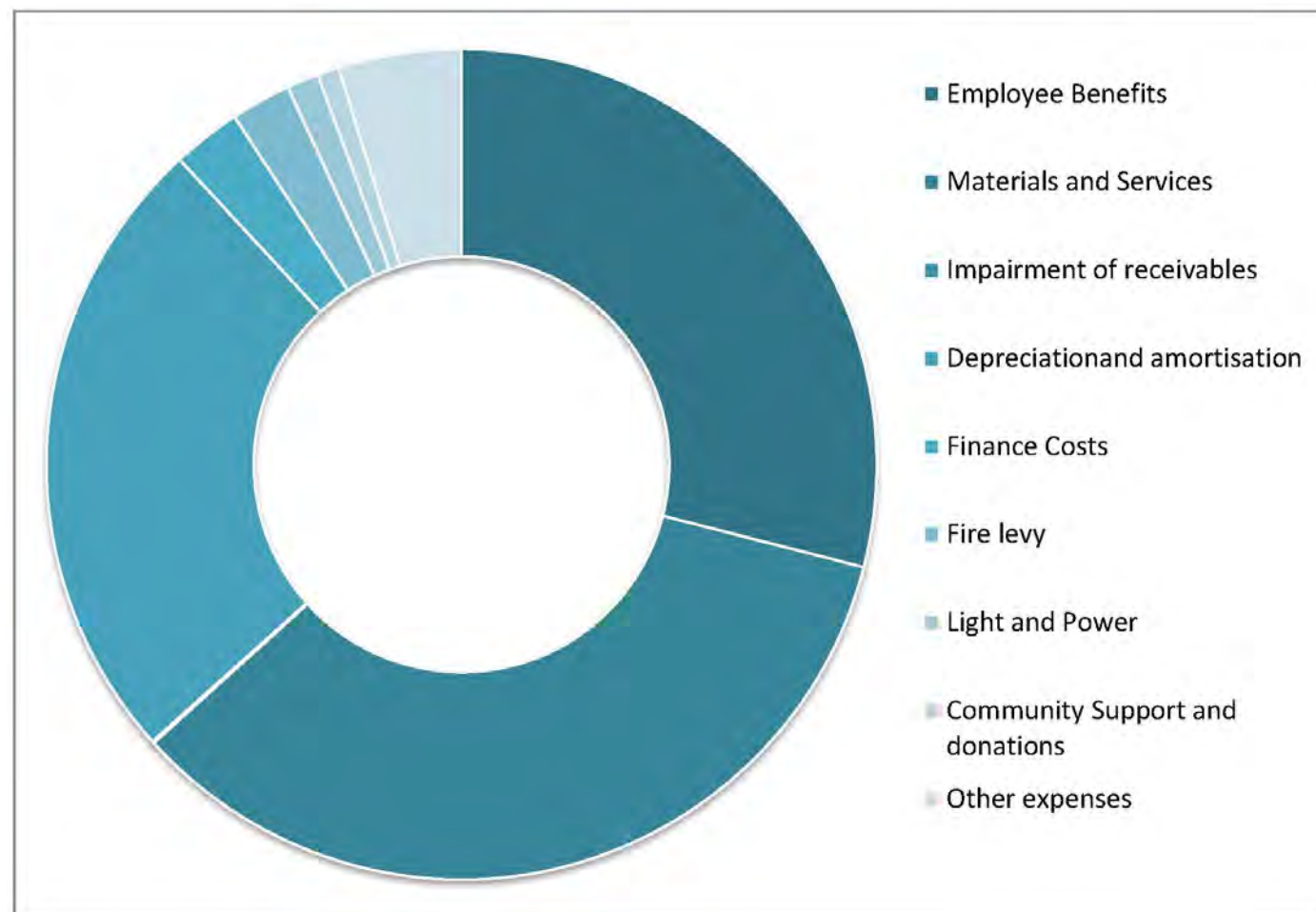
The following financial snap-shots have been taken directly from the financial statements following.

Income	\$
Rates and Charges	8613858
Statutory Fees and Fines	108518
User Fees	825795
Grants	4452231
Contributions - Cash	84067
Interest	267427
Investment revenue from TasWater	596447
Capital Income -grants received specifically for new or upgraded assets	1283291
Other	185648



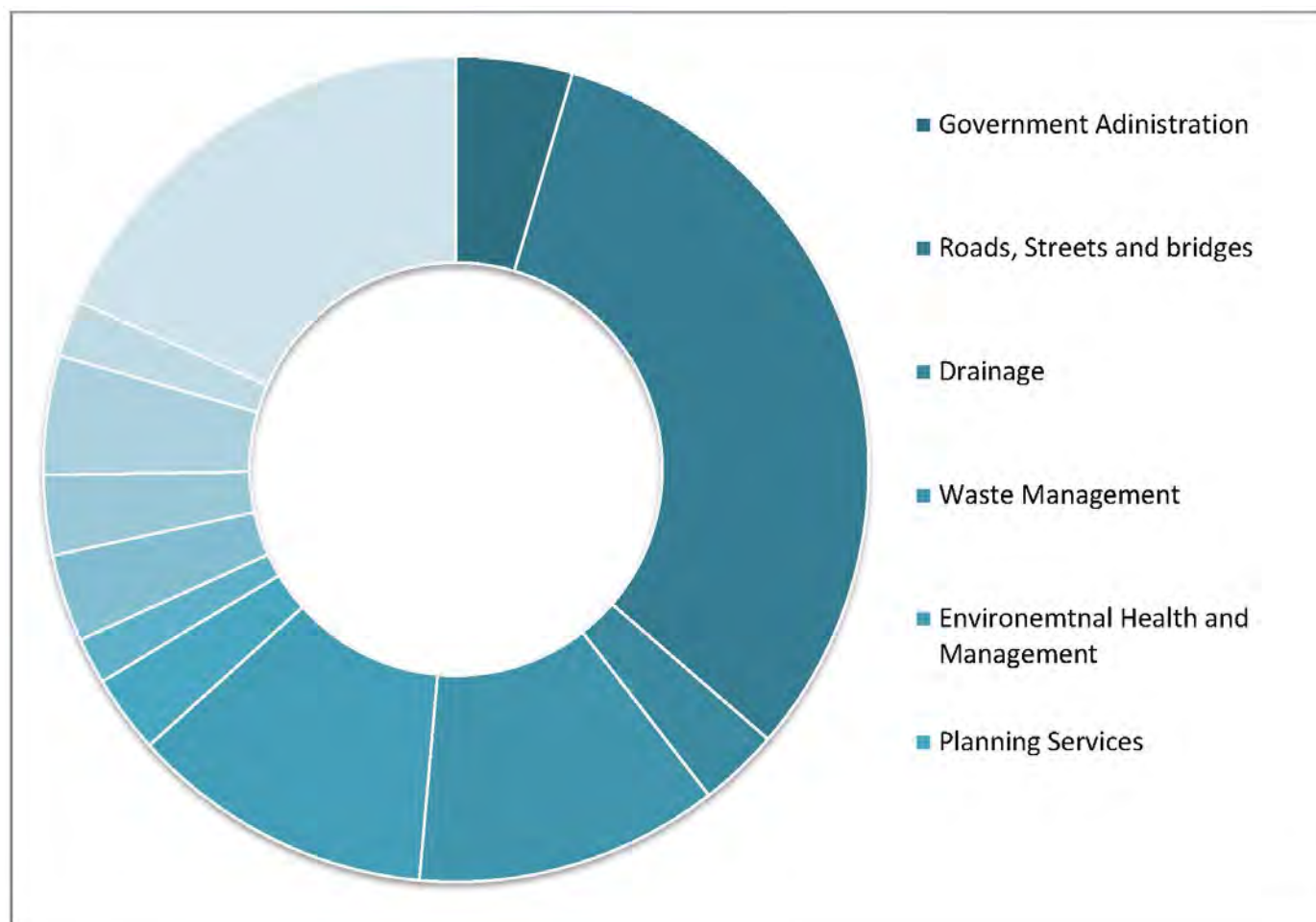
Annual Report 2017-2018

Expenses	\$
Employee Benefits	3934591
Materials and Services	4655976
Impairment of receivables	9954
Depreciationand amortisation	3359005
Finance Costs	362450
Fire levy	317459
Light and Power	168271
Community Support and donations	114573
Other expenses	650687



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Expenses by function	\$
Government Adinistration	654779
Roads, Streets and bridges	4569421
Drainage	452828
Waste Management	1712130
Environemtnal Health and Management	1712130
Planning Services	440287
Building Control	260452
Community Amenities	492720
Community Services	450594
Recreation facilities	670380
Economic Development	316003
Other including unattributable adminstration and corporate activitues	2639213



Independent Auditor's Report

To the Councillors of Break O'Day Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Break O'Day Council (Council), which comprises the statement of financial position as at 30 June 2018 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2018 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the statement of comprehensive income and the asset renewal funding ratio disclosed in note 42 to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

