

# Annual Report

## 2015 - 2016



Break O'Day  
COUNCIL

from the **mountains** to the **sea**



This report has been prepared in accordance with the requirements of the Local Government Act 1993. The report relates to Council's Annual Plan, Strategic Plan and Partnership Agreement for the year ending June 30, 2016 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

- 6500 permanent residents to more than 15,000 in the summer months
- Rated properties: 6386



## Major Industries

- Tourism
- Fishing and Aquaculture
- Agriculture
- Coal Mining



## 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



## 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 and River 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.

## Connect with us:

**Location:** 32-34 Georges Bay Esplanade,  
St Helens, Tasmania, 7216

**Phone:** (03) 6376 7900

**Email:** [admin@bodc.tas.gov.au](mailto:admin@bodc.tas.gov.au)



**Website:** [www.bodc.tas.gov.au](http://www.bodc.tas.gov.au)

## Office Hours:

**Monday - Friday 9am - 5pm**  
(Excluding public holidays)



[www.facebook.com/BODCTas/](https://www.facebook.com/BODCTas/)







# Region Snapshot

The Break O'Day municipality extends along the East Coast of Tasmania from Eddystone Point (Larapuna) in the north to Denison River in the south and west to the eastern portion of 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 to the coastal towns and hamlets such as Falmouth, 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 features a hospital, numerous accommodation options, a District High School that offers grades Kindergarten to grade 12, Trade Training Centre, Business Enterprise Centre, numerous restaurants and cafés, retail outlets and more. St Marys District School also offers Kinder to grade 12 and the township has a Community Health Centre, a range of unique local businesses 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 distinctive

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 offer 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.

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



# Strategy and Vision

## Vision

To ensure an active, forward looking and well managed community creating a unique and desirable place to live, work and visit.

## Mission

We value the natural and built environment that supports us and will ensure resources are utilised responsibly and effectively by nurturing, empowering and communicating with one another.

## Strategic Plan

The Break O'Day Strategic Plan 2011-2015 plays a vital role in guiding the future directions of the Break O'Day Community and the Break O'Day Council. It draws on an extensive community consultation process, and has been further refined to focus on key outcomes that can be achieved by Council working in conjunction with the community and all relevant key stakeholders.

This Strategic Plan links in closely with the Municipal Management Plan and the State Government's Tasmania Together 2020 Plan. These links have been identified throughout the Plan, ensuring that Break O'Day Council is working with Local, State and Federal Governments, industry and the broader Tasmanian community to ensure the benefits to, or for, our community are maximised and promoted.

The Strategic Plan identifies five key goal areas that will be addressed by Break O'Day Council over the life of this Plan. The strategies for each goal provide more detail about what is to be achieved, including performance measures that will judge Council's progress over the life of the Plan. The Goal areas identified are:

- Community Building.
- Environment and Planning.
- Leadership and Governance.
- Economic Development.
- Asset Management.

(A copy of the Annual Plan can be found on our website.)

## Council's Core Values

In order to achieve Break O'Day Council's vision, all staff must abide by Council's values. It is in the context of these values that the Councillors of the Break O'Day Council are expected to fulfil the expectations set out in the Code of Conduct as a fundamental and integral part of their duties. Council's values are:

- Leadership
- Equity
- Community Involvement
- Responsiveness, and
- Quality

*Beauty Bay, St Helens*





# Mayor and Councillors

## *Message from Mayor Mick Tucker*



Welcome, It has been an eventful year for Council and our community and despite a few challenges being thrown our way, like the flooding events in January and June, we have not only remained on track in terms of our long term financial plan, but have seen real community spirit in the face of adversity.

On behalf of all Councillors, I would like to personally thank our community volunteers who play a pivotal role in service delivery during emergency events through organisations like the SES, Tas Fire and Ambulance. Volunteers are the backbone of a regional municipality like ours and without them our whole community suffers. Events like the Bay of Fires Winter Arts Festival, the Athletics Carnival, the Regatta and more just wouldn't happen without them. As we stare down the barrel of a volunteer shortage that threatens some of these signature events, I hope that more members of our community will take a moment to ask themselves, "How can I help. How can I be more involved with my community?"

I would also like to thank all our Council Staff who work tirelessly behind the scenes with volunteer groups and the community to ensure they have the support and resources they need for events, emergencies and everything in between.

From the Works Department and their efficiency in dealing with the recent flood damage to Community Services, Economic Development, Communications and the Admin staff, it is a team effort at Break O'Day Council and all show real commitment and dedication to our community's needs.

I think Council and the Break O'Day community are lucky to have public servants who are committed to advocating for our community whenever needed and who don't hesitate to go that extra mile to help out.

The main focus of Council this year and the years ahead, is to continue to support and develop opportunities for employment, growth and innovation in our community. We believe strongly that it is the role of Council to show leadership in this area and take a strategic and proactive approach that will ultimately benefit the entire community through economic activity.

While it is our responsibility to be a leader in this area, it is ultimately the role of the community to seize these opportunities.

The State Government has already promised to fund initiatives in our area which Council believes will benefit our entire community. The Great Eastern Drive is in part responsible for an increase in visitation in our area and with a further \$6.3 million budgeted, we hope tourist interest will continue to draw people to our area.

The State Government is also committed to constructing a new hospital in St Helens and has budgeted more than \$8 million for the project. This will not only improve services in this sector but will stimulate job growth and increase the 'liveability' of our area. This is crucial to population growth as the BOD area has an above average ageing population and we need to do all we can to draw new residents to our area.

The now complete, Bendigo Bank Community Stadium has already brought some of this opportunity to our doorstep through hosting a State League Netball Game in April. Not only was the match well attended locally, it brought players and spectators from outside our region and attracted plenty of media attention.

This helps promote our region and bring more people to our area whom will support our local businesses while here.

Council believes that the construction of Stage 2 of the Blue Derby Mountain Bike trails will attract even more visitors to our region, which will open the door to new business opportunities and job growth like it has in Derby. During the last 12 months, Derby has seen five new businesses established to cater for the increase in demand for services generated through the Blue Derby Trail network. Already the Federal Government has committed \$1.6 million to the project.

The most recent statistics from the Tasmanian Visitor Survey showed a whopping 72% increase in Mountain Bike Activity from April 2015 – March 2016 and it is our aim to attract some of this market to our region. Council would encourage all business owners and potential new businesses to consider how they might capitalise on this new market and ensure they are “Mountain Bike ready”.

Another project Council has been fighting for is the ex-HMAS Tobruk dive wreck. We have been fighting hard for this project because we believe that a tourist attraction like this will bring yet another group of tourists to our region. Projected figures through an independent Business Study estimated the Tobruk would result in visitor expenditure of more than \$2 million in the first year to nearly \$5 million by the fourth year.

Council are also committed to fixing the Barway at St Helens Point so that it allows safe passage of recreational and commercial vessels. This project is something that I personally feel very strongly about. As a fisherman I have seen too many times just how fatal the Barway can be. The State Government has already committed \$1.178 million over two years, MAST are set to contribute around \$1 million with Council contributing \$200,000. Other priorities of Council include a comprehensive works schedule that incorporates the replacement of our ageing timber bridges with concrete structures that will last 100 years as well as a significant investment in roadworks that will hold us in good stead for the future.

Thank you for your ongoing support and here’s to another successful and busy year ahead!

## Councillors

### 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 regularly for workshops, monthly for scheduled 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).

### For the 2015/2016 financial year the Councillor fees were broken down as follows:

Councillor Allowances	\$146,317.00
Councillor Expenses	\$ 22,046.01

### Councillor attendance

Councillor	Ordinary Meetings Attended	Special Meetings Attended	AGM Attended	Total Meetings Attended
Mayor Mick Tucker	12/12	1/1	1/1	14/14
Deputy Mayor John McGiveron	12/12	1/1	1/1	14/14
Clr Janet Drummond	11/12	0/1	1/1	12/14
Clr Barry LeFevre	12/12	1/1	1/1	14/14
Clr Glenn McGuiness	11/12	0/1	1/1	12/14
Clr Margaret Osborne	10/12	1/1	1/1	12/14
Clr Hannah Rubenach-Quinn	11/12	0/1	1/1	12/14
Clr John Tucker	12/12	0/1	0/1	12/14
Clr Kylie Wright	11/12	1/1	0/1	12/14

# Organisational Structure





# Leadership and Governance

***Provide strong and informed leadership and effective management of the community's resources; empowering and involving the community at all levels***

The General Manager is accountable to the Council for the management of Council within the policy and authority levels as approved by the Council. Day to-day management of the organisation's affairs and implementation of strategic and policy initiatives are the responsibility of the General Manager and Management.

## ***Message from the General Manager***



Preparing this message requires me to pause and reflect on what has been achieved over the last 12 months and question how much progress we have made as an organisation towards what we set out to achieve. There are so many things I can talk about. In the interests of not writing an extremely long report and boring those people who do take the time to read the Annual Report, I will focus on a few key areas. Whilst we may have the best of intentions about time frames, sometimes it is factors beyond our control which delays what we are setting out to achieve, Local Government reform is a classic example of this.

Particular areas of focus during the 2015-16 year have been communications and economic development. Over the last few years these positions within Council's structure have been vacant. Communication with the community and stakeholders is not something that local government has consistently done well and Council's Communications Coordinator is vital to addressing this situation. We have taken a broad approach to communications as it is linked strongly to the brand of the area, how we want the Break O'Day area to be seen. This is important on so many levels, people seeing positive news stories and thinking this would be a great place to visit, live and work if they don't already live here; Federal and State Government seeing a progressive Council and community making good things happen; service providers seeing this as a place on the move;

and potential developers taking notice of the area and looking more closely.

Supporting this broad approach is the need for ways to get the messages out to the various audiences. A Communications Strategy is nearing completion for adoption by Council but we have moved forward establishing a social media presence through Facebook, revamped newsletter, and a strong focus on engaging with the media across all three platforms, print, radio and television. Our website is something of a frustration to us and something we are keen to address in the near future.

Linked to communications has been developing the grant writing capacity within Council. We have been actively pursuing grants across a range of funding sources to improve the sustainability of existing programs; undertake capital works; or undertake specific new activities. During the year we were successful in securing more than \$1 million in funding through our grant writing activities with 83% of applications being successful. Working in partnership with local community groups assists in the success of grants and assisting community groups to develop their own grant writing capacity is important for their sustainability. This strategy generates savings for Council and assists in ensuring that Council's cash reserves are maintained at an appropriate level.

Improving our financial sustainability through successful grant writing is one side of the coin so to speak. We also have a strong focus on financial management and generating real savings through our operations, either through reduced costs or better use of labour. The re-establishment of a satellite Works Depot in the Fingal Valley was logical from a service delivery point of view and has resulted in far more on the ground activity instead of sitting in a vehicle travelling. It has been well received by the communities of the Fingal Valley – a win-win situation. Actively pursuing savings and changing procurement approaches has resulted in ongoing savings of \$143,000.

Local Government traditionally works on an annual budget basis supported by its Long-Term Financial Plan (10 Year). During the process to develop the 2016-17 Budget, the management team developed a four Year Capital and Projects Budget to support the development of the annual budget. Whilst this is the first year of introduction, it is already proving to be a valuable tool in enabling councillors to see the pipeline of projects unfold in a strategic manner.

Whilst it is fine to establish these great ways of communicating, we also need to focus on our internal processes and the information provided to the community through Council publications and customer service. We have commenced working on key areas of customer service and our publications but it is not something we can achieve overnight. Our staff on the front line work hard to assist the community and do a great job even if they do have to deliver messages that people don't want to hear. Any organisation irrespective of how good they think they are, can improve somewhere. A particular challenge we have is the regulatory environment we are responsible for. Invariably people will complain about the 'rules' which apply. We have to work within an environment where the rules are established by someone else (usually the State Government through legislation) but people see it as the Council's rules.