...1 of 3

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

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

...2 of 3

if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Robert Luciani
Director Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

6 September 2018
Hobart



Break O'Day Council

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2018

Break O'Day Council

Financial Report

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Statement of Comprehensive Income For the Year Ended 30 June 2018

	Note	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
Income				
Recurrent Income				
Rates and charges	5	8,761,931	8,770,087	8,613,858
Statutory fees and fines	6	92,500	133,364	108,518
User fees	7	661,415	825,729	825,795
Grants	8	2,892,668	3,052,197	4,452,231
Contributions - cash	9	38,500	77,699	84,067
Interest	10	237,000	268,294	267,427
Other income	11	109,600	244,995	185,648
Investment revenue from water corporation	13, 20	582,000	583,843	596,447
		13,375,614	13,956,208	15,133,991
Capital income				
Capital grants received specifically for new or upgraded assets	8	3,817,340	2,300,487	1,283,291
Contributions - non-monetary assets	9	-	408,600	82,097
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	12	40,000	(252,588)	(49,540)
		3,857,340	2,456,499	1,315,848
Total income		17,232,954	16,412,707	16,449,839
Expenses				
Employee benefits	14	(4,837,195)	(4,314,353)	(3,934,591)
Materials and services	15	(3,542,030)	(3,759,906)	(4,655,976)
Impairment of receivables	16	-	(21,697)	9,954
Depreciation and amortisation	17	(3,405,211)	(3,546,098)	(3,359,005)
Finance costs	18	(349,332)	(350,296)	(362,450)
Other expenses	19	(1,139,012)	(1,076,609)	(1,250,990)
Total expenses		(13,272,780)	(13,068,959)	(13,553,058)
Surplus / (deficit)		3,960,174	3,343,748	2,896,781
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment(decrement) reversals	30	-	1,211,843	6,303,912
		-	1,211,843	6,303,912
Items that may be reclassified subsequently to surplus or deficit				
Financial assets available for sale reserve				
— Fair Value adjustment on Available for Sale Assets	30	-	432,016	216,947
		-	432,016	216,947
Total Other Comprehensive Income		-	1,643,859	6,520,859
Comprehensive result		3,960,174	4,987,607	9,417,640

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

**Statement of Financial Position
As at 30 June 2018**

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	21	9,664,903	7,231,061
Trade and other receivables	22	552,207	1,067,395
Inventories	23	92,540	137,844
Other assets	24	75,699	79,587
Total current assets		10,385,349	8,515,887
Non-current assets			
Investment in water corporation	20	33,717,915	33,285,899
Trade and other receivables	22	14,392	14,392
Other assets	24	30,000	36,000
Property, infrastructure, plant and equipment	25	141,085,812	137,793,902
Total non-current assets		174,848,119	171,130,193
Total assets		185,233,468	179,646,080
Liabilities			
Current liabilities			
Trade and other payables	26	633,668	1,349,486
Trust funds and deposits	27	246,446	236,757
Provisions	29	765,525	664,164
Interest-bearing loans and borrowings	28	326,296	312,292
Total current liabilities		1,971,935	2,562,699
Non-current liabilities			
Provisions	29	537,805	520,964
Interest-bearing loans and borrowings	28	8,825,315	7,651,611
Total non-current liabilities		9,363,120	8,172,575
Total liabilities		11,335,055	10,735,274
Net Assets		173,898,413	168,910,806
Equity			
Accumulated surplus		30,216,738	27,196,620
Reserves	30	143,681,675	141,714,186
Total Equity		173,898,413	168,910,806

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

Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$	2017 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		8,634,739	8,665,120
User charges and other fines		1,770,592	596,528
Grants		3,052,197	4,452,231
Reimbursements		51,127	58,047
Interest		255,312	259,431
Investment revenue from water corporation		583,843	596,447
Other receipts		281,256	173,688
Net GST refund/payment		391,823	470,167
Payments to suppliers		(6,080,643)	(5,779,340)
Payments to employees (including redundancies)		(4,196,151)	(3,717,198)
Finance costs		(350,296)	(362,450)
Net cash provided by (used in) operating activities	31	<u>4,393,799</u>	<u>5,412,671</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(5,604,078)	(6,217,559)
Proceeds from sale of property, infrastructure, plant and equipment		155,926	334,365
Capital grants		2,300,487	959,691
Payments for financial assets		-	(30,000)
Net cash provided by (used in) investing activities		<u>(3,147,665)</u>	<u>(4,953,503)</u>
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings		1,500,000	-
Repayment of interest-bearing loans and borrowings		(312,292)	(298,900)
Net cash provided by (used in) financing activities		<u>1,187,708</u>	<u>(298,900)</u>
Net increase (decrease) in cash and cash equivalents		2,433,842	160,268
Cash and cash equivalents at the beginning of the financial year		7,231,061	7,070,793
Cash and cash equivalents at the end of the financial year	33	<u>9,664,903</u>	<u>7,231,061</u>
Financing arrangements	34		
Restrictions on cash assets	21		

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

Statement of Changes in Equity For the Year Ended 30 June 2018

	Note	Total 2018 \$	Accumulated Surplus 2018 \$	Asset Revaluation Reserve 2018 \$	Fair Value Reserve 2018 \$	Other Reserves 2018 \$
2018						
Balance at beginning of the financial year		168,910,806	27,196,620	143,813,516	(2,797,537)	698,207
Surplus / (deficit) for the year		3,343,748	3,343,748	-	-	-
Other Comprehensive Income:						
Financial assets available for sale reserve						
— Fair Value adjustment on Available for Sale Assets	20	432,016	-	-	432,016	-
Net asset revaluation increment(decrement) reversals	30	1,211,843	-	1,211,843	-	-
Transfers between reserves		-	(323,630)	-	-	323,630
Balance at end of the financial year		173,898,413	30,216,738	145,025,359	(2,365,521)	1,021,837

	Note	Total 2017 \$	Accumulated Surplus 2017 \$	Asset Revaluation Reserve 2017 \$	Fair Value Reserve 2017 \$	Other Reserves 2017 \$
2017						
Balance at beginning of the financial year		159,493,166	24,073,330	137,509,604	(3,014,484)	924,716
Surplus / (deficit) for the year		2,896,781	2,896,781	-	-	-
Other Comprehensive Income:						
Financial assets available for sale reserve						
— Fair Value adjustment on Available for Sale Assets	20	216,947	-	-	216,947	-
Net asset revaluation increment(decrement) reversals	30	6,303,912	-	6,303,912	-	-
Transfers between reserves		-	226,509	-	-	(226,509)
Balance at end of the financial year		168,910,806	27,196,620	143,813,516	(2,797,537)	698,207

The above statement should be read with the accompanying notes.

Introduction

Note 1 Reporting Entity

- (a) The Break O'Day Council was established in 1993 and is a body corporate with perpetual succession and a common seal.
Council's main office is located at St Helens, Tasmania.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the municipality.

Note 2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 20, 25, 29, and 40(d).

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

Note 3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 29.

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 35.

Fair value of property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 25.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 20.

Landfill / Tip Rehabilitation

Assumptions and judgements are utilised in determining the present value of future rehabilitation costs. These assumptions are discussed in note 29.

Note 4 Functions/Activities of the Council

(a) Revenue, expenditure and assets attributable to each function as categorised in (c) below:

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
Government and administration						
2017 - 2018	65,000	2,265	67,265	654,779	(587,514)	4,737
2016 - 2017	5,000	190,409	195,409	632,340	(436,931)	7,464
Roads, streets and bridges						
2017 - 2018	3,807,998	2,779,724	6,587,722	4,569,421	2,018,301	95,507,764
2016 - 2017	3,359,060	2,757,187	6,116,247	4,790,953	1,325,294	92,690,906
Drainage						
2017 - 2018	-	875	875	452,828	(451,953)	17,236,912
2016 - 2017	20,000	43,757	63,757	431,841	(368,084)	17,566,264
Waste management						
2017 - 2018	8,679	1,727,049	1,735,728	1,712,130	23,598	383,502
2016 - 2017	8,678	1,596,684	1,605,362	1,870,991	(265,629)	225,179
Environmental Health/Environmental Management						
2017 - 2018	48,728	97,138	145,866	410,152	(264,286)	217,249
2016 - 2017	63,640	103,238	166,878	407,968	(241,090)	217,699
Planning services						
2017 - 2018	-	327,824	327,824	440,287	(112,463)	5,459
2016 - 2017	-	297,726	297,726	462,383	(164,657)	7,103
Building control						
2017 - 2018	-	199,775	199,775	260,452	(60,677)	74,446
2016 - 2017	-	170,481	170,481	232,639	(62,158)	35,402
Community amenities						
2017 - 2018	-	66,440	66,440	492,720	(426,280)	3,332,397
2016 - 2017	-	41,563	41,563	428,679	(387,116)	3,135,998
Community services						
2017 - 2018	21,920	13,003	34,923	450,594	(415,671)	627,973
2016 - 2017	21,280	2,412	23,692	741,083	(717,391)	608,660
Recreation facilities						
2017 - 2018	50,000	356,020	406,020	670,380	(264,360)	9,159,514
2016 - 2017	74,852	76,334	151,186	632,552	(481,366)	9,051,121
Economic development						
2017 - 2018	16,603	47,178	63,781	316,003	(252,222)	99,162
2016 - 2017	15,000	40,377	55,377	293,568	(238,191)	101,938
Other - not attributable						
2017 - 2018	1,333,756	5,442,732	6,776,488	2,639,213	4,137,275	58,584,353
2016 - 2017	2,168,012	5,394,149	7,562,161	2,628,061	4,934,100	55,998,346
Total						
2017 - 2018	5,352,684	11,060,023	16,412,707	13,068,959	3,343,748	185,233,468
2016 - 2017	5,735,522	10,714,317	16,449,839	13,553,058	2,896,781	179,646,080

(b) Reconciliation of Assets from note 2 with the Statement of Financial Position at 30 June:

	2018	2017
	\$	\$
Current assets	10,385,349	8,515,887
Non-current assets	174,848,119	171,130,193
	<u>185,233,468</u>	<u>179,646,080</u>

(c) Governance and administration

Operation and maintenance of council chambers, administration offices, and councillors.

Roads, streets and bridges

Construction, maintenance and cleaning of road, streets, footpaths, bridges, parking facilities and street lighting.

Drainage

Operation and maintenance of open or deep drainage systems in urban areas, including the lining of piping of creeks but excludes drainage associated with road works, flood mitigation and agriculture.

Waste Management

Collection, handling, processing and disposal of all waste materials.

Environmental Health/Environmental Management

Environmental Health includes disease control, food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries.

Environmental management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment.

Planning Services

Administration of the town planning scheme, subdivisions and urban and rural renewal programs.

Building control

The development and maintenance of building constructions standards.

Community amenities

Operation and maintenance of housing for aged persons and persons of limited means, Civic Centre, Council halls (excluding indoor sports complexes).

Community services

Administration and operation of dog registration, operation of pounds, control of straying stock, and noxious weeds. Operation and support of the performing arts, museum and the presentation of festivals. Community Development which provides for the implementation of a process by which strategies and plans can be developed so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

Recreation facilities

Operation and maintenance of sporting facilities (includes active and passive recreation and recreation centres).

Economic development

Maintenance and marketing of tourist facilities and property development.

Other - not attributable

Rates and charges and work not attributed elsewhere.

	2018	2017
	\$	\$

Note 5 Rates and charges

Council uses Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipality. The AAV of a property is its estimated gross annual rental value.

The valuation base used to calculate general rates for 2017-2018 was \$74,035 million (2016-2017 \$68.348 million). The 2017-2018 rate in the AAV dollar was 7.940 cents (2016-2017, 8.56603).

General Rate	6,863,746	6,781,438
Fire Levy	336,539	320,844
Garbage charge	1,099,400	1,086,984
Wheelie Bin Charges	480,644	388,666
Revenue in advance	(10,242)	35,926
Total rates and charges	8,770,087	8,613,858

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2013, and the valuation was applied in the rating year commencing 1 July 2013.

Accounting policy

Rates and charges income

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

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Note 6 Statutory fees and fines

Infringements and costs	22,601	5,677
Land information certificates	110,763	102,841
Total statutory fees and fines	133,364	108,518

Accounting policy

Statutory fee and fine income

Fees and fines (including parking fees 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.

Note 7 User fees

Waste and garbage	143,024	119,160
Health food licences/fees	16,427	16,131
Dog registrations and associated revenue	35,842	39,456
Building and development services	339,329	299,257
Commission received	15,033	14,225
Facility leases and hall hire	141,992	137,248
Private works	44,879	112,330
Other fees and charges	89,203	87,988
Total user fees	825,729	825,795

Accounting policy

User fee income

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

	2018	2017
	\$	\$
Note 8 Grants		
Grants were received in respect of the following :		
Summary of grants		
Federally funded grants	3,813,082	4,816,394
State funded grants	1,496,695	866,810
Others	42,907	52,318
Total	5,352,684	5,735,522
Grants - Recurrent		
Financial assistance grant	2,916,049	4,056,447
Facilitation of Break O'Day NRM	34,400	34,400
Learner Driver	21,920	19,280
St Marys Flood Risk Management	15,000	25,000
Regional Workforce Development Plan	65,000	-
Parks & Wildlife Poimena Rd Flood Damage	-	217,540
Parks & Wildlife Public Toilet at Poimena	-	88,324
Other	(172)	11,240
Total recurrent grants	3,052,197	4,452,231
The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. The Commonwealth made early payment of the two quarterly instalments of \$1,377,088 in 2016-17 and \$1,462,513 in 2017-18 for the following years. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments have not materially affected the financial result for 2017-18.		
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - roads to recovery	882,033	693,695
Break O'Day Multi-Purpose Indoor Stadium	50,000	14,000
Golden Fleece Bridge	395,525	270,000
Community infrastructure	15,000	15,000
St Marys & Upper Scamander Bridges	300,000	-
2016 Floods	648,147	-
Safer Communities	-	27,252
Flood Relief	-	91,066
Cornwall Bridge	-	110,000
Stormwater	-	20,000
Tourism funding	-	33,600
Other Grants	9,782	8,678
Total capital grants	2,300,487	1,283,291

	2018 \$	2017 \$
Conditions on grants		
Non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	375,053	604,993
Less: expended during the current period from revenues recognised in previous reporting periods		
St Marys Flood Risk Management \$40k Grant	(21,923)	-
Public Toilet at Poimena, Blue Tier Regional	(9,919)	-
Asset Management Planning (LGAT)	(5,000)	-
Safer Communities	(27,252)	-
Roads to recovery	(62,937)	-
Learner Driver Mentor Program	(21,805)	-
Multi-Sport Ablution Facility	-	(36,265)
26TEN Community Grant for Break O'Day Council	(31,370)	(14,084)
Learner Driver Mentor Program	-	(16,178)
St Helens Point Road & Tasman Highway Junction Upgrade	-	(10,692)
Georges Bay\Parnella Landslide Area	(165,847)	(282,286)
Old Tasmanian Hotel Upgrade	-	(26,716)
Whale Trail	-	(14,230)
Youth Grant	-	(4,800)
	<u>(346,053)</u>	<u>(405,251)</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Projectors for Stadium	-	14,000
St Marys Flood Risk Management \$40k Grant	-	21,923
Public Toilet at Poimena, Blue Tier Regional	-	9,919
Asset Management Planning (LGAT)	-	5,000
Safer Communities	-	27,252
Community Infrastructure Fund Grant	15,000	15,000
Roads to recovery	568,242	62,937
Learner Driver Mentor Program	22,387	19,280
Regional Workforce Development Plan	36,720	-
	<u>642,349</u>	<u>175,311</u>
Unexpended at the close of this reporting period	<u>671,349</u>	<u>375,053</u>
Net increase (decrease) in non-reciprocal grant revenues for the year:	<u>296,296</u>	<u>(229,940)</u>

Accounting policy

Grant income - operating and capital

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

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant is also disclosed. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the Unreceived contributions over which Council has control are recognised as receivables.

	2018	2017
	\$	\$
Note 9 Contributions		
Cash		
Heavy Vehicle Contribution Fees	72,642	72,642
Parks, open space and streetscapes	5,057	11,425
Total	77,699	84,067
(b) Non-monetary assets		
Drainage	-	82,097
Recreation and sports facilities	408,600	-
Total	408,600	82,097
Total contributions	486,299	166,164

Accounting policy

Contribution income

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

Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets.

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

Note 10 Interest		
Interest on financial assets	175,364	174,810
Interest and penalties on rates	92,930	92,617
Total	268,294	267,427

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 11 Other income		
Sale of goods	147,351	101,371
Employment subsidies	12,130	11,539
S137 unclaimed funds	22,275	2,007
Reimbursements	38,997	46,508
Other	24,242	24,223
Total other income	244,995	185,648

Accounting policy

Other Income

Other income is recognised as revenue when the payment is due or the payment is received, whichever first occurs.

	2018	2017
	\$	\$
Note 12		
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	155,926	334,365
Written down value of assets disposed	(408,514)	(383,905)
Total	(252,588)	(49,540)

Accounting policy

Gains and losses on asset disposals

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

Note 13	Investment revenue from water corporation		
	Dividend revenue received	358,882	377,457
	Tax equivalent received	171,790	168,999
	Guarantee fee received	53,171	49,991
	Total investment revenue from water corporation	583,843	596,447

Accounting policy

Investment revenue

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

Note 14	Employee benefits		
	Wages and salaries	3,348,891	3,101,170
	Workers compensation	75,894	63,327
	Annual leave and long service leave	411,370	368,161
	Superannuation	427,231	394,907
	Fringe benefits tax	22,457	36,390
	Staff training, recruitment and conferences	78,468	49,885
	Uniforms and protective clothing	28,289	21,562
	Payroll tax, licences and membership fees	190,631	172,547
		4,583,231	4,207,949
	Less amounts capitalised	(268,878)	(273,358)
	Total employee benefits	4,314,353	3,934,591

Accounting policy

Employee benefits

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

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

	2018	2017
	\$	\$
Note 15		
Materials and services		
Materials and services	1,045,258	1,175,478
Contract payments	1,233,434	1,338,752
Waste collection contracts*	842,873	1,507,080
Plant and equipment maintenance and hire	133,894	60,185
Professional and consultants fees	395,437	456,038
Fuel and lubricants	109,010	118,443
Total materials and services	3,759,906	4,655,976

* Waste collection contracts have decreased due to substantial amount of the work now being done by council staff.