The 'rules' are changing significantly in the Land Use Planning and Building areas and will no doubt create some headaches for us into the future. The new Tasmanian Planning Scheme is based largely on

the schemes and needs of cities such as Hobart and Launceston. Developing local area provisions within this framework to meet the needs and expectations of our communities is going to be challenging and in some cases may prove unachievable.

The focus on economic development is not something new. The Council has been active in this space in the past but the focus has ramped up this year with the employment of a part-time Economic Development Officer. Providing a focal point for the initial interaction with the Council and supporting them through the initial stages of addressing Council approval processes addresses a key pressure point in our customer service. The position also involves a substantial project focus that is evolving. This all links back to the branding which was outlined in relation to the communications focus.

Sensible and sustainable economic development can provide a solid platform to address the unemployment within our area, we have the highest level in the state on a Local Government area basis. It will assist in providing a future for our youth providing opportunities where they are not forced to move away to find a job and secure their future. Stage 2 of the Blue Derby Mountain Bike Trails will bring this project to the East Coast and onto the doorstep of St Helens. Anyone passing through Derby over the last 12 months will have seen the change in this sleepy town. This is a small example of what can happen for our area on a larger scale, and it is year round activity.

*Remnants of the Tin Mining era on the Blue Tier.*





In preparation for the year ahead, a planning workshop was held in June 2016 involving Councillors, management team and key staff which provided a rare opportunity outside of a 'meeting' environment to discuss priorities and to reflect on the progress which had been made in recent years and then consider the directions for the forthcoming year. The focus on economic development continues with an employment focus primarily around Youth. From a corporate perspective we will be focussing on changes to our customer service approach and how we engage with our customers. An increased focus on natural resource management and waste management has been incorporated within the budget for the year ahead.

During the year the relationship with our Federal and State political representatives has been very positive resulting in good progress with a number of projects and support for grant funding for a number of new and ongoing projects and activities. Naturally in any relationship we have had our testing moments but we value these productive working relationships.

As they say, Rome wasn't built in a day, but I am confident we certainly put in place some solid foundation stones during the 2015-16 year. The achievements of the year reflect the efforts and dedication of everyone associated with the Council, be they Councillors, employees, volunteers, community groups, community

members or other stakeholders. I would like to express my appreciation to everyone for their efforts and look forward to continuing to achieve positive outcomes for our wonderful area.

### **Local Government Reform**

Our active involvement in the Local Government reform process has been delayed for a range of factors outside our control even though we have been keen to move this along. Following a number of scoping discussions the eight Councils in the northern region have focussed on a project which will benchmark the costs and standards of a range of services we are delivering. This will enable comparisons to be made and provide a basis for investigating opportunities for shared services. All of this is aimed at making sure that the ratepayer gets the best value for the money spent on services delivered to the standards that have been established or agreed.

A group of Councils in the south-east have been examining a range of amalgamation options. As the Glamorgan-Spring Bay Council is part of these investigations, the boundary between Break O'Day and Glamorgan-Spring Bay has been raised. There has been a push for this to be re-examined and moving it south so that the Bicheno and Coles Bay areas come into Break O'Day. We have been supportive of this examination occurring so that an informed decision can be made as to what is best for the community.

*The Gulch, Binalong Bay.*





## Communications

This financial year Council employed a Communications Coordinator to provide an increased focus on all aspects of internal and external communication, oversee Council's relationship with the media and develop a strategy for external and internal communication platforms.

This has resulted in the development of a Communications Strategy, which will be implemented during the 2016 - 2017 financial year and provides a framework of key messages, audiences and communication tools. It also covers Council's communication on Social Media.

In April 2016, Council implemented a Facebook page to both inform and engage with our community. Three months on, the page had already received more than 1000 likes and continues to grow steadily.

The page proved particularly beneficial during the June floods where regular road closures and updates were posted – We know that this was well received by the community as this period is when we saw a large spike in followers. The Facebook page will continue to be a large part of Council's communication plan moving forward both as a tool of information and engagement. While the page has the ability to turn off any comments, it was a strategic decision by Council to leave them enabled

so the community could engage with council in this informal way.

While there is always the possibility for negative feedback, Council believes it is important to allow the community to voice their opinion on topics so we remain connected and aware of community concerns.

The Communications Coordinator role predominately operates behind the scenes feeding news stories to various media outlets. This has resulted in more than 30 news stories in the last 12 months from our region being broadcast or published.

This media coverage not only allows Council another platform to inform the immediate and greater community of achievements and plans in our region, it is crucial to establishing a brand for Council and our area as a whole.

The Communications Coordinator is also heavily involved with grant submissions from identifying potential funding opportunities to writing submissions. Grant writing is important to Council and the community and developing our capacity in this area during the year has brought additional funding, enabling projects and activities to continue or occur at the same time as reducing the impact on Council's finances.

*Evercreech Reserve, Mathinna.*





More directly and front-of-house, the Communications Coordinator has taken on the responsibility of the Council monthly newsletter which has seen it re-vamped into a more news style format.

In terms of establishing brand, the Communication Strategy defines Council's brand on two levels which aligns with our overall Strategic goals.

1. External: "To ensure an active, forward looking and well managed community creating a unique and desirable place to live, work and visit." – Break O'Day Council Strategic Plan 2011 – 2015.

2. Internal: "We value the natural and built environment that supports us and will ensure resources are utilised responsibly and effectively by nurturing and communicating with one another." – Break O'Day Council Strategic Plan 2011 – 2015.

These two statements form the context of Council's communication which is then framed by determined Key Messages. These are:

- Educating the community on role of Council
- Informing the community about Council's strategic developments and projects
- Educating the community about Development Application processes and requirements
- Education of the area and what we have on offer
- Ease of access to information
- Promotion of good news stories
- Open and transparent communication
- Reflect an image of a professional and proactive Council
- Efficiency in dealing with any issues arising between Council and audience groups.
- Demonstrating that Council is a responsible manager of resources balancing competing demands and service delivery.

*Oyster Catchers at the Scamander River Mouth*



## Her Excellency Professor the Honourable Kate Warner AM, Governor of Tasmania visits Break O'Day

In May this year, Her Excellency, Governor of Tasmania Kate Warner and her husband Dick visited the Break O'Day municipality. The visit spanned two days, May 27 and 28, and to say the least, was a jam packed visit.

On Friday Her Excellency's visit saw her tour a number of community organisations like Neighbourhood House, Medea Park Residential Care, the Trade Training Centre and St Helens District High School where she and Mr Warner spent an hour with students and teachers.

Her Excellency also visited local vineyard Priory Ridge where some mulled wine took the chill off the windy and wet weather of the day. The day's visit ended at the Captains Catch where Her Excellency was the guest of honour at a Civic Reception and was presented with a gift basket overflowing with produce from our region.

On Saturday Her Excellency, who is an avid bush walker, toured the Skyline Tier with the North-East Bioregional Network and the Winifred Curtis Reserve at Scamander. The afternoon was spent in St Marys to see the new

streetscape and peruse a few local businesses, enjoying a quiet brew at the Purple Possum and visiting the St Marys Community Health Centre for a tour of the facility. Saturday night Her Excellency was the guest of honour at the Rural Women's Gathering, Gala Dinner held at Tidal Waters.

While municipal visits are a requirement of the role, it was clear that Her Excellency was genuinely interested in our community. Both Her Excellency and Mr Warner expressed how impressed they were, by not only the natural surrounds of our region but the people of our community, promising to return at a later date to explore the area more thoroughly.

Her Excellency's visit allowed Council the opportunity to advocate for our area and our region in an informal way while at the same time showcasing all our region has to offer.

We thank Her Excellency and Mr Warner for taking the time to genuinely get to know and understand the Break O'Day Municipality.

Her Excellency with St Helens District High School students



Her Excellency and Mr Warner meeting St Marys locals



Her Excellency and Mr Warner enjoying music class with St Helens District High School students



Her Excellency and Mr Warner with Julie and David Llewellyn of Priory Wines





## **Human Resource Activities**

### **Recruitment and Selection**

Council strives for consistent recruitment and selection of the right person for the right job.

As at 30 June 2016, Council had 51 permanent staff and nine casual employees.

### **Policies and Procedures**

Council continually reviews, amends and develops policies and procedures in line with best practice and legislative requirements.

### **Work Health and Safety**

Council has an extensive WH&S system. Council's Work Health and Safety Coordinator leads Council's activities and this has been achieved through regular review of existing policies, development of new policies and an active WH&S Committee which represent all personnel.

### **Resource Management**

Annual performance reviews, disciplinary and recognition activities are carried out according to best practice. Position descriptions are reviewed and evaluated in line with changes in responsibilities, accountabilities and duties.

### **Training and Development**

Most staff underwent some form of training during 2015/2016 including in-house training, on the job and external courses with expenditure totalling \$37,127.

### **Equal Employment Opportunity (EEO)**

Break O'Day Council is committed to working towards Employer of Choice status and is committed to providing a workplace that is free of discrimination and harassment. Council complies with EEO legislation and provides a work environment that encourages positive and productive working relationships.

### **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 2015/2016 a total of 150 children were vaccinated and a total of 229 vaccines administered.

*Halls Falls, Pyengana*



# Development Services

***Ensure sustainable management of natural and built resources is respectful to our unique location***

The Development Services department provides various key services to the Break O' Day Municipality including, Town Planning, Development Assessments, Building Surveying Service, Plumbing Assessments and Inspections, Compliance, Natural Resource Management, Waste Water Approvals, Food Business registration and inspections, Development of Councils Building Asset Management and Capital works program. The information below provides an overview of major activities that the development services team has been working on through the financial year.

## ***Building Services Statistics***

The below table represents the number of building/plumbing approvals issued for this financial year. The statistics show a decline in new Dwellings for this period, however the overall number of applications processed has maintained a consistently high number which is comparable to the 2014/2015 financial year.

<b>Building Approvals Granted Development</b>	<b>2015/2016</b>	<b>2014/2015</b>	<b>2013/2014</b>
Dwelling	34	50	38
Additions/Alterations	32	38	32
Garages/Carports/Decks/Pool/Verandahs/Pergolas/etc.	134	133	136
Commercial	9	11	6
Change of Use	8	5	0
Extension of time – Building Permit	165	160	106
Demolition	4	2	3
Special Plumbing/Waste Water	40	44	46
Amendments	4	3	6
Amenities	10	3	6
Miscellaneous	17	5	7
<b>Total</b>	<b>457</b>	<b>454</b>	<b>386</b>

*Titely Shack, Binalong Bay*



*Lions Park Toilet Block, Tasman Hwy - St Helens Point Rd Intersection*





## Planning Services Statistics

### Building Capital Works Completed:

Date Completed / Updates	Location	Description
July 2015	St Marys Town Hall	Repainting of Toilets (internal)
November 2015	St Helens Sporting Complex	Stage 1 – Bendigo Community Stadium
November 2015	St Marys Sports Centre	Additions and Internal Alterations
December 2015	St Marys Recreation Ground	St Marys Stables Upgrade and Concreting
February 2016	St Helens Lions Park	Demolition of old and Construction of new Toilet Block
May 2016 (Minor operational works yet to be completed).	St Helens Sporting Complex	Stage 2 - Bendigo (BOCS)
May 2016 (Minor works currently being completed to achieve Completion Certificates).	Binalong Bay	'Titley Shack' project

### Compliance and Education

The 2015/2016 financial year saw 60 new compliance issues investigated. Of these investigations 24 were breaches of permit conditions and 36 new formal investigations which involved breaches of the Building Act 2000 and /or the Break O'Day Interim Planning Scheme 2013. Through proactive ongoing enforcement and file monitoring, 35 new compliance files were closed.

A total of 130 Fire Abatement Notices were issued across the Municipality for the 2015/2016 Fire Season. All of these properties were cleared by the property owner. Council continues to actively educate the public of legislative changes and continual awareness of works which may require Council approvals. Through these programs Council is seeing a decline in new compliance investigations.

### Major Building Projects/Capital Works Ongoing 2016 -2017

- Old Tasmania Hotel Re-development, Fingal
- Construction of St Helens Multi-Purpose change room facility in partnership with the St Helens Football Club. (Football Clubrooms)
- Beaumaris Park Toilet Block and BBQ Design Plans, Beaumaris Park
- Stieglitz Beach BBQ and Shelter
- Titley Shack and surrounds Upgrades including picnic table, carpark and signage, Binalong Bay
- Main Street, St Marys Toilet block behind library, design and planning, St Marys
- Pyengana Toilet and Shower block, Pyengana
- Prioritised re-painting of buildings program, Bendigo BOCS and Pyengana Hall
- Prioritised removal of asbestos, St Marys Depot
- Mathinna Toilet and shower block design and planning, Mathinna

## Bendigo Bank Community Stadium (Bendigo BOCS)

The Break O'Day Community Stadium, or Bendigo BOCS as it is now known colloquially, was completed in February 2016. The official opening day was a huge success and saw more than 1000 people attend the double header event at some stage throughout the day.

The first part of the day saw the stadium filled with local stall holders while outside patrons enjoyed the sounds of local bands, The Pretty Things and The Remains. There were delectable food van wares as well as children's entertainment including a jumping castle, pony rides, face painting, even Scouting activities put on by the local Scout Group and Netball clinics from the visiting State League Netball teams.

In the evening, the Stadium was transformed into a sporting venue when more than 240 spectators watched a demonstration game between two State League Netball Teams, the Cavaliers and the Karana Flames. All reports back to Council on the day were glowing with many commenting on how lucky the region is to have such a state-of-the-art facility.

Because of its professional standards, which were well and truly put to the test at the opening, the Bendigo BOCS attracted the first, rostered State League Netball game to date to be played outside of the major cities. On average these 'big city' games according to Netball Tasmania, attract around 105 spectators; the St Helens game attracted more than 220.

The publicity the venue has attracted both through the Netball games and the recent win at the Tasmanian Architectural Award for Public Architecture has been responsible for some increased interest in our region as a potential event site.

The establishment of such a facility in our area is also a positive for potential developers and investment in our region.

In terms of local usage, the facility is used nearly every day of the week by local sporting and community groups.

*The Bendigo Bank Community Stadium*



*There was a good turn out for the official opening*



*Photo of the Bendigo BOCS before signage . Courtesy of Edward and Simpson*



# Environmental Services

***Ensure sustainable management of natural and built resources is respectful to our unique location***

## ***Public Health, Environmental Monitoring and Reporting***

Break O'Day Council employs one part time Environmental Health Officer who is responsible for upholding the obligations of the Public Health Act 1997 and the Food Act 2003.

The Environmental Health Officer reported that all obligations were upheld by BODC during the 2015-2016 period.

Council's current Annual Plan identifies the need for Council to; "Ensure the health of the public and environment is maintained at legislated levels or above." In keeping with this strategy, the Environmental Health Officer has been responsible for delivering seminars for food safety and food handling within the community. This is ongoing.

### **Monitoring Programs**

Relevant legislative requirements are specified in the Public Health Act 1997

Council monitors several 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

Location of sampling sites:

- Grants Lagoon
- Wrinklers Lagoon
- Beauty Bay
- Scamander river
- Henderson Lagoon

BEACH	10/12/15	21/1/16	5/2/16	12/2/16	3/3/16
Grants Lagoon	<10	10	10		<10
Beauty Bay	<10	<10	41		10
Wrinklers Lagoon	<10	<10	218	10	10
Scamander River	<10	20	148	20	10
Henderson Lagoon				63	<10

All sample sites are suitable for primary water contact (swimming).



## Natural Resource Management (NRM)

This year Council's Natural Resource Management partnerships expanded to add two Green Army projects to the ongoing programs engaging people and producing outcomes for the municipality's environment, community and economy.

Council's NRM Facilitator works with NRM North, Council's NRM Committee and with the many community groups, individuals, farmers and others to support their additional achievements for Break O'Day.

This year NRM facilitated:

- 30 Learning activities involving over 350 people
- Nearly 900 volunteers did over 1000 hours work
- Over 5000ha of native habitat improved on for approx. 50 threatened species/communities
- Tens of weed species targeted on more than 200ha.

### Green Army

Break O'Day Green Army has been an outstanding success with two teams this year working on diverse work programs on sites from Eddystone Point through to Four Mile Creek and the Blue Tier and St Marys inland. As well as the impact they had on threats to critical habitats they have turned out the young local participants as skilled and experienced workers.

Some of their work included removing 500 bridal creeper weeds from coastal areas, removing and clearing sea spurge from more than 40 km of sand dunes and collecting thousands of native seeds for re-vegetation work. They assembled 250 nesting boxes for the threatened swift parrot and a research project by the Australian National University. They mapped and controlled thousands of Spanish heath, gorse, African boxthorn, radiata pine, Alisha's tears, blackberry, boneseed, bluebell creeper and other weeds.

The Green Army projects are hosted by a partnership between Council, the Parks and Wildlife Service and North East Bioregional Network and involving local community groups. Teams are employed and supervised by Conservation Volunteers Australia. The municipality has another two Green Army projects running next year.

- Green Army teams of young, local workers protected 1000ha of threatened flora and fauna habitat, and
- Fencing, erosion control, seed collection, community events and 100s of weed locations mapped.

*The Green Army removing Gorse in Scamander.*





## Community engagement and action

Supporting and promoting the involvement and participation of community groups, individuals and organisations in caring for the natural environment and sustainable use of natural resources remains a key focus for Council's NRM programs and its partner NRM North. Once again Council partnered with the Parks and Wildlife Service to deliver another successful Discovery Ranger program full of summer activities that included roaming coastal camp grounds with Discovery Ranger Anthea. The Bay of Fires Celebration again attracted 200 people to nature walks, Rock Pool Ramble and entertainment from local musicians on the Green at Binalong Bay. Other events included a Seagrass Safari on St Helens Point, a Wildlife Carers Skill-share at St Marys and a day of sharing stories, history and cultural heritage in the Policemans Point community between descendants of Aboriginal and settler families.

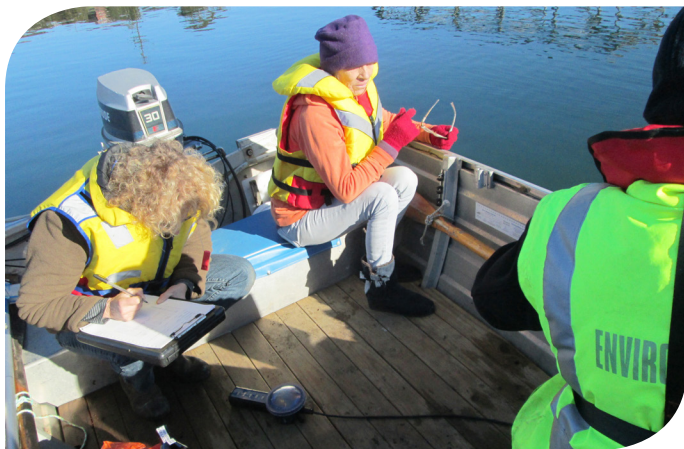
Volunteer groups, farmers, landholders and Council were provided support and advice on weeds, erosion and other issues and with funding opportunities for on-ground works such as tree planting projects. The Youth

Arts component of the Bay of Fires Winter Arts Festival was jointly sponsored by NRM North and Break O'Day Council and St Marys School Farm assisted to get funding to run workshops on growing Aboriginal bush food plants.

A major fish mortality event occurred in the Scamander estuary in 2015 and Council worked with concerned community members and Environment Protection Agency on a joint response. Council also received a Commonwealth grant to start work on creating a 'Whale Trail' of whale viewing sites as part of an east coast initiative including other Councils.

During the year Council's Conservation Covenant Rate Rebate Policy and NRM Special Committee were reviewed, three authorised weed inspectors were appointed as part of Council's Weed Action Plan and Council made a submission to the Tasmanian Government on the Cat Management Plan. Council also developed and adopted a set of simple measures to become a 'Bee Friendly' municipality.

Volunteers conducting tests on the Scamander River



Volunteers removing weeds at Falmouth with the Green Army



Seagrass Safari at Georges Bay



Policemans Point Celebration - Cultural Exchange Day.





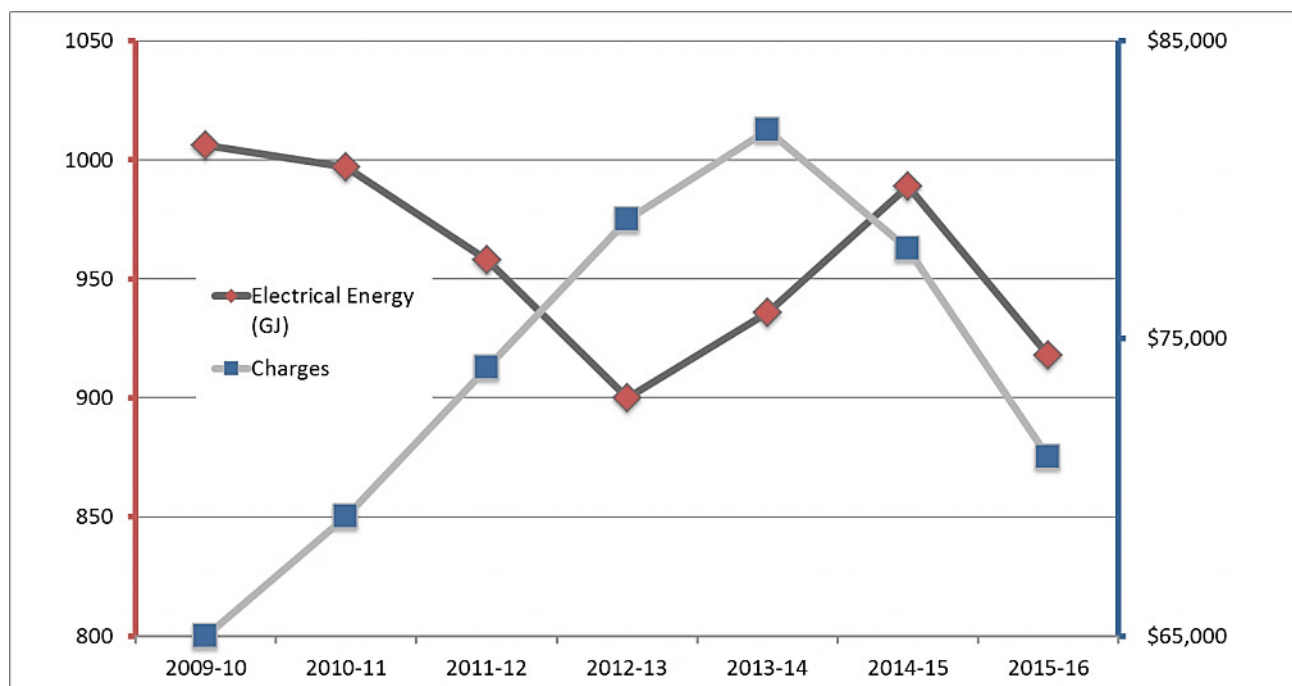
## Climate Change and Sustainability

Serious storm and flood events during the first half of 2016 highlighted the expected challenges of climate change for the municipality and the need for Council attention on climate change and sustainability issues and opportunities.