Accounting policy

Materials and services expense

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

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

Note 16 Impairment of receivables

Rates debtors	9,436	9,157
Other debtors	13,390	-
Recoveries of previous bad debts	(1,129)	(19,111)
Total impairment of receivables	21,697	(9,954)

Accounting policy

Impairment expense

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

	2018	2017
	\$	\$
Note 17 Depreciation and amortisation		
<i>Property</i>		
Land improvements	178,458	164,763
<i>Buildings</i>		
Buildings	241,930	219,942
Heritage buildings	168	168
<i>Plant and Equipment</i>		
Plant, machinery and equipment	287,041	283,461
Fixtures, fittings and furniture	205,720	201,821
<i>Infrastructure</i>		
Roads	1,836,116	1,726,585
Bridges	445,313	410,914
Drainage	329,352	329,351
<i>Other assets</i>		
Municipal revaluation	22,000	22,000
Total depreciation and amortisation	3,546,098	3,359,005

Accounting policy

Depreciation and amortisation expense

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

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

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

Land, heritage and road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.

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

	Period
Land improvements	25 years
Buildings	30-100 years
<i>Plant and Equipment</i>	
plant, machinery and equipment	3-20 years
fixtures, fittings and furniture	3-20 years
computers and telecommunications	5-10 years
<i>Roads</i>	
road pavements and seals	22-85 years
road substructure	100 years
road formation and earthworks	100 years
road kerb, channel and minor culverts	85 years
<i>Bridges</i>	
bridges deck	20-80 years
bridges substructure	20-80 years
<i>Other Infrastructure</i>	
footpaths and cycleways	50 years
drainage	60-80 years
recreational, leisure and community facilities	25 years
waste management	25 years
parks, open space and streetscapes	25 years
Municipal revaluations	6 years

	2018	2017
	\$	\$
Note 18 Finance costs		
Interest - Borrowings	350,296	362,450
Total finance costs	350,296	362,450

Accounting policy

Finance expense

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

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period, (\$0).

Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

Note 19 Other expenses		
External auditors' remuneration	35,800	33,880
Internal auditors' remuneration and expenses	6,253	6,297
Councillors' allowances and reimbursements	179,207	179,505
Fire levy	332,279	317,459
Light and power	168,271	208,281
Rates discounts and remissions	200,181	182,484
Community support and donations	114,573	134,437
Land tax	45,615	42,695
Tip site rehabilitation provision	760	135,317
Other	(6,330)	10,635
Total other expenses	1,076,609	1,250,990

Accounting policy

Other expenses

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

	2018	2017
	\$	\$
Note 20 Investment in water corporation		
Opening Balance	33,285,899	33,068,952
Fair Value adjustments on Available-for-Sale Assets	432,016	216,947
Total investment in water corporation	33,717,915	33,285,899

Council has derived returns from the water corporation as disclosed at note 13.

Accounting policy

Accounting for investments in associates

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2018, Council held a 2.10% (2017: 2.10%) ownership interest in TasWater which is based on schedule 2 of the Corporations Constitution which reflects the council's voting rights. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 30).

Council has classified this asset as an Available-for-Sale financial asset as defined in AASB 139 *Financial Instruments: Recognition and Measurement* and has followed AASB 132 *Financial Instruments: Presentation* and AASB 7 *Financial Instruments: Disclosures* to value and present the asset in the financial report. Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

On 1 May 2018 TasWater and the State Government announced a memorandum of understanding under which the State Government will inject \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater. As a shareholder the State Government will not receive any dividend distributions. The partnership provides for a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects. As at the date of these financial statements, the owner councils and the State Government were working together on the nature of the future reforms.

Note 21 Cash and cash equivalents		
Cash on hand	2,900	2,900
Cash at bank	299,817	328,961
Cash on deposit	9,304,895	6,856,484
Committee accounts	57,291	42,716
Total cash and cash equivalents	9,664,903	7,231,061

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

- Trust funds and deposits (note 27)	246,446	236,757
- Conditions on grants (note 8)	671,349	375,053
- Leave provisions (note 29)	1,303,330	1,185,128
Restricted funds	2,221,125	1,796,938

Total unrestricted cash and cash equivalents	7,443,778	5,434,123
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Accounting policy

Cash and cash equivalents

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

	2018	2017
	\$	\$
Note 22		
Trade and other receivables		
<i>Current</i>		
Rates debtors	478,119	324,556
Other debtors	141,274	791,810
Provision for impairment	(67,186)	(48,971)
Total	552,207	1,067,395
<i>Non-current</i>		
Loans and advances to community organisations	14,392	14,392
Total	14,392	14,392
Total trade and other receivables	566,599	1,081,787

Accounting policy

Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. A provision for impairment on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Note 23	Inventories		
	Inventories held for consumption	92,540	137,844
	Total inventories	92,540	137,844

Accounting policy

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

Note 24	Other assets		
	<i>Current</i>		
	Prepayments	18,558	19,428
	Accrued income*	50,741	37,759
	Municipal revaluation	6,400	22,400
	Total	75,699	79,587
	<i>Non-current</i>		
	Shares in Bendigo Bank	30,000	30,000
	Municipal revaluation	-	6,000
	Total	30,000	36,000

* Accrued income only includes items that are reciprocal in nature. This does not include Rates in Advance.

Contingent assets

Security deposit guarantees	57,988	50,668
	57,988	50,668

Note 25 Property, infrastructure, plant and equipment

	2018	2017
	\$	\$
Summary		
at cost	14,564,034	14,232,316
Less accumulated depreciation	5,888,437	5,632,236
	<u>8,675,597</u>	<u>8,600,080</u>
at fair value as at 30 June	190,546,315	185,663,612
Less accumulated depreciation	58,136,100	56,469,790
	<u>132,410,215</u>	<u>129,193,822</u>
Total	<u>141,085,812</u>	<u>137,793,902</u>
Property		
Land		
at fair value at 30 June	6,403,110	6,018,110
	<u>6,403,110</u>	<u>6,018,110</u>
Land under roads		
at Council valuation at 30 June	2,628,405	2,628,405
	<u>2,628,405</u>	<u>2,628,405</u>
Land improvements		
at cost	4,917,826	4,576,126
Less accumulated depreciation	2,324,047	2,145,590
	<u>2,593,779</u>	<u>2,430,536</u>
Total Land	<u>11,625,294</u>	<u>11,077,051</u>
Buildings		
at fair value at 30 June	11,593,166	11,007,181
Less accumulated depreciation	973,837	731,907
	<u>10,619,329</u>	<u>10,275,274</u>
Heritage buildings		
at fair value at 30 June	16,663	16,663
Less accumulated depreciation	1,968	1,800
	<u>14,695</u>	<u>14,863</u>
Total Buildings	<u>10,634,024</u>	<u>10,290,137</u>
Total Property	<u>22,259,318</u>	<u>21,367,188</u>

Note 25	Property, infrastructure, plant and equipment (cont.)	2018 \$'000	2017 \$'000
	Plant and Equipment		
	Plant, machinery and equipment		
	at cost	3,782,067	3,798,927
	Less accumulated depreciation	2,360,070	2,484,751
		<u>1,421,997</u>	<u>1,314,176</u>
	Fixtures, fittings and furniture		
	at cost	1,841,894	1,565,041
	Less accumulated depreciation	1,204,320	1,001,895
		<u>637,574</u>	<u>563,146</u>
	Total Plant and Equipment	<u>2,059,571</u>	<u>1,877,322</u>
	Infrastructure		
	Roads		
	at fair value at 30 June	113,133,861	112,781,983
	Less accumulated depreciation	39,348,371	38,276,553
		<u>73,785,490</u>	<u>74,505,430</u>
	Bridges		
	at fair value at 30 June	29,530,166	25,970,324
	Less accumulated depreciation	7,807,892	7,784,848
		<u>21,722,274</u>	<u>18,185,476</u>
	Drainage		
	at fair value at 30 June	27,240,944	27,240,946
	Less accumulated depreciation	10,004,032	9,674,682
		<u>17,236,912</u>	<u>17,566,264</u>
	Total Infrastructure	<u>112,744,676</u>	<u>110,257,170</u>
	Works in progress		
	Buildings at cost	120,340	200,275
	Roads at cost	2,269,810	1,474,483
	Land improvements at cost	1,176,200	817,708
	Drainage	453,931	5,289
	Bridges	1,966	1,794,467
	Fixtures, fittings and furniture		-
	Total Works in progress	<u>4,022,247</u>	<u>4,292,222</u>
	Total property, infrastructure, plant and equipment	<u>141,085,812</u>	<u>137,793,902</u>