Council continues to monitor its energy consumption. This year there was a significant reduction from 989 Giga joules down to 918 Gj (or 255,000 KWh), driving further cost savings.

A fresh group of volunteers began beach-profile monitoring at Four Mile Creek this year for the Tasmanian Shoreline Monitoring and Archiving project (TASMARC), collecting data, along with a group at Binalong Bay, to track movements in sandy beaches subject to storms and sea level rise.

In March Council staff participated in 'Business Clean Up Australia Day', targeting roads leading to the municipality's waste disposal sites and collecting over 1500 pieces of litter and rubbish weighing more than 100 kilograms.



Break O'Day Council staff with some of their haul from Clean Up Australia Day.



# Community Services

## ***Build capacity to improve community spirit and enhance a sense of well-being***

A community working together through strong local and regional partnerships – Council works in partnership with the community, non-government and Government agencies to meet the social, health, emergency management, sport and recreational and cultural needs of our municipality with the focus on community being the leaders and Council the facilitator. The Council continues to support new and existing organisations by providing funding for events or assisting with venue hire.

Providing opportunities for our community to come together and develop meaningful connections is a strategic goal for Council and we are dedicated to understanding the needs of our community and supporting them to this aim.

To do this we work with local organisations and ensure they have the support required to deliver positive health, social and cultural outcomes for our community.

This support comes in many forms including consultation, funding and resources and is delivered based predominately on the needs of local 'grass root' services who are on the ground gaining firsthand knowledge of the needs and wants of our community.

Determining the need priorities of our community is governed by Council's Municipal Management Plan which involved consultation at all levels, including community organisations and external bodies where appropriate. This plan will ensure that future development in our municipality is undertaken in a strategic and integrated manner. The Municipal Management Plan (MMP) is also a key document in securing external funding for projects which have been identified through the development of the MMP.

## **Sport and Recreation**

### ***Pyengana Recreation Ground***

Council was successful in receiving a Sport and Recreation grant to assist with the building of a toilet and shower block at the Pyengana Recreation Ground and information gained through the development of the Recreation and Open Space Strategy was used as basis for the grant application with Sport and Recreation. The Pyengana community identified that the facilities at the Pyengana Recreation Ground were very limited and this was restricting the number of sporting organisations/ events that they could host and they as a committee began fundraising to build a toilet and shower block – the committee raised \$25,000 to assist with this project.

*The East Coast Swans taking on Winnaleah at the Pyengana Football grounds which received funding for a new amenities block.*





## Health and Wellbeing

### Learner Driver Program

One of our prime focuses during this period was to concentrate on the Learner Driver Mentor Program so as to increase the number of participants and on-road hours.

With success came challenges. We have had 14 people pass their P's and therefore, we are continually striving to encourage our target groups to seek out this program to replace those that are successful in achieving their licence. The huge benefit of this program is that some people have managed to gain some form of employment which they would not have done in all probability without their licence.

Our biggest challenge remains recruiting Volunteer Mentor Drivers (VMD) in the St Marys / Fingal regions. The aim is to continue to have face to face discussions with community members (with continued advertising) explaining the benefits of this program to potential mentors.

It is also important to explain that being a VMD "is not as scary as it sounds", which appears to be a significant disadvantage to encouraging people to become VMDs, along with their long term commitments to other voluntary organisations.

Statistics from the 2015-2016 period are:

- 10 mentors have been engaged
- 34 mentees have utilised the service
- 9 L2's gained
- 14 have gained their P's

- 1 International to Australian Licence
- 10 learners on waiting list

With the considerable effort put into raising awareness of this program throughout the Break O'Day region, the number of inquiries has increased. This could be seen as a result of referrals from past successful learner drivers, St Helens Trade Training Centre, advertising, face to face meetings with a wide range of community members and consistently reinforcing the benefits of this program, not only to potential learner drivers but to employers and health professionals, who see the effects of social and mental isolation.

### THRIVE

Following community consultation undertaken by St Helens Neighbourhood House in partnership with Break O'Day Council and St Helens District High School in September 2014, a framework for action was developed that provided solutions to issues identified by our community in relation to improving Year 12 outcomes. Not surprisingly issues identified with low year 12 results were across a spectrum of social determinants to health including; transport, employment, early childhood, food security, lifestyle choices, mental health, environment and so on. St Helens Neighbourhood House in partnership with Break O'Day Council, St Helens District High School and LINC Literacy Services had entered into a Memorandum of Understanding to enable collaborative work in mutually beneficial activities. The main interest of this partnership is to further the shared vision of an active and connected community by empowering the Break O'Day community to lead meaningful lives and create successful futures. We have named our partnership project THRIVE - Transforming

*The Get in 2 Gear car has provided many members of the community the opportunity to pursue their driver's licence.*





Health Relationships Innovation Vocation and Education. We work collaboratively and extensively with a number of major key stakeholders and service providers such as St Helens District Hospital, Hub4Health, St Marys Community Health Centre, to name a few, who support and assist the objectives and goals THRIVE is endeavouring to achieve through its programs.

Programs currently active under THRIVE:-

1. **Training Program:-** Provides free, targeted, certified and non-certified training to community members at no or low cost.
2. **Mentorship Program:-** Our Mentorship Program was launched in February 2016 in response to an identified need; increasing year 12 outcomes and supporting students' mental health and wellbeing so they may reach their potential. This is done by utilising the broad range and abundance of skills, knowledge and resources that volunteer mentors in our community are keen to share.
3. **Mental Health Action Group:-** Our group has been successful in lobbying for extra support and services for our area. We have implemented solutions to issues we have identified that have assisted and supported our community members and their carers who have mental health issues. We meet regularly to discuss needs, identify gaps and develop sustainable solutions for our region.
4. **Social Enterprise:-** To provide a community garden type social enterprise scheme where we can:
  - Provide produce to local supermarkets thus reducing the miles incurred in transport resulting in being more environmentally friendly and economical;

- Provide employment opportunities in horticulture;
- Provide access to affordable fresh fruit and vegetables for those vulnerable and on low income in our community;
- Provide access to training for community members such as parents (particularly 1st time and/or young parents) in many disciplines e.g. cooking easy, simple nutritious meals with produce from the garden – these classes will encompass a plethora of workshops aimed at enhancing parenting skills etc; and,
- Provide support to local Trade Training Centre through supply of fresh produce to compliment training in hospitality, so as to enhance culinary skills of students.

### **26TEN Worker**

Council was successful in receiving funding to employ a 26TEN worker. This worker will be based at Council and will work within the community for two days a week engaging with community services, organisations and individuals to promote 26TEN awareness. 26TEN is a project in which organisations and individuals work together to improve adult literacy and numeracy. The project will commence later in 2016.

Whilst data is not specifically available for our municipality, we know that Tasmania has a low rate of literacy and that Break O'Day is the third most disadvantaged municipality in the state. Our unemployment rates are high (10.2% - 2013) and the current LINC Adult Literacy Service provides support to approximately 20 adults per year - we suspect this, compared statistically to urban LINC centres, is at a

*Representatives from Break O'Day Council, Neighborhood House, LINC and volunteers with Minister for Education Jeremy Rockliff*



higher ratio and yet adults in urban communities can access support from a range of other organisations. The Literacy Coordinator works collaboratively with the community, however we recognise the need for a team approach to meet our community needs. We know that the number of individuals in our community requiring support is large and the Literacy Coordinator cannot do this alone. To have meaningful education and change, a collective impact approach is required and through the provision of a 26TEN community worker we can begin to address this issue.

## Arts and Culture

### ***St Marys Stable Markets***

Council worked with a group of local artists within the municipality to identify a space which could be utilised as a market space in St Marys. Council provided funding to upgrade some undercover horse stalls at the St Marys Recreation Ground to allow The Stables Handmade Market to become a reality. The monthly market has proven to be an outstanding success with over 20 stallholders showing their wares. The Stables Market has attracted on any one market day up to 200 people perusing what is on show and made locally.

## Social inclusion

Community events are a great way for people of all backgrounds to get together for a common cause or event. They also allow members of our community to be formally recognised for their skills and involvement as well as a chance to embrace the talents and diversity of our region.

Council provides funding and support to community organisations to assist with annual events and recognises members of our community who volunteer or have made a contribution to our community through the Australia Day Award program as well as working in partnership with other local organisations to hold events to say thank you to our volunteers.

Perhaps this financial year's most successful event was the official opening of the Bendigo Bank Community Stadium. This double header event saw more than 1000 people coming and going throughout the day. Attendance aside, the event was also a chance for local artists and producers to showcase their talents in a unique setting.

There were more than 70 tables of stalls set up inside the stadium with wares ranging from arts and crafts to quality photographic prints, clothing and service providers. Outside there were food vans and stalls all local to the area, and live entertainment from two local acts.

The second half of the day saw two state league netball teams play a demonstration match which was well attended with approximately 220 spectators. The opportunity to host the game brought added benefits to the community as while here the teams conducted netball skills clinics that were attended by more than 40 children.

Below is a list of events supported by Council:

*The St Marys Stable Markets saw the old stables building transformed into hand-made market stalls.*





- Mental Health Event
- St Helens Rotary and Woodchopping Regatta
- St Helens Athletics Event
- Carols by Candlelight
- Break O'Day Woodcraft Guild Open Day
- Bay of Fires Festival
- St Marys Community Car & Bike Show
- Wrapped in St Marys
- St Helens Game Fishing Classic, Swimcart
- East Coast Masters Golf Tournament
- Fingal Valley Coal Festival
- Combined Senior and Volunteer event

- VP Anniversary and unveiling of the memorial plaques in recognition of those that served in WW II
- Light the Night
- Blessing of the Fleet
- Worked in partnership with a school holiday program
- Opening of the Break O'Day Multi-Purpose Stadium

*Thank you Volunteer morning tea*



*Australia Day Community Awards*



*Parents watch as their children participate in Netball Clinics at the Opening of the Bendigo BOCS.*





# Economic Development

## ***Achieve sustainable economic development***

The 2015-2016 year saw an increased focus by Council on the strategic area of Economic Development. A key initiative was the employment of an Economic Development Officer to focus on facilitating the interaction between Council and developers or existing businesses keen on establishing a new business or expanding their existing business.

Increasing numbers of enquiries from businesses and people looking to relocate to the Break O'Day area are coming from within Tasmania and interstate. Council assists in their plans by providing guidance through the approval processes of Council and other agencies as well as information ranging from statistics such as visitor numbers and local demographics to local services, contacts and attractions. As a result of Council's assistance in this area, a number of businesses have relocated or are in the process of doing so. One of these is the St Helens Marine and Heritage Museum that was relocated from Stanley.

Interest from developers looking at opportunities in the area is also increasing. Council staff have been working with five such businesses over the last year ensuring they have the information they require to determine their project's viability. This work has resulted in two developers about to submit development applications with a combined value of \$13M. The developers estimate their projects combined will require over 40 jobs during construction stage with an ongoing requirement of more than 20 full time jobs.

### ***Developing the St Helens Aerodrome***

Council has been working on increasing the activity at St Helens Aerodrome. Following a number of enquiries, expressions of interest in hangar space were called and received excellent response. One hangar is about to be erected housing two aircraft with a possible third pilot interested. The advertisement sparked general interest in St Helens Aerodrome with enquiries from a boat plane operator and a small commercial aircraft company. Council is in discussions with these regarding future operations from St Helens Aerodrome.

### ***Skills Audit***

For new developments to be successful and sustainable, an appropriately skilled workforce needs to be maintained. Council is currently seeking funding for a Regional Skills Audit and Strategy to be conducted for future proofing the economy of the region. A strategy will allow Council to work with industry representatives and identify skills shortage gaps in the current work force and establish the potential workforce needs of these industries over the next five years. We can then work collaboratively with employment, training and skills organisations to implement an action plan that will ensure the right skills based programs are being delivered in our area. This will enable jobseekers in our area to undertake meaningful training that offers more chance of employment in our area.

*Cray pots loaded and ready to go. Fishing boats at St Helens Wharf*





## Tourism

Tourism continues to be the significant industry for the local economy. Visitor numbers to the East Coast increased by 15% during the 2015 year and St Helens experienced an increase of 22% in the same period. Strong growth continued in the first quarter of 2016 with growth continuing at 15%. Other economic indicators are positive with a 10% increase in development applications with an estimated value of \$13M, a 20% increase from the previous year.

### ***East Coast Regional Tourism Organisation***

The East Coast Regional Tourism Organisation continues to be the focal point of Council's support to the industry and through a range of partnerships with the ECRTTO, Department of State Growth and the Coordinator General's Office a range of projects continued or were commenced including:

- Great Eastern Drive
- Visitor Information Review
- Destination Action Plan for St Helens
- Town Entrance Signage
- East Coast Future Visitor Accommodation Demand Analysis

### ***Blue Derby Mountain Bike Trails Stage 2***

Council was successful in receiving funding from State Growth's Tourism Demand Infrastructure Program to develop a Trails Master Plan - Stage 2 of the Blue Derby Mountain Bike Trail.

Stage 2 of the Blue Derby Mountain Bike Trail includes:

- A long distance, point-to-point trail from Poimena to the coast, mostly descending, which would take riders from the alpine to the coastal environment, via spectacular forest and featuring amazing views from numerous points en-route; and
- A trail network, including loops and stacked loops, close to St Helens

The mountain biking sector for Tasmania is growing. This additional infrastructure will complement the trail that is already in place in Dorset and the Blue Tier, and provide a reason for mountain bikers to stay longer in the area and explore the new trails, thereby increasing visitor numbers to the St Helens area. It will provide flow-on opportunities for existing businesses and also generate new business opportunities to support the unique needs of people who utilise these trails. Mountain bikers tend to travel in groups, and the more opportunities a region can offer to explore on two wheels, the more time they will spend in the area—not just riding their bikes, but dining at local eateries, staying in local accommodation, and buying groceries, petrol and other staples throughout their stay as well as undertaking other activities.

## **Business Enterprise Centre (BEC)**

Council continues to provide support and work closely with local businesses through its involvement and support of the Business Enterprise Centre. In the 2015-2016 financial year Break O'Day Council provided funding support for the Break O'Day Business Enterprise Centre (BODBEC). This funding augments other income the BEC receives from State and Commonwealth governments as well as some consultancy work the Centre provides on a fee for service basis.

Key to the success of the BODBEC is its watching brief "to assist where necessary in the sustained growth of the community's small business sector".

Through close liaison with Council's Economic Development Officer the BODBEC seeks every opportunity to help our small businesses grow their potential whilst being ever ready to embrace changing and emerging markets.

The BEC services are spread across the east coast with a significant majority being within the BOD footprint. Within this they have clients in every town and hamlet within the BOD community.

World Trail constructing trails at Blue Derby



## St Helens Visitor Information Centre

*Develop and implement initiatives for appropriate tourism in the region*

### Staffing

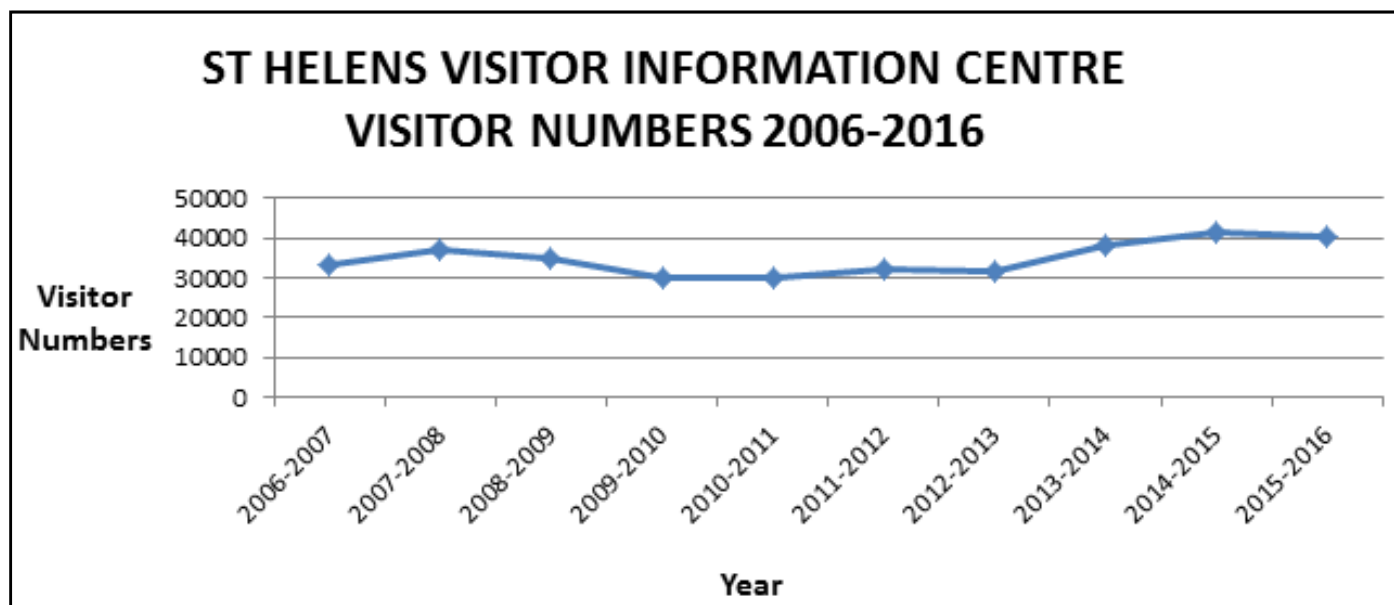
The St Helens Visitor Information Centre (VIC) is capably staffed by a core of two permanent part time employees, supported by one casual and a team of 10 enthusiastic and knowledgeable volunteers.

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

Rostering is used to ensure appropriate service levels, given the strong seasonal nature of our visitor numbers.

### Visitor Numbers

Like most of Tasmania and Australia, the VIC experienced a drop in visitor numbers following the Global Financial Crisis and large increase in the value of the Australian dollar. It is pleasing to see the improving trend in the last couple of years:





## Finances

Council is very aware that ratepayers funds are used to provide the visitor services at the VIC and actively seeks opportunities to manage costs and improve revenues,

while continuing to encourage increased visitation, bed nights and visitor spend.

Financial year	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/2016
Revenue	86,282	86,108	77,876	93,923	88,000
Expenditure	166,031	167,846	185,587	182,221	190,490
Cost of Operation	79,749	81,738	107,711	88,298	102,490

## Activities

The Tasmanian Visitor Information Network (VIN) undertakes a range of training and professional development activities each year. St Helens VIC participated in many of these:

- One staff member and a volunteer attended an update of the emergency services preparedness project
- Two staff members attended a Parks and Wildlife information session in Campbell Town

- Additional, attendance is arranged at regional meetings of the Network, usually at Swansea and familiarisation trips are undertaken by both staff and volunteers to maintain awareness with accommodation and tourism products in the municipality and nearby.

The Dragon out the front of the Visitor Information Centre and History Room



# St Helens History Room

## Workshops

- Maritime Museum of Hobart Seminar. This was attended in May 2016 where the Curator gave a presentation entitled 'Collaboration – Wending the Way'
- Burns Collection. Audit completed on the Burns Collection. Tasmanian Archives and Heritage Office emailed with book list and photographic archive. Work almost completed on the Maps collection (July 2016)

## Temporary Exhibitions

- 'Historic Houses of St Helens' Display cabinet featuring the oldest houses in and around St Helens
- 'Hirst Collection' This display was revamped in December 2015.
- 'As Time Goes By' Display cabinet highlighting 10 years of the St Helens History Room being in its present building
- 'Tasmanian Shell Collection' On display in the Ward Case in the main museum
- 'Conflict and Compassion' This commemorative display was taken down after Anzac Day, 2016. This exhibition was on display for 12 months to honour 100 years since the Anzac landings
- 'Lottah and The Anchor' Book launch of local author Garry Richardson held in March 2016
- 'History of the Fishing Industry' Special exhibition highlighting a travelling display curated by the Maritime Museum of Hobart, augmented by local information and memorabilia in the main museum and the foyer display cabinet

## Special Events

- August 2015 was 'locals' month
- 'Guan Di' Festival held August 2015 with seven attending from St Helens History Room at the Queen Victoria Museum and Art Gallery. This event was put on by Launceston Chinese Society, Chinese Art Society of Australia and the Tasmanian branch of the Australia China Friendship Society
- Famil from the Spirit of Tasmania visited the St Helens centre in August 2015
- St Helens History Room applied and accepted for inclusion into the Tasmanian Arts Guide
- Halls Falls and Big Tree Walk have both had maintenance and upgrades. These projects are now completed and a follow up interview undertaken by Martin Hawes from Environment Tasmania (June 2016)
- Family History burial archives updated (October 2015)
- The archival image room at Titley's shack is now complete
- Attended Glamorgan Spring Bay Historical Society launch at 'Murdannah' at Orford for the new printing of Louisa Meredith's 'Some Of My Bushland Friends' book
- Christmas Break-Up was enjoyed with the volunteers at the Holy Cow Café at Pyengana in December 2015
- 'Georges Bay Bail Book' was conserved by Keith Adkins in Launceston. This item's conservation was facilitated mainly by the Friends' group, in conjunction with a \$ 500 donation by Mr David Hirst
- Repair of a Seth Thomas mantle clock by the Friends' group. In going order and ticking away in the History Room once again
- A dedicated website for the St Helens History

*'History of the Fishing Industry' Exhibition.*



*'Tasmanian Shell Collection' on display in the Ward Case.*





Room was developed and is now live  
Go to [www.sthelenshistoryroom.com](http://www.sthelenshistoryroom.com)

- The Governor, Her Excellency, Professor Kate Warner visited St Helens History Room in May 2016
- A colorimeter was purchased for the Backroom at the St Helens History Room
- 'Whats Up Downunder' (Channel 10) filmed in St Helens History due to inclement weather (2015)
- Highland Explorer Tours visited History Room three times in 2015/2016
- School groups: St Helens History Room had six visits from the St Helens District High School in their primary section and 2 visits from the Bicheno Primary School

### Ongoing Projects

- Collection Policy. An update and review of the Collection Policy has been developed with a Backroom Working Party, in conjunction with the Roving Curator from Arts Tasmania. A review and update of the Interpretation Plan is now being developed. There have been four days of meeting time with the Roving Curator with four more to go. Both the Collection Policy and the Interpretation Plan will be completed by year end 2016
- Anchor Stampers public access is still being negotiated with Parks and Wildlife

### Statistics

The Chinese Experience was down from February 17, 2016 – February 29, 2016.

An EOFY total has been provided from the previous year for a comparison

Revenue	2014/2015 (\$)	2015/2016 (\$)
Entries	1,845.00	3,412.30
Donations	873.20	869.70
Total	2,718.20	4,282.00

Entry prices were reviewed again in 2015/16 resulting in higher takings for Family/Couples rather than for the Concession rate. Entry prices now remain at \$5.00 for Adults/Families and \$3.00 for Concessions. This appears to be working well.

Visitor Numbers	2014/2015	2015/2016
Families/Couples	253	602
Concessions	207	179
Total	460	781

**Volunteers Hours:** 2014/2015 – 1,005.30 hours  
2015/2016 – 1,106.05 hours

*Her Excellency Governor Kate Warner and Dick Warner with History Room volunteer Sietske Hume and Curator Kym Matthews.*



# Works and Infrastructure

## *Ensure the efficient and effective provision of appropriate community assets*

The Works Department is responsible for all Council assets including roads, footpaths, stormwater, public buildings, parks and reserves, playgrounds, cemeteries and waste transfer stations.