Note 25 *Property, infrastructure, plant and equipment (cont.)*

Reconciliation of property, infrastructure, plant and equipment

2018	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 30)	Depreciation and amortisation (note 17)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
Property							
land	6,018,110	385,000	-	-	-	-	6,403,110
land under roads	2,628,405	-	-	-	-	-	2,628,405
land improvements	2,430,536	-	-	178,458	-	341,701	2,593,779
Total land	11,077,051	385,000	-	178,458	-	341,701	11,625,294
buildings	10,275,274	25,000	-	241,930	-	560,985	10,619,329
heritage buildings	14,863	-	-	168	-	-	14,695
Total buildings	10,290,137	25,000	-	242,098	-	560,985	10,634,024
Total property	21,367,188	410,000	-	420,556	-	902,686	22,259,318
Plant and Equipment							
plant, machinery and equipment	1,314,176	472,568	-	287,041	77,706	-	1,421,997
fixtures, fittings and furniture	563,146	280,661	-	205,720	513	-	637,574
Total plant and equipment	1,877,322	753,229	-	492,761	78,219	-	2,059,571
Infrastructure							
roads	74,505,430	-	-	1,836,116	280,333	1,396,509	73,785,490
bridges	18,185,476	-	1,211,843	445,313	49,962	2,820,230	21,722,274
drainage	17,566,264	-	-	329,352	-	-	17,236,912
Total infrastructure	110,257,170	-	1,211,843	2,610,781	330,295	4,216,739	112,744,676
Works in progress							
buildings	200,275	481,050	-	-	-	(560,985)	120,340
roads	1,474,483	2,191,836	-	-	-	(1,396,509)	2,269,810
land improvements	817,708	700,193	-	-	-	(341,701)	1,176,200
drainage	5,289	448,642	-	-	-	-	453,931
bridges	1,794,467	1,027,729	-	-	-	(2,820,230)	1,966
Total works in progress	4,292,222	4,849,450	-	-	-	(5,119,425)	4,022,247
Total property, plant and equipment, infrastructure	137,793,902	6,012,679	1,211,843	3,524,098	408,514	-	141,085,812

Note 25 *Property, infrastructure, plant and equipment (cont.)*

Reconciliation of property, infrastructure, plant and equipment

2017	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 30)	Depreciation and amortisation (note 17)	Written down value of disposals	Transfers (a)	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
Property							
land	5,612,969	-	443,481	-	38,340	-	6,018,110
land under roads	2,628,405	-	-	-	-	-	2,628,405
land improvements	2,062,706	-	-	164,763	-	532,593	2,430,536
Total land	10,304,080	-	443,481	164,763	38,340	532,593	11,077,051
buildings	8,855,997	-	853,352	219,942	23,775	809,642	10,275,274
heritage buildings	15,031	-	-	168	-	-	14,863
Total buildings	8,871,028	-	853,352	220,110	23,775	809,642	10,290,137
Total property	19,175,108	-	1,296,833	384,873	62,115	1,342,235	21,367,188
Plant and Equipment							
plant, machinery and equipment	986,587	644,751	-	283,461	33,701	-	1,314,176
fixtures, fittings and furniture	579,712	166,421	-	201,821	1,781	20,615	563,146
Total plant and equipment	1,566,299	811,172	-	485,282	35,482	20,615	1,877,322
Infrastructure							
roads	70,046,748	-	5,202,735	1,726,585	210,498	1,193,030	74,505,430
bridges	18,069,969	-	(195,656)	410,914	75,810	797,887	18,185,476
drainage	17,493,621	82,097	-	329,351	-	319,897	17,566,264
Total infrastructure	105,610,338	82,097	5,007,079	2,466,850	286,308	2,310,814	110,257,170
Works in progress							
buildings	662,927	346,990	-	-	-	(809,642)	200,275
roads	838,741	1,828,772	-	-	-	(1,193,030)	1,474,483
land improvements	593,484	756,817	-	-	-	(532,593)	817,708
fixtures, fittings and furniture	1,751	18,864	-	-	-	(20,615)	-
drainage	6,179	319,007	-	-	-	(319,897)	5,289
bridges	456,417	2,135,937	-	-	-	(797,887)	1,794,467
Total works in progress	2,559,499	5,406,387	-	-	-	(3,673,664)	4,292,222
Total property, plant and equipment, infrastructure	128,911,244	6,299,656	6,303,912	3,337,005	383,905	-	137,793,902

Note 25 Property, infrastructure, plant and equipment (cont.)

Accounting policy	
Recognition and measurement of assets	
Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.	
Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.	
Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.	
The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:	
	Threshold
	\$'000
Land	
land	5,000
land improvements	5,000
land under roads	5,000
Buildings	
buildings	5,000
building improvements	5,000
heritage buildings	5,000
Plant and Equipment	
plant, machinery and equipment	1,500
fixtures, fittings and furniture	1,500
computers and telecommunications	1,500
leased plant and equipment	1,500
Roads	
road pavements and seals	5,000
road substructure	5,000
road formation and earthworks	5,000
road kerb, channel and minor culverts	5,000
Bridges	
bridges deck	5,000
bridges substructure	5,000
Other Infrastructure	
footpaths and cycleways	5,000
drainage	5,000
recreational, leisure and community facilities	5,000
waste management	5,000
parks, open space and streetscapes	5,000
off street car parks	5,000
Municipal revaluations	1,500
Revaluation	
Council has adopted the following valuation bases for its non-current assets:	
Land	fair value
Land improvements	cost
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value
Parks, recreation facilities and community amenities	cost
Heritage	fair value
Investment in water corporation	fair value

Note 25 Property, plant and equipment, infrastructure (cont.)

Accounting policy (cont.)

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

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

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

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

Impairment of assets

Impairment losses are recognised in the statement of comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

Land under roads

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

	2018 \$	2017 \$
Note 26 Trade and other payables		
Trade payables	448,720	1,192,212
Accrued expenses	184,948	157,274
Total trade and other payables	633,668	1,349,486

Note 27 Trust funds and deposits		
Refundable building deposits	9,000	9,000
Section 137 seizures	146,120	168,618
Refundable civic facilities deposits	4,570	4,885
Retention amounts	78,768	50,872
Other refundable deposits	7,988	3,382
Total trust funds and deposits	246,446	236,757

Accounting policy

Tender deposits

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

Note 28 Interest-bearing loans and borrowings

Current

Borrowings - secured	326,296	312,292
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Non-current

Borrowings - secured	8,825,315	7,651,611
Total	9,151,611	7,963,903

Borrowings are secured over Council's rates revenue.

The maturity profile for Council's borrowings is:

Not later than one year	326,296	312,292
Later than one year and not later than five years	2,958,493	1,395,765
Later than five years	5,866,822	6,255,846
Total	9,151,611	7,963,903

Accounting policy

Interest bearing liabilities

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

Note 29 Provisions

	Annual leave & RDO's	Long service leave	Landfill restoration	Other	Total
2018	\$	\$	\$	\$	\$
Balance at beginning of the financial year	388,476	480,857	250,692	65,103	1,185,128
Additional provisions	293,352	124,643	760	32,772	451,527
Amounts used	(269,511)	(32,671)	(7,287)	(23,856)	(333,325)
Balance at the end of the financial year	412,317	572,829	244,165	74,019	1,303,330
2017					
Balance at beginning of the financial year	356,408	437,144	115,375	58,808	967,735
Additional provisions	266,712	95,474	135,317	28,747	526,250
Amounts used	(234,644)	(51,761)	-	(22,452)	(308,857)
Balance at the end of the financial year	388,476	480,857	250,692	65,103	1,185,128
				2018	2017
(a) Employee benefits and oncosts				\$	\$
(i) Current					
Annual leave and RDO's				412,317	388,476
Long service leave				300,638	230,327
Other				52,570	45,361
				<u>765,525</u>	<u>664,164</u>
(ii) Non-current					
Long service leave				272,191	250,530
Other				21,449	19,742
Landfill restoration				244,165	250,692
				<u>537,805</u>	<u>520,964</u>
Aggregate carrying amount of employee benefits:					
Current				765,525	664,164
Non-current				537,805	520,964
				<u>1,303,330</u>	<u>1,185,128</u>
The following assumptions were adopted in measuring the present value of employee benefits:					
Weighted average increase in employee costs				8.92%	-0.84%
Weighted average discount rates				2.17%	2.01%
Weighted average settlement period				10	10
(i) Current					
All annual leave and the long service leave entitlements representing 10 or more years of continuous service					
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value				412,317	388,476
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value				300,638	230,327
				<u>712,955</u>	<u>618,803</u>
(ii) Non-current					
Long service leave representing less than 10 years of continuous service measured at present value				272,191	250,530
				<u>272,191</u>	<u>250,530</u>
(iii) Employee Numbers (FTE)				53	50

Note 29 Provisions (cont.)