This year the Works Department have been kept busy with regular scheduled maintenance, an extensive capital works program and flood damage works. However, the best laid plans have been, at times, derailed by extreme weather events resulting in re-prioritising scheduled

works to respond to emergency repairs but we've nevertheless completed some worthy projects this year.

Our aim is always to provide safe and fit for purpose infrastructure for our residents and visitors to our municipality within allocated budgets. We'll continue to provide this service in the next financial year with another diverse and comprehensive capital works program set to improve services throughout the municipality.

## **Asset Management**

Council maintains the following amount of infrastructure assets for the benefit and use of our community:

Sealed roads:	225 km
Unsealed roads:	325 km
Footpaths:	38 km
Kerb and gutters:	71 km
Stormwater drainage:	62 km
Public buildings (including shelters and toilets):	145
Parks and reserves:	48
Playgrounds:	13
Cemeteries:	6
Waste Transfer Stations:	7

An extensive capital works program was undertaken this year along with significant maintenance works.

### **Roads**

**Tasman Highway/St Helens Point Road Intersection, including Lions Park Carpark and Playground upgrade - \$1 million.**

- Addition of north and south bound slip lanes to facilitate safe exit from Tasman Highway to St Helens Point Road
- Kerb and stormwater installation to mitigate future flooding as experienced in previous years
- Pathway extended from Lions Park to jetty at the end of Talbot Street
- New parking bays on St Helens Point Rd, including long vehicle parking
- Establishment of new carpark with entrance off St Helens Point Road
- Installation of new playground

### **Fingal Streetscape - \$324,000**

- Installation of 500m<sup>2</sup> footpath, 136 Lm kerb, stormwater infrastructure, parking bays, street furniture and trees on Talbot Street, between Brown Street and Lomond Place

### **St Marys Streetscape - \$591,898**

Works included 644m<sup>2</sup> of footpath, 316 Lm kerb, 274m<sup>2</sup> road redesign / reconstruction, stormwater infrastructure, parking bays, street furniture & trees

### **Cherrywood Drive Reconstruction - \$48,472**

- Reconstruction and sealing of final link between Oberon Place and Riverview Road, Scamander (2400m<sup>2</sup>)

### **Groves Road, Ansons Bay Realignment - \$7581**

- Realignment of 9860m<sup>2</sup> of unsealed road

### **Resheeting Program**

- North Ansons Bay Road - \$300,338 (90,275m<sup>2</sup>)
- Ansons Bay Road - \$134,345 (64,215m<sup>2</sup>)

### **Resealing Program**

- 28,794m<sup>2</sup> of roads throughout the municipality were resealed costing \$129,793

### **Bridge Replacement Program**

- Sloop Lagoon Bridge, Gardens Road - \$192,000
- Big Lagoon Bridge, Gardens Road - \$26,000
- Tower River Tributary Bridge, Rossarden Road - \$163,000
- Tower Rivulet Bridge, Rossarden Road - \$159,000
- St Marys Rivulet Bridge, The Flat - \$184,730
- Piggery Creek Bridge, Upper Esk Road - \$165,000



## Playground revitalisation

- Replacement, Binalong Bay - \$48,760; including all new equipment, softfall and edging
- Four Mile Creek playground - \$12,036; Fence replaced

## Fingal Valley Depot

The decision to re-establish the Fingal Valley Works Depot is being branded a resounding success, with the benefits to communities throughout the valley being exceptional as well as the achievement of cost saving measures. The reduction in travel time has resulted in more time spent on the job and therefore higher work yields. The four person multi-skilled crew are attending to general town maintenance as well as road maintenance, roadside drainage and grading. Having a local crew means that emergency response times have also improved as was evident in the flood events in January and June this year.

## Flood events

Two major flood events have occurred this year with the January flood being especially devastating to the township of St Marys. Most unsealed roads in the surrounding area sustained major damage requiring new gravel and grading. The floods wreaked havoc for Council infrastructure and reserve land as well as having a huge impact on the owners of private property.

In June the event was more widely spread with damage sustained municipality wide. The township of Fingal was cut-off in all directions making for an extremely tense time for residents and emergency crews waiting to provide assistance. Many bridges were damaged with road approaches washed away.

Recovery from these events is slow and the financial costs are draining on council and private property owners alike. Work is continuing to repair damages and funding is being pursued from external sources.

*Mangana Bridge after the June Flood event*



*Reids Road Bridge during the June flood event.*



*Dune St Scamander during the June Flood event*



*Fingal during the June flood event.*



## Dog Control

2015/2016 has been a very busy year for re-homing dogs. Total impoundments were 36 dogs, with 18 dogs being surrendered to the Break O'Day Council. A total of 21 dogs were re-homed during this period and we are very proud of this achievement. 15 of the impounded dogs were released back to their owners and no dogs were euthanised during this period. Euthanasia is the very last resort and Council does all it can to avoid this scenario including keeping dogs for much longer than legally required and sending dogs to re-homing facilities around the state.

Over the last two financial years:

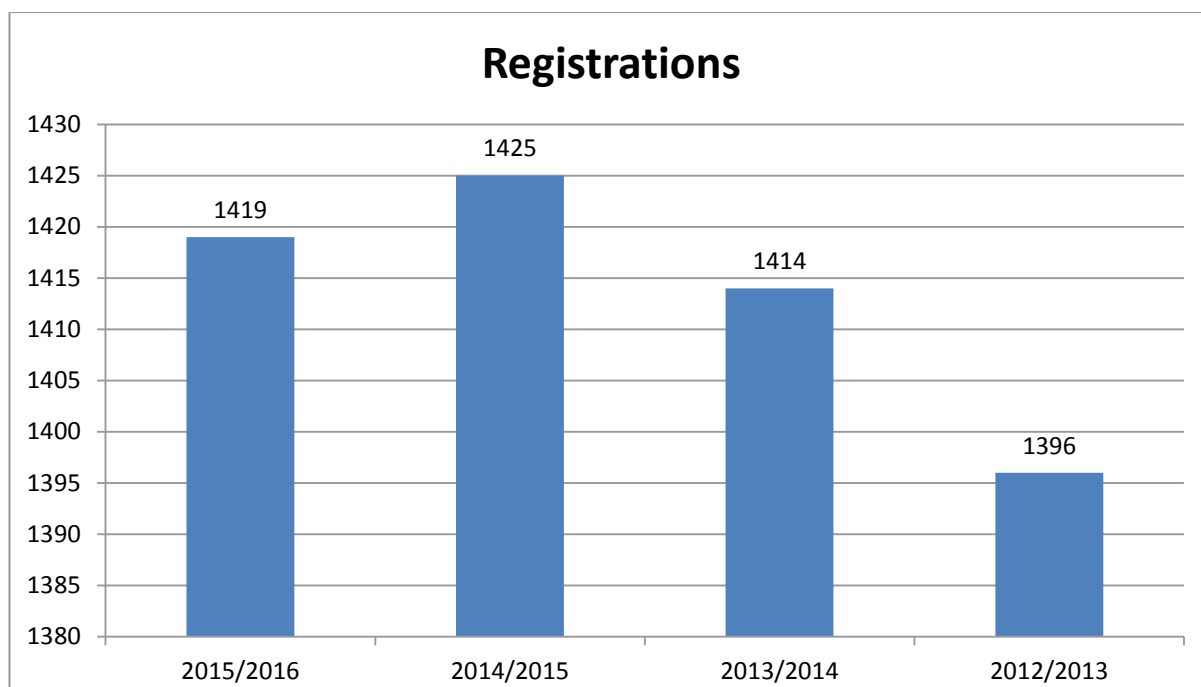
- Total impoundments were down by 5
- Surrendered dogs were up by 16
- Re-homed dogs were up by 13
- Released dogs were down by 14, and
- No dogs were euthanised in 2015/2016, compared with 3 in the previous year.

When a dog is impounded, Council first looks for a microchip or reference of registration in order to contact the owner. This is why having your dog registered and

microchipped is not only the law, but the best way for identification if they do become lost.

After three days in the pound, dogs become the property of Council and become available for adoption. The search for a forever home then starts with a photo and any background information on the dog being shared on Break O'Day Council's Facebook page and website. Social media has vastly sped up the process for reuniting lost dogs and the re-homing process. Any Facebook posts featuring a dog are top performing with many people liking and sharing the posts enabling us to reach a much wider audience.

This financial year Break O'Day Council also made the strategic shift from plastic to stainless steel lifetime dog registration tags. This was as much about cost saving as customer convenience as the lifetime tags last much longer and are more durable. Council also opted to leave one side of the tag blank in case dog owners want to have their phone numbers and/or their dog's name engraved on the back.



Year	Impounded	Surrendered	Total	Returned to owner	Re-homed	Euthanised
2015/2016	18	18	36	15	21	0
2014/2015	39	2	41	29	9	3
2013/2014	44	3	47	37	4	6
2012/2013	37	2	39	32	4	3



# Legislative Requirements

## Contributions/Donations

The total amount contributed or otherwise granted by the Break O'Day Council for the 2015/2016 financial year was \$152,359.

Some of the contributions and donations made by Council during 2015/2016, not including Community Grant Program, include;

Organisation or Event	Amount	Organisation or Event	Amount
Bay of Fires Art Prize	\$10,000.00	St Marys District School	\$500.00
Lauglin Oldham- Sports donation: Australian Four Day Enduro	\$200.00	St Helens District High School	\$500.00
St Helens Marine Rescue	\$3,000.00	St Helens Woodchopping	\$1,000.00
St Helens Regatta	\$3,000.00	Australia Day Awards	\$900.00
St Helens Surf Angling Club	\$1,000.00	St Helens Athletic Club	\$2,500.00
Carols by Candlelight	\$1,600.00	Ethan Crossingham - Sports donation; 2016 International Children's Games, Taipei, Taiwan	\$200.00
Fingal Valley Festival	\$2,000.00	BEC – Printing Directory	\$2,000.00
Star FM	\$10,000.00	St Helens Game Fishing	\$2,000.00
Woodcraft Guild	\$2,500.00	Greater Esk Tourism	\$2,100.00
SES	\$14,453.00	BOD Tas Women in Agriculture	\$3,000.00
ALGWA National Conference	\$1,000.00	Variety Tasmania	\$500.00
Pyengana Hall Committee	\$1,364.00	TS Argonaut	\$1,092.00
BEC – Annual Support *Joint BODC/State Govt Funding	\$76,000.00	RDA – Name the Stadium competition	\$200.00
Bay of Fires Celebration	\$250.00	Wrapped In St Marys	\$2,000.00
St Helens Girl Guides	\$2,500.00	Suicide Prevention Australia	\$1,000.00
Polly Pedal – Diabetes Tasmania	\$200.00	Bay of Fires Arts Market	\$4,000.00

## Rates and Charges

- Rates and Charges written off for the period: \$482
- Rate remissions/donations provided by Council: \$70,176
- Pensioner Rebates funded by State Government: \$371,552

## 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. During 2015/2016, Break O'Day Council made no such donations of land.

## Enterprise Power Statement

Section 72(1)(ca) of the Local Government Act 1993 requires Council to provide a statement of activities and performance of the Council in relation to any activity undertaken pursuant to Section 21 of the Local Government Act 1993 during the reporting period. Break O'Day Council did not exercise any of its enterprise powers under Section 21 of the Local Government Act 1993 during the reporting period.