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

iv) Defined benefit plans

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

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 30(a) of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

v) Defined contribution plans

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

(b) Land fill restoration

Council is obligated to restore its waste transfer stations and quarries to a particular standard. Current projections indicate that the waste transfer station sites will cease operation in 2020, and the quarries will cease operations in 2030 and restoration work is expected to commence shortly thereafter. The forecast life of the sites is based on current estimates of remaining capacity and the forecast rate of infill. The provision for restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council does not expect to receive reimbursement from a third party.

Note 30 Reserves

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(a) Asset revaluation reserve	\$	\$	\$	\$
2018				
Property				
Land	1,498,962	-	-	1,498,962
Land improvements	16,273	-	-	16,273
Buildings	1,120,368	-	-	1,120,368
	2,635,603	-	-	2,635,603
Infrastructure				
Roads	127,789,391	-	-	127,789,391
Bridges	1,002,997	1,211,843	-	2,214,840
Drainage	12,385,525	-	-	12,385,525
	141,177,913	1,211,843	-	142,389,756
Total asset revaluation reserve	143,813,516	1,211,843	-	145,025,359

2017

Property				
Land	1,055,481	443,481	-	1,498,962
Land improvements	16,273	-	-	16,273
Buildings	267,016	853,352	-	1,120,368
	1,338,770	1,296,833	-	2,635,603
Infrastructure				
Roads	122,586,656	5,202,735	-	127,789,391
Bridges	1,198,653	-	(195,656)	1,002,997
Drainage	12,385,525	-	-	12,385,525
	136,170,834	5,202,735	(195,656)	141,177,913
Total asset revaluation reserve	137,509,604	6,499,568	(195,656)	143,813,516

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

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(b) Fair value reserve	\$	\$	\$	\$
2018				
Available-for-sale assets				
Investment in water corporation	(2,797,537)	432,016	-	(2,365,521)
Total fair value reserve	(2,797,537)	432,016	-	(2,365,521)

2017

Available-for-sale assets				
Investment in water corporation	(3,014,484)	216,947	-	(2,797,537)
Total fair value reserve	(3,014,484)	216,947	-	(2,797,537)

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

Notes to the Financial Report
For the Year Ended 30 June 2018

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
(c) Other reserves	\$	\$	\$	\$
2018				
Facilities and properties	71,850	5,057	-	76,907
Other Reserves	626,357	318,573	-	944,930
Total Other reserves	698,207	323,630	-	1,021,837
2017				
Facilities and properties	349,401	-	(277,551)	71,850
Other Reserves	575,315	51,042	-	626,357
Total Other reserves	924,716	51,042	(277,551)	698,207

Facilities and properties reserve recognises those funds that are being retained for future contributions to capital works on Council properties, buildings and recreational facilities. It includes contributions from developers towards establishment of public open space areas.

Other reserves are amounts set aside for specific purposes. These largely include grants not yet expended and funds received for various community development and cultural projects.

	2018	2017
	\$	\$
Total Reserves	143,681,675	141,714,186

Note 31 Reconciliation of cash flows from operating activities to surplus (deficit)

Surplus/(Deficit)	3,343,748	2,896,781
Depreciation/amortisation	3,546,098	3,359,005
(Profit)/loss on disposal of property, plant and equipment, infrastructure	252,588	49,540
Contributions non-monetary	(408,600)	(82,097)
Capital grants received specifically for new or upgraded assets	(2,300,487)	(959,691)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	515,188	(665,351)
Decrease/(increase) in other assets	(12,112)	(5,576)
Decrease/(increase) in inventories	45,304	6,005
Increase/(decrease) in trade and other payables	(715,819)	634,642
Increase/(decrease) in provisions	118,202	217,393
Increase/(decrease) in other liabilities	9,689	(37,980)
Net cash provided by/(used in) operating activities	4,393,799	5,412,671

Note 32 Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

2018	Interest-bearing loans and borrowings	Lease liabilities
	\$	\$
Balance as at 1 July 2017	7,963,903	-
Changes from financing cash flows:		
Cash Received	1,500,000	-
Cash Repayments	(312,292)	-
Balance as at 30 June 2018	9,151,611	-

Note 33 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 19)	9,664,903	7,231,061
Total reconciliation of cash and cash equivalents	9,664,903	7,231,061

Note 34 Financing arrangements

Credit Card	30,000	30,000
Used facilities	4,928	3,483
Unused facilities	25,072	26,517
Security Deposit Guarantee	100,000	100,000
Used Facility	91,000	91,000
Unused facilities	9,000	9,000

Note 35 Superannuation

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

For the year ended 30 June 2018 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58,940,000, the value of vested benefits was \$51,170,000, the surplus over vested benefits was \$7,770,000, the value of total accrued benefits was \$50,606,000, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

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

The actuarial review concluded that:

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

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2017/18 and 0% from 1 July 2018 to 30 June 2021.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2020 and is expected to be completed late in 2020.

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

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

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

- The 2017 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2014.
Under the aggregate funding method of financing the benefits, the stability of the Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, the Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

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

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2017, showed that the Fund had assets of \$58.9 million and members' Vested Benefits were \$51.2 million. These amounts represented 0.7% and 0.6% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2017 the fund had 134 members and the total employer contributions and member contributions for the year ending 30 June 2017 were \$1,777,084 and \$267,506 respectively.

	2018	2017
	\$	\$
Fund		
Defined benefits fund		
Employer contributions to Tasplan	9,921	12,639
	<u>9,921</u>	<u>12,639</u>
Accumulation funds		
Employer contributions to super funds	417,310	381,337
	<u>417,310</u>	<u>381,337</u>

Note 36 Commitments

Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial report are as follows:

Waste transfer stations and collections	3,228,412	5,103,596
Cleaning contracts for council buildings	110,648	376,202
Total contractual commitments	<u>3,339,060</u>	<u>5,479,798</u>

Capital expenditure commitments

Roads and drainage	46,526	428,733
Bridges	215,332	693,703
Total capital expenditure commitments	<u>261,858</u>	<u>1,122,436</u>

Contingent liabilities

Six outstanding legal matters	9,500	26,500
Security deposit guarantees	109,000	109,000
Total contingent liabilities	<u>118,500</u>	<u>135,500</u>

Note 37 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	21	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash.	On call and short term deposits returned a floating interest rate. The interest rate at balance date was 1.50% on call and 2.52% term deposits (1.50% and 2.32% 2016/17).
Trade and other receivables			
Other debtors	22	Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 10% (10% 2016/17). Credit terms are based on 30 days.
Available for sale financial assets			
Investment in Water Corporation	20	The investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date.	Investment in TasWater provided return of 1.75% (1.73 2016/17) excluding unrealised gains/losses
Financial Liabilities			
Trade and other payables	26	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice date.
Interest-bearing loans and borrowings	28	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 3.70% (4.43% in 2016/17).
Bank overdraft	21	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The overdraft was not utilised in 2017/18

Note 37 Financial Instruments (cont.)

(b) Interest Rate Risk

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

2018

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
			1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Financial assets							
Cash and cash equivalents	2.52%	1,582,168	8,079,835	-	-	2,900	9,664,903
Trade and other receivables		-	-	-	-	566,599	566,599
Investment in water corporation		-	-	-	-	33,717,915	33,717,915
Total financial assets		1,582,168	8,079,835	-	-	34,287,414	43,949,417
Financial liabilities							
Trade and other payables		-	-	-	-	633,668	633,668
Trust funds and deposits		-	-	-	-	246,446	246,446
Interest-bearing loans and borrowings	3.70%	-	326,296	2,958,493	5,866,822	-	9,151,611
Total financial liabilities		-	326,296	2,958,493	5,866,822	880,114	10,031,725
Net financial assets (liabilities)		1,582,168	7,753,539	(2,958,493)	(5,866,822)	33,407,300	33,917,692

2017

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
			1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Financial assets							
Cash and cash equivalents	2.32%	1,652,953	5,575,458	-	-	2,650	7,231,061
Trade and other receivables		-	-	-	-	1,081,787	1,081,787
Investment in water corporation		-	-	-	-	33,285,899	33,285,899
Total financial assets		1,652,953	5,575,458	-	-	34,370,336	41,598,747
Financial liabilities							
Trade and other payables		-	-	-	-	1,349,486	1,349,486
Trust funds and deposits		-	-	-	-	236,757	236,757
Interest-bearing loans and borrowings	4.43%	-	312,292	1,395,765	6,255,846	-	7,963,903
Total financial liabilities		-	312,292	1,395,765	6,255,846	1,586,243	9,550,146
Net financial assets (liabilities)		1,652,953	5,263,166	(1,395,765)	(6,255,846)	32,784,093	32,048,601

Note 37 Financial Instruments (cont.)