## 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 the Break O'Day Council.

## Remuneration Band Positions

## Number of

\$80,000 - \$100,000	4
\$101,000 - \$120,000	-
\$121,000 - \$140,000	1
\$141,000 - \$160,000	-
\$161,000 - \$180,000	1

## Contracts/Tenders

The following contracts/tenders were awarded during 2015/2016 with a value greater than \$50,000.

Description	Period of Contract	Value Ex. GST	Name	Address
Bituminous Surfacing Program – 030\001\086	Completed by March 2016	\$173,094.18	Roadways Pty Ltd	Wivenhoe, TAS
Cleaning of Council Facilities – 030\003\005	April 2016 – April 2019 – with a 2 year extension	\$402,253.64	Details First Pty Ltd	Hobart, TAS
Litter Collection for Council Infrastructure – 030\001\076	April 2016 – April 2019 – with a 2 year extension	\$275,970.00	Tox Free Australia Pty Ltd	Invermay, TAS
Lions Park Landscaping and Playground Installation – 030\001\001	To be completed by August 2016	\$92,204.73	Classic Landscapes	Forth, TAS
Supply and Delivery of one Medium Rigid Truck with Trade-In - 030\001\090	August 2016	\$80,393.09	CJD Equipment Pty Ltd	Prospect Vale, TAS
2015/2016 Upper Esk Road Bridge Replacements – 030\001\088 Bridge #B0407 - Tyne River F/O, Bridge #B0693 - Tyne River F/O Bridge #B3040 – Tyne River Bridge #B3256 – Sling Pot Creek	May 2016 – August 2016	\$545,000.00	BridgePro Engineering Pty Ltd	Ulverstone, TAS
St Helens Waste Transfer Station – Improvement Works – 030\001\091	July 2016 – October 2016	\$261,445.43	Gradco	St Leonards, TAS

## Code of Conduct Complaints

During the 2015 - 2016 Financial Year there were no upheld Code of Conduct complaints, either wholly or in part, and no costs incurred to Council.



## Right to Information

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

## Public Interest Disclosure Statement

In accordance with Part 9 of the Public Interest Disclosures Act 2002 Council has established a written procedure as a part of its Public Interest Disclosure Policy.

There have been no disclosures raised or determined during 2015/2016.

## 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 (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.

*Peron Dunes, St Helens*





# Annual Plan

## 2015 - 2016





## Goal 1 : Community Building

### *Build capacity to improve community spirit and enhance a sense of wellbeing*

Strategies	Activities	Measure of Success	Responsibility	Progress as at 30.06.16
Utilise existing skills and resources within our community to enhance the wellbeing of our community	<p><b><u>Learner Driver Program</u></b></p> <p>Pursue external funds to run the program for a further 12 months.</p> <p>Increase the viability of the program through number of participants and hours vehicle on road.</p>	<p>Funding secured to support program.</p> <p>Number of mentors – 10</p> <p>Number of Mentees - 25</p>	<b>MCtyS</b>	<p>10 mentors have been engaged</p> <p>34 mentees have/or are utilising the service</p> <p>9 L2's gained</p> <p>14 have gained their P's</p> <p>1 International to Australian Licence</p> <p>10 learners on waiting list</p>
Provide opportunities for people to come together and develop connections and networks	<p><b><u>Community Events</u></b></p> <p>Conduct activities for: Youth; Volunteers; Recognise our community's achievements; Seniors.</p>	<p>Holiday Activity Program x 3</p> <p>Australia Day Event</p> <p>National Youth Week event</p> <p>Events – Seniors/ volunteers x 2</p>	<b>MCtyS</b>	<p><u>Worked in partnership:</u></p> <ul style="list-style-type: none"> <li>• Mental Health Event</li> <li>• Combined Senior and Volunteer event</li> <li>• VP Anniversary and unveiling of the memorial plaques in recognition of those that served in WW II</li> <li>• Light the Night</li> <li>• Blessing of the Fleet</li> <li>• Worked in partnership with school holiday program</li> <li>• Australia Day Awards event</li> <li>• Opening of the Break O'Day Multi-Purpose Stadium</li> </ul> <p><u>Natural Resource Management engagement activities:</u></p> <ul style="list-style-type: none"> <li>• Green Army launch and graduation</li> <li>• Bay of Fires Celebration</li> <li>• Summer program: Discovery Ranger, Wildlife Carers Skillshare and Seagrass Safari, Irapuna community Cultural Heritage.</li> <li>• Fencing, weeds &amp; Tasmarc field days</li> </ul>

Promote and encourage arts, culture and heritage opportunities within our communities	<b><u>Arts &amp; Cultural Strategy</u></b> Establishment of an Arts & Cultural committee to implement a number of objectives of the strategy.	Committee formed, meeting and making recommendations of identified priorities for Council's consideration.	<b>MCtyS</b>	<ul style="list-style-type: none"> <li>Consulted with St Marys community in relation to the conceptual plan that was identified in the Arts &amp; Cultural Strategy</li> <li>Formation of committee to be undertaken in the next six months – Awaiting response from BODRA, who are currently changing their constitution</li> </ul>
Plan for and support access to quality services, facilities, health, education and information that meet the needs of all age groups and communities particularly youth, people with disabilities and our ageing population	<b><u>St Helens Hospital Development</u></b> Pursue implementation of the St Helens Hospital Master Plan with the State Government and Department of Health & Human Services.	St Helens Hospital Master Plan finalised and endorsed by key stakeholders.	<b>GM</b>	<ul style="list-style-type: none"> <li>Master Plan completed and information meeting held with direct neighbouring properties.</li> <li>Land in Medea Street purchased by Council to enable access to health precinct site.</li> <li>Ongoing negotiations with DHHS regarding valuation, site information prior to progressing any further.</li> <li>Site Rezoned</li> </ul>
	<b><u>Disability Action Plan</u></b> Implementation of actions under the Disability Action Plan.  Liaise with Government agencies (PWS) to increase access/ participation opportunities to places of cultural significance.	People with disabilities are able to participate in our community – outdoor/open space facilities are designed and constructed compliant with disability access.  Event – International Day of People with Disability.  Young people with disabilities to work on the Youth Event x 1.  All public facilities are constructed to exceed minimum Australian Standards for Access for Persons with a disability.	<b>MCtyS</b>	Member of the State Government Disability Access Group – working with Tasmanian Planning Commission to identify necessary changes to Planning Scheme around issues for disability access   New Accessible facilities constructed at Lions Park, St Helens.  New accessible facilities under construction at Old Tasmanian Hotel Fingal.



Minimize the impact of disasters by improving community and Council's preparedness	<b><u>Municipal Emergency Plan</u></b> Review Break O'Day Municipal Emergency Plan by March, 2016 in line with State Plan	Endorsed by State Government and Council.  Community Forums x 3 held throughout community - 12 attendees at each forum.	<b>MCTyS</b>	Break O'Day Municipal Emergency Management Plan has been signed off by the Commissioner for Police <ul style="list-style-type: none"> <li>Four Community forums have been held (45 Attendees)</li> <li>Three (3) information sessions in relation to Bushfire preparation and community mapping have been held (34 attendees)</li> </ul>
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*Bendigo BOCS opening, February, 2016*



*Volunteer thank you morning tea, May, 2016*



*Green Army team at work.*



*Participants of the netball clinics hosted by visiting State teams.*

## Goal 2: Environment and Planning

*Ensure sustainable management of natural and built resources is respectful to our unique location.*

Strategies	Activities	Measure of Success	Responsibility	Progress as at 30.06.16
Provide a sound framework for strategically planned and orderly future development by updating and improving Land Use Strategy and Planning Scheme	<b><u>Land Use Planning</u></b> Liaise with the Tasmanian Planning Commission on the finalisation of the Break O'Day Planning Scheme.  Participate in the development of the Statewide Planning Scheme.	Break O'Day Interim Planning Scheme approved.	PC	Public meetings have been held and the scheme is with the Tasmanian Planning Commission (TPC) progressing through the final steps to be declared.  TPC working through their process.  Draft submission to the TPC on the State Planning Scheme has been prepared for Council approval.
	<b><u>Light Industrial Investigations</u></b> Undertake investigation of potential light industrial sites to meet future needs in Break O'Day.	Land Use Strategy for future light industrial developments finalised.	PC	Initial report presented to Council. Further investigations ongoing.
Improve service levels and environmental responsibility of waste management practices	<b><u>Environmentally Responsible Waste Management</u></b> Conduct a waste assessment study and investigate increased waste minimisation opportunities.	Waste assessment and minimisation report completed and presented to Council.	WM	Report presented to Council Workshop April 4, 2016
	<b><u>Service Efficiencies</u></b> Progress feasibility study into the establishment and operation of a putrescible landfill site	Feasibility study completed and presented to Council.	WM	Ongoing – Initial feasibility report presented to Council Workshop in November 2015, with additional financial feasibility information required.  Update provided to Council Workshop on 4 April 2016.  Cost/Benefit analysis not completed by 30 June 2016



Educate key stakeholders about planning, environmental and waste management, regulatory matters and processes	<p><b><u>Service Delivery</u></b> Implement information outcomes arising from the Development Services review process.</p> <p>Research, write and update information pages about planning, environmental and waste management for Council's website</p>	<p>Information session(s) held with key stakeholders in the building and planning activity areas.</p> <p>Web pages updated</p> <p>New information web pages online</p>	<b>BSC</b>	<p>Building Services currently developing information workshop for building industry professionals on Council processes and regulatory requirements, including recent changes to Building in Bushfire Prone Areas and proposed changes to the Building Regulatory framework.</p> <p>Newsletter updates on arising issues and information on common issues (i.e. pool safety requirements, vegetation clearance, exempt works).</p> <p>Planning Scheme (ListMap bookmark) and Cat Management included on the web page.</p>
Adopt environmental sustainability principles in undertaking Council activities	<p><b><u>Financial Sustainability</u></b> Participate in regional Council activities to reduce energy consumption and deliver savings.</p>	Regional project implemented with ongoing annual energy savings of \$30,000 achievable	<b>MCS</b>	<p>Updated financial reports provided to Council recommending participation in the northern region group approach to upgrading to LED street lights for implementation in 2016/2017 and 2017/2018.</p> <p>Expressed interest in participation in a LGAT sponsored review of contracts for metered electricity consumption (all power except street lighting).</p>
Develop and implement an environmental sustainability policy for the region	<p><b><u>Policy Scope and Development Options</u></b> Investigate Break O'Day municipality's 'environmental sustainability policy' needs and alternatives for developing policies to action.</p>	Report from Break O'Day Council NRM Committee on developing Council policy solutions for environmental sustainability.	<b>NRM</b>	A working group within Council's NRM Special Committee is working on environmental sustainability policy needs and options for developing policies.

Minimize the impacts of climate change	<b><u>Corporate emissions reduction</u></b> Mandate an internal working group across Council.	Energy and cost reductions through activity by Council Energy Efficiency Group	<b>NRM</b>	Council Energy Efficiency Group is inactive; however energy and cost reductions are being supported by quarterly monitoring of Council's consumption.  LED lighting installed in stadium Management team assessing options for further reductions in light of the recent energy crisis.
	<b><u>Land use and development</u></b> Participate in policy and guideline development and programs to ensure the Break O'Day responds to threats and impacts from climate change	Contributions to state and local climate change risk activities.	<b>PC</b>	A Break O'Day Council Corporate Climate Change Adaptation Plan was finalised in July with support from the Tasmanian Climate Change Office through participation in a statewide extension of the Southern Council's Climate Change Adaptation project. Council however has little capacity for local application and implementation of such policy/ guideline programs.
Ensure the health of the public and environment is maintained at legislated levels or above	<b><u>Public Health Objectives</u></b> Provide services to meet the public health objectives outlined in the Annual Plan	Services delivered which meet the requirements of the Public Health Act	<b>EHO</b>	Services are being provided in accordance with the requirements of relevant legislation.