(c) Fair Value

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

Financial Instruments	Total carrying amount as per		Aggregate net fair value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	9,664,903	7,231,061	9,664,903	7,231,061
Trade and other receivables	566,599	1,081,787	566,599	1,081,787
Investment in water corporation	33,717,915	33,285,899	33,717,915	33,285,899
Total financial assets	43,949,417	41,598,747	43,949,417	41,598,747
Financial liabilities				
Trade and other payables	633,668	1,349,486	633,668	1,349,486
Trust funds and deposits	246,446	236,757	246,446	236,757
Interest-bearing loans and borrowings	9,151,611	7,963,903	9,541,402	8,377,386
Total financial liabilities	10,031,725	9,550,146	10,421,516	9,963,629

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Council loan borrowings are sourced from Tascorp at a Government level of interest rate and security. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

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

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

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

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

Note 37 Financial Instruments (cont.)

Credit risk

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

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

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

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provide a guarantee for another party.

Movement in Provisions for Impairment of Trade and Other Receivables	2018	2017
	\$	\$
Balance at the beginning of the year	(48,971)	(65,935)
New/used Provisions recognised during the year	(22,826)	(9,157)
Amounts already provided for and written off as uncollectible	3,482	7,010
Amounts provided for but recovered during the year	1,129	19,111
Balance at end of year	(67,186)	(48,971)

Ageing of Trade and Other Receivables

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

	2018	2017
	\$	\$
Current (not yet due)	98,013	141,723
Past due by up to 30 days	291,571	743,995
Past due between 31 and 180 days	11,879	98,086
Past due between 181 and 365 days	78,294	35,136
Past due by more than 1 year	86,842	62,847
Total Trade & Other Receivables	566,599	1,081,787

Liquidity risk

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

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

To help reduce these risks Council:

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

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

Note 37 Financial Instruments (cont.)

The table below lists the contractual maturities for Financial Liabilities

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

2018	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	633,668	-	-	-	-	633,668	633,668
Trust funds and deposits	246,446	-	-	-	-	246,446	246,446
Interest-bearing loans and borrowings	161,358	164,938	340,941	2,617,552	5,866,822	9,151,611	9,151,611
Total financial liabilities	1,041,472	164,938	340,941	2,617,552	5,866,822	10,031,725	10,031,725

2017	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	1,349,486	-	-	-	-	1,349,486	1,349,486
Trust funds and deposits	236,757	-	-	-	-	236,757	236,757
Interest-bearing loans and borrowings	154,434	157,858	326,296	1,069,469	6,255,846	7,963,903	7,963,903
Total financial liabilities	1,740,677	157,858	326,296	1,069,469	6,255,846	9,550,146	9,550,146

Note 37 Financial Instruments (cont.)

(f) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates

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

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2018		\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	9,664,903	(193,298)	(193,298)	96,649	96,649
Trade and other receivables	566,599	(11,332)	(11,332)	5,666	5,666
Financial liabilities:					
Interest-bearing loans and borrowings	9,151,611	183,032	183,032	(91,516)	(91,516)

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2017		\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	7,231,061	(144,621)	(144,621)	72,311	72,311
Trade and other receivables	1,081,787	(21,636)	(21,636)	10,818	10,818
Financial liabilities:					
Interest-bearing loans and borrowings	7,963,903	159,278	159,278	(79,639)	(79,639)

Note 38 Events occurring after balance date

No matters have occurred after balance date that warrant disclosure in this report.

Note 39 Special committees and other activities

	2018	2017
	\$	\$
Pyengana Ground and Hall Committee		
Opening balance cash on hand	42,716	37,578
Receipts	22,192	16,120
Less payments	(7,617)	(10,982)
Closing balance - cash on hand	<u>57,291</u>	<u>42,716</u>

Note 40 Related party transactions

(i) Responsible Persons

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

Councillors

Councillor Mick Tucker
Councillor John McGiveron
Councillor Hannah Rubenach
Councillor Margaret Osborne
Councillor Glen McGuinness
Councillor John Tucker
Councillor Janet Drummond
Councillor Barry LeFevre
Councillor Kylie Wright

General Manager

John Brown

Senior Managers

Bob Hoogland
Christina Hughes
Jake Ihnen
Paula Kloosterman
Wayne Polden
David Jolly

(ii) Councillor Remuneration

2018

Short term benefits

	Allowances	Vehicles	Total Compensation AASB 124	Expenses ¹	Total allowances and expenses section 72
	\$	\$	\$	\$	\$
Mayor	42,953	-	42,953	7,354	50,307
Deputy Mayor	24,019	-	24,019	2,283	26,302
Councillors	85,904	-	85,904	16,694	102,598
Total	152,876	-	152,876	26,331	179,207

2017

Short term benefits

	Allowances	Vehicles	Total Compensation AASB 124	Expenses ¹	Total allowances and expenses section 72
	\$	\$	\$	\$	\$
Mayor	42,054	-	42,054	8,650	50,704
Deputy Mayor	23,516	-	23,516	3,905	27,421
Councillors	84,105	-	84,105	17,275	101,380
Total	149,675	-	149,675	29,830	179,505

¹ Section 72(1) of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors.

(iii) Key Management Personnel Remuneration

2018	Remuneration band	Number of employees	Short term employee benefits		Post employment benefits	
			Salary ¹	Vehicles ²	Superannuation ³	Non-monetary Benefits ⁴
			\$	\$	\$	\$
	\$80 001 - \$100 000	2	179,149	13,612	22,587	5,124
	\$100 000 - \$120 000	4	297,273	23,041	39,089	16,873
	\$200 000 - \$220 000	1	180,356	3,763	22,006	(4,582)
	Total		656,778	40,416	83,682	17,415
						798,291

2017	Remuneration band	Number of employees	Short term employee benefits		Post employment benefits	
			Salary ¹	Vehicles ²	Superannuation ³	Non-monetary Benefits ⁴
			\$	\$	\$	\$
	\$80 001 - \$100 000	1	70,978	-	10,250	2,750
	\$100 000 - \$120 000	4	354,503	43,288	44,954	16,724
	\$200 000 - \$220 000	1	176,091	15,381	21,777	7,238
	Total		601,572	58,669	76,981	26,712
						763,934

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

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

3 Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were calculated at 9.5% of employees' gross income.

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

(iv) Remuneration Principles

Councillors

Councillors are entitled to an allowance based on the number of voters in the Local Government area (LGA) and the revenue of the council.

Councillors are also entitled to reimbursement for telephone, travel, child care and other expenses in accordance with the council's policy.

Executives

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

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period of up to 3 months prior to termination of the contract. Whilst not automatic, contracts can be extended.

(v) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions
Supply of services and materials	\$4,384	Council owes \$294	30-day terms on invoices

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

Note 41 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Other Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

(c) Allocation between current and non-current

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

(d) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

(e) Contingent assets, contingent liabilities and commitments

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

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

(f) Budget

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

Note 41 Other significant accounting policies and pending accounting standards (cont)

(g) Adoption of new and amended accounting standards

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

(i) AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

Amendments to AASB 107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities in the Statement of Cash Flows at note 32.

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

This standard replaces the existing standard, AASB139: *Financial Instruments: Recognition and Measurement*, and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by an entities business model for holding the particular asset and its contractual cash flows.

The amortised cost model is available for debt assets meeting both a business model and cash flow characteristics tests. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments. Where the business model is achieved by both collecting the contractual cash flows and from selling the financial asset, it may be classified as fair value through other comprehensive income. Any financial asset not held in either of these classifications, or where designated, will be classified as fair value through profit or loss. Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or, where the financial asset is an equity instrument not held for trading, and an irrevocable election is made to present all movements in other comprehensive income.

When adopted, the standard requires Council to reclassify all financial assets. This includes Council's classification and accounting for its significant investment in TasWater which is an available-for-sale financial asset. Council currently recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB9 Council will make an irrevocable election for its equity investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses.

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

Council will apply the standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but will require a reconciliation of changes in classification of financial assets and financial liabilities.

Note 41 Other significant accounting policies and pending accounting standards (cont)

(ii) AASB 15 Revenue from Contracts with Customers

The standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Council has analysed the new revenue recognition requirements noting that future impacts include:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).
- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Grants that are not enforceable and/or not sufficiently specific, will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are will continue being recognised as revenue upfront assuming no change to the current grant arrangements.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in note 8. Council's assessment is that the majority of the amounts received unexpended for the year, \$642,349, will be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

(iii) AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions. The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received.

AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Where the asset acquired is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. These leased right-of-use assets have not previously been recognised. Council does not expect any significant adjustment.

Note 41 Other significant accounting policies and new accounting standards (cont)

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period. The impact to Council will be that revenue recognised when received from Rates and charges in advance as disclosed in note 5, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured. Council does not expect any significant adjustment. Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption. Council does not expect any significant adjustment.

(iv) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

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

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. Councils does not have any current operating leases.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

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

Note 42	Management indicators	Benchmark	2018 \$	2017 \$	2016 \$	2015 \$
(a)	Underlying surplus or deficit					
	Net result for the year		3,343,748	2,896,781	3,561,194	4,021,904
	Less non-operating income					
	Capital grants		2,300,487	1,283,291	1,988,644	956,629
	FAGs in advance		85,425	1,377,088	(1,297,926)	1,297,926
	Disposal of assets		-	151,660	-	-
	Flood Grant		648,147	-	2,628,405	-
	Contributions - non monetary assets		408,600	82,097	833,000	2,764,859
	Add non-operational expenses					
	Flood damage rectification		16,951	417,519	280,507	-
	Net loss on disposal of assets for abnormal reasons		125,944	191,651	-	54,882
	Underlying surplus/deficit	0	43,984	611,815	(310,422)	(942,628)
	The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.					
(b)	Underlying surplus ratio					
	<u>Underlying surplus or deficit</u>		43,984	611,815	(310,422)	(942,628)
	Recurrent income		13,870,783	13,756,903	13,520,655	12,181,919
	Underlying surplus ratio %	0%	0.3%	4.4%	-2.3%	-7.7%
	This ratio serves as an overall measure of financial operating effectiveness.					
(c)	Net financial liabilities					
	Liquid assets less		10,217,110	8,298,456	7,472,837	7,772,731
	total liabilities		11,335,055	10,735,274	10,220,119	9,882,738
	Net financial liabilities	0	(1,117,945)	(2,436,818)	(2,747,282)	-2,110,007
	This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.					
(d)	Net financial liabilities ratio					
	<u>Net financial liabilities</u>		(1,117,945)	(2,436,818)	(2,747,282)	(2,110,007)
	Recurrent income		13,870,783	13,756,903	13,520,655	12,181,919
	Net financial liabilities ratio %	0% - (50%)	-8.1%	-17.7%	-20.3%	-17.3%
	This ratio indicates the net financial obligations of Council compared to its recurrent income.					
(e)	Asset consumption ratio					
	An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.					
	<i>Transport Infrastructure</i>					
	<u>Depreciated replacement cost</u>		95,507,764	92,690,906	88,116,717	88,668,504
	Current replacement cost		142,664,027	138,752,307	135,652,822	134,749,283
	Asset consumption ratio %		67%	67%	65%	66%
	<i>Buildings</i>					
	<u>Depreciated replacement cost</u>		10,619,329	10,275,274	8,855,997	6,233,683
	Current replacement cost		11,593,166	11,007,181	9,352,269	6,540,861
	Asset consumption ratio %		92%	93%	95%	95%
	<i>Drainage</i>					
	<u>Depreciated replacement cost</u>		17,236,912	17,566,264	17,493,621	15,100,320
	Current replacement cost		27,240,944	27,240,946	26,811,354	22,803,324
	Asset consumption ratio %		63%	64%	65%	66%
	This ratio indicates the level of service potential available in Council's existing asset base.					

Note 42 Management indicators (cont.)

2018
\$

2017
\$

2016
\$

(f) Asset renewal funding ratio

An asset renewal funding ratio is calculated in relation to each asset class required to be included in a long-term strategic asset management plan of Council. Council has prepared a long-term strategic asset management plan which was adopted in February 2018.

Transport Infrastructure

Projected capital funding outlays**		1,849,000	1,522,000	2,049,000
Projected capital expenditure funding***		1,547,000	1,513,000	1,937,000
Asset renewal funding ratio %	90-100%	120%	101%	106%

Buildings

Projected capital funding outlays**		148,000	192,000	192,000
Projected capital expenditure funding***		200,000	190,000	230,000
Asset renewal funding ratio %	90-100%	74%	101%	83%

Drainage

Projected capital funding outlays**		50,000	85,000	15,000
Projected capital expenditure funding***		50,000	85,000	15,000
Asset renewal funding ratio %	90-100%	100%	100%	100%

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

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

**** Council's long term strategic management plan has recently been developed hence no ratios are available for earlier years.

This ratio measures Council's capacity to fund future asset replacement requirements.

(g) Asset sustainability ratio

	2018	2017	2016	2015
	\$	\$	\$	\$
Capex on replacement/renewal of existing assets	3,917,923	5,198,709	2,799,848	4,770,601
Annual depreciation expense	3,546,098	3,359,005	3,613,869	3,531,188
Asset sustainability ratio %	100%	110%	77%	135%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base.

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
By asset class	\$	\$	\$
Land	-	3,784	3,784
Land improvements	233,091	618,839	851,930
Buildings	208,053	143,298	351,351
Plant, machinery and equipment	441,772	18,170	459,942
Fixtures, fittings and furniture	77,243	196,367	273,610
Roads	1,913,531	277,617	2,191,148
Bridges	1,028,220	-	1,028,220
Drainage	16,013	428,080	444,093
Total	3,917,923	1,686,155	5,604,078

Note 43 Fair Value Measurements

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

- Investment in water corporation
- Property, infrastructure plant and equipment
 - Land
 - Buildings, including footpaths & cycleways
 - Roads
 - Bridges
 - Other infrastructure

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

(a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2017.

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

As at 30 June 2018

	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
Land	25	-	6,403,110	-	6,403,110
Land improvements	23	-	-	2,593,779	2,593,779
Land under roads	23	-	2,628,405	-	2,628,405
Buildings	25	-	10,634,024	-	10,634,024
Roads, including footpaths & cycleways	25	-	-	73,785,490	73,785,490
Bridges	25	-	-	21,722,274	21,722,274
Drainage	25	-	-	17,236,912	17,236,912
		-	19,665,539	115,338,455	135,003,994

As at 30 June 2017

	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
Land	25	-	6,018,110	-	6,018,110
Land improvements	23	-	-	2,430,536	2,430,536
Land under roads	23	-	2,628,405	-	2,628,405
Buildings	25	-	10,290,137	-	10,290,137
Roads, including footpaths & cycleways	25	-	-	74,505,430	74,505,430
Bridges	25	-	-	18,185,476	18,185,476
Drainage	25	-	-	17,566,264	17,566,264
		-	18,936,652	112,687,706	131,624,358

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

(b) Highest and best use

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

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

Investment in water corporation

Refer to Note 20 for details of valuation techniques used to derive fair values.

Land

Land fair values were determined by the Valuer-General as part of the municipal revaluation at 30 June 2013. Adjustments using adjustment factors are applied each two years until the next complete revaluation. If there is a material movement then the adjustment factors are applied. The values were adjusted as at 30 June 2017 to reflect the movement.

Note 43 Fair Value Measurements (cont.)

Land under roads

Land under roads was recognised for the first time in the 2016 financial statements, consistent with the Report to Parliament by the Auditor-General No. 5 of 2013-2014 Infrastructure Financial Accounting in Local Government. Because of its materiality, land under roads is now reported as a separate category of non-current assets.

Buildings

The fair value of buildings were also determined by the Valuer-General at 30 June 2013. Adjustments using adjustment factors are applied each two years until the next complete revaluation. If there is a material movement then the adjustment factors are applied. The values were adjusted as at 30 June 2017 to reflect the movement.

Where Council buildings are of a specialist nature (eg heritage buildings) and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values have been derived from reference to market data for recent projects and costing guides.

Infrastructure assets

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

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

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

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

The calculation of DRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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

Roads, including footpaths & cycleways

A full valuation of roads was undertaken by independent valuers, Maloney Asset Management Systems, effective 1 July 2016 on depreciated replacement cost. Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. The values were adjusted as at 30 June 2017 to reflect the movement.

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

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

Bridges

A full valuation of bridge assets was undertaken by independent valuers, TasSpan, effective June 2018. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Drainage

Revaluation and assessments of drainage was undertaken by Council Officers as at 1 July 2015. The valuations were based on depreciated replacement cost using unit replacement rates provided by AJL Consulting Engineers.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

Other Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position.

Note 43 Fair Value Measurements (cont.)

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Roads	\$ 73,785,490	Unit replacement cost per sqm	from \$9/sqm (unsealed) up to \$40/sqm (sealed)	The higher the unit cost, the higher the fair value
		Useful life	Refer Note 25	The longer the useful life, the higher the fair value
Land improvements	\$ 2,593,779	Useful life	Refer Note 25	The longer the useful life, the higher the fair value
Bridges	\$ 21,722,274	Useful life	Refer Note 25	The longer the useful life, the higher the fair value
Drainage	\$ 17,236,912	Useful life	Refer Note 25	The longer the useful life, the higher the fair value
		Unit price per metre	From \$79/m up to \$1,649/m, depending on pipe diameter	The higher the unit price the higher the fair value

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation and investment property (recurring fair value measurements) is set out in note 25 and 20 respectively.

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

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

Council does not have assets and liabilities which are not measured at fair value.

Council borrowings are measured at amortised cost with interest recognised in statement of comprehensive income when incurred. The fair value of borrowings disclosed in note 37 is provided by Tascorp (level 2).

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

Certification of the Financial Report

The financial report presents fairly the financial position of the Break O'Day Council as at 30 June 2018, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



John Brown
General Manager

Date : 31 August 2018