Shells on Scamander Beach



One of the "White Knight" Eucalyptus trees at Evercreech





### Goal 3: Leadership and Governance

*Provide strong and informed leadership and effective management of community resources; empowering and involving the community at all levels.*

Strategies	Activities	Measure of Success	Responsibility	Progress as at 30.06.16
Maintain financial viability and accountability in budgeting and administration	<b><u>Financial Sustainability</u></b> Undertake 'value for money' reviews of key contracted activities and procurement policies including: 1. Cleaning & Related Services 2. Waste Management 3. Consultants & Professional Services	Ongoing annual savings of \$75,000 identified and achieved.	<b>MT</b>	<ul style="list-style-type: none"> <li>Cleaning services process completed with annual savings of \$25,250.</li> <li>Litter collection services process completed with potential annual savings of \$50,300.</li> <li>Use of quarries \$68,000 (ex GST) annual savings.</li> </ul>
	<b><u>Service Efficiencies</u></b> Identify and implement resource sharing and shared services opportunities.	Four resource sharing or shared services opportunities identified and assessed.  Two resource sharing or shared services opportunities identified and assessed.	<b>MT</b>	Not a key contracted activity but other financial sustainability reviews are being conducted, assessed and implemented such as: <ul style="list-style-type: none"> <li>Conversion to life time dog tags saving \$300-\$400 per year</li> <li>Conversion of phone lines from ISDN to SIP saving \$5,000+ per year</li> </ul>
	Review the service delivery approach of Council's Works Department to maximise efficiencies.	Review completed and implemented.	<b>WM</b>	Northern region project being undertaken as part of LG Reform process providing a strategic approach.
	<b><u>Management reporting</u></b> Monthly Financial Reports reviewed to include impact of decisions on Council's long term financial position.	Annual efficiencies of 500 man hours secured.  Increased awareness of Council of the impact of decisions on the LTFP.	<b>MCS</b>	<p>Review of service delivery in Fingal Valley resulted in establishment of valley based team to maximize efficiencies.</p> <p>Annual efficiency estimated to be 830 hours. Monthly financial reports reviewed at Council meetings. Managers and Councillors have some increased understanding and awareness of long term CNT...</p>

Maintain financial viability and accountability in budgeting and administration. CONT.	<b><u>Longterm Financial Plan</u></b> Undertake a major review of the plan to incorporate data from individual asset management plans.	Plan updated as asset management data is provided.	<b>MCS</b>	Financial impacts of decisions. This should improve further when the revised LTFP is considered by Council.  Standing item on Management Team meeting agendas, matter is progressing.
	<b><u>Four year Capital &amp; Projects Budget</u></b> Develop a rolling four year Capital Works and Projects Budget to form the basis of the annual budget process.	Four year Capital & Projects Budget prepared and presented to Council.	<b>MCS</b>	Four year capital budget template considered and accepted by management team, being populated as part of the 2016/2017 budget development.  Introduced completed project template to ensure consistency of information across departments  Life Cycle costings now reported for all new capital projects  Four year building capital works program now developed.  Building Asset Management plans updated.
	<b><u>Capital Works Program – Buildings</u></b> <ul style="list-style-type: none"> <li>• Develop life-cycle costing analysis for each building type;</li> <li>• Implement recommended operational adjustments to budget for Capital Works proposals</li> </ul>	Life cycle costings incorporated into Council's budgets	<b>BSC</b>	Introduced completed project template to ensure consistency of information across departments  Life Cycle costings now reported for all new capital projects  Four year building capital works program now developed.  Building Asset Management plans updated



Recruitment of external grant funding	<b><u>Financial Sustainability</u></b> Build grant writing skills and capacity of Council staff.	Overall success rate of 75% achieved for grant funding applications lodged.	<b>MT</b>	11 Applications submitted since 1 July and to date advice has been received that seven have been successful with a value of \$951,898, two have moved to the next stage of the process and nothing heard about two. This has resulted in a saving of \$838,618 in terms of funding Council would have had to provide.
	<b><u>Capacity Building</u></b> Deliver grant writing workshops to local community groups.	Increased capacity within the community through delivery of two workshops with a total of 20 attendees.	<b>MCtyS</b>	Three staff attended a grant writing workshop run by the National Stronger Regions fund.  Promoted one grant writing workshop within the community.
	<b><u>Financial Sustainability</u></b> Identify and pursue grant funding opportunities which assist Council to achieve its identified priorities	External funding received for three identified priorities	<b>GM</b>	External funding received for Driver Mentor Program.  External funding received for two bridges identified as priorities
Promote Council as Employer of Choice	<b><u>Capacity Building</u></b> Recruit and reward competent managers and supervisors.  Provide management training.	Less workplace conflict	<b>HRM</b>	Continuous improvement in staff engagement and performance. Formal and informal training has been delivered to managers.
Ensure Council members have the resources and skills development opportunities to effectively fulfill their responsibilities	<b><u>Capacity Building</u></b> Facilitate participation of Councillors in professional development activities.	Councillors participate in professional development activities.	<b>GM</b>	Mayor and Deputy Mayor participated in PD sessions at the LGAT Annual Conference.  Some Councillors participated in LGAT PD sessions for Elected Members on various topics including Planning Authority and general training for Elected Members.

Continuously strive for quality, responsive customer service and enhancement of image of Council	<p><b><u>Service Efficiencies</u></b> Examine opportunities to increase the resolution of planning and building queries and contacts at the first point of contact (reception).</p> <p>Implement customer service outcomes of the Development Services review process.</p> <p>Managers to facilitate continuous improvement initiatives.</p>	<p>Resolution of minor queries and contacts occurs at reception.</p> <p>Identified strategies and activities implemented.</p> <p>Fewer customer complaints.</p>	<p><b>MCS</b></p> <p><b>PC &amp; BSC HRM</b></p> <p><b>MT</b></p>	<p>Reception area fully staffed with return from maternity leave and recruitment. Training and re-training progressed CS/DS admin staff meeting regularly to share information/resolve issues</p> <p>Customer Service staff are being rotated through the Development Services to improve their technical knowledge to provide more information on initial customer contact.</p> <p>Ongoing review of operational structure to ensure optimal delivery of customer service.</p> <p>20 Complaints for 2015/2016 to date and 20 for 2014/2015.</p> <p>Internal Audit undertaken of Customer Service – report may identify opportunities for improvement when available.</p> <p>For comparisons – Statistics for Customer Service Requests (CSR's) have been as follows: 2015/2016 – 262 to date 2014/2015 – 351 for same date range with 421 in total for the 2014/2015 financial year</p>
	<p><b><u>Service Delivery</u></b> Review Council's position on social media with a view to establishing whether social media can play a positive role in service delivery</p>	<p>Report considered by Council</p>	<p><b>GM</b></p>	<p>Council Facebook page approved by Council with implementation occurring in April 2016. Council's Communications Coordinator has taken over management of the Tobruk 4 Tassie Facebook page to improve the impact on social media</p>



Continuously strive quality, responsive customer service and enhancement of image of Council. CONT	<p><b><u>Council Profile</u></b> Promote achievements and initiatives of the Council and community through media releases and Awards processes</p>	<p>12 items of a positive nature published by the media</p> <p>Four initiatives of Council submitted to Awards processes.</p>	<p><b>GM</b></p> <p><b>GM</b></p>	<p>More than 20 positive news stories published.</p> <ol style="list-style-type: none"> <li>1. East Coast Regional Innovation – Bofa Innovation Awards (Finalist)</li> <li>2. Quarry Management Plan – Local Government Professionals Association Management Excellence Awards.</li> <li>3. Stadium – LGAT Awards of Excellence</li> <li>4. Stadium - Tasmanian Architecture Awards.</li> </ol>
Ensure Council fulfills its legislative and governance responsibilities and its decision making, supported by sustainable policies and procedures	<p><b><u>Management Reporting</u></b> Research and implement an integrated planning and reporting system which operationalises Council's Strategic Plan.</p> <p><b><u>Local Government Reform</u></b> Participate actively in the Local Government reform process to ensure that the outcomes are in the best interest of the Break O'Day community.</p> <p><b><u>Strategic Planning</u></b> Develop and commence implementation of a new Strategic Plan for the Break O'Day Council.</p> <p><b><u>Corporate Planning</u></b> Develop and implement a four year Corporate Plan based on the new Strategic Plan and priorities identified by Council.</p>	<p>Integrated planning and reporting system implemented.</p> <p>Outcome from the process provides the best outcome for the community.</p> <p>2015-2025 Strategic Plan adopted by Council.</p> <p>Four year Corporate Plan adopted by Council.</p>	<p><b>GM</b></p> <p><b>GM</b></p> <p><b>GM</b></p> <p><b>GM</b></p>	<p>Presentation on InterPlan and Magiq products received by Management team. Proposals supported for implementation with items to Council workshop and meetings in April. This will form part of the 2016/2017 Budget process.</p> <p>Position adopted by Council at August meeting. Participating in northern Councils shared services project. Pursuing modeling activities associated with the south-east Councils amalgamation modeling.</p> <p>No progress at this stage. LG reform process and potential boundary adjustments would impact on the Plan content. Future report to Council on timing of plan development likely to occur.</p> <p>Yet to proceed, based on new strategic plan.</p>

Ensure Council fulfills its legislative and governance responsibilities and its decision making, supported by sustainable policies and procedures. CONT.	<p><b><u>Internal Audit</u></b> Facilitate Audit Panel Meetings and commence implementation of an Internal Audit Schedule.</p> <p><b><u>Core Business</u></b> Review the 'core business' of Council and assess the impact of 'non core' activities on Council's financial situation.</p>	<p>Secretarial support provided to Audit Panel for four meetings</p> <p>Internal audits complete for at least two systems, one of which is to be Fraud Management Review completed by Council</p>	<p><b>MCS</b></p> <p><b>GM</b></p>	<p>Agendas, minutes and reports provided to Audit Panel for 3 meetings so far, no problems identified. Minutes adopted at Council meetings</p> <p>Internal audit conducted for Customer Service and Contract Management. George Town Council conducted Fraud Management audit</p>
Maintain workforce standards and procedures that ensure that the occupational health safety and welfare of employees, contractors and public is protected and enhanced	<p><b><u>WHS Compliance</u></b> All Managers to be trained and responsible for WHS compliance.</p> <p>Training in WHS identified as risk.</p> <p><b><u>Service Delivery</u></b> WHS site audits of contractors and outdoor teams.</p>	<p>Increased staff awareness and compliance with WHS requirements.</p> <p>Undertake manual handling training.</p> <p>Undertake five contractor audits and eight outdoor team audits</p>	<p><b>HRM</b></p> <p><b>WHSC</b></p> <p><b>WHSC</b></p>	<p>On-going communication and information provided to managers.</p> <p>Manual handling training undertaken in October 2015, 18 W&amp;I staff participating Training needs identified for 2016/2017 as part of budget development.</p> <p>Six contractor audits and four Council team audits undertaken, relatively minor WH&amp;S issues were identified and addressed; it is expected that the targets should be met.</p>
Improve Council's communication, consultative processes, representation and advocacy	<p><b><u>Community Engagement Plan</u></b> Examine the role an effective Community Engagement Plan can play in Council's activities.</p>	<p><i>Report to Council for consideration.</i></p>	<p><b>MCTyS</b></p>	<p>Development of a Communication Strategy which has had Council input regarding the delivering of key messages including transparency and positivity.</p> <p>The Communication Strategy also touches on community consultation through levels of involvement.</p> <p>Plan completed, awaiting approval and Implementation.</p>



## Goal 4: Economic Development

### *Achieve sustainable economic development.*

Strategies	Activities	Measure of Success	Responsibility	Progress as at 30.06.16
Develop and implement initiatives to attract people to live, work and invest in the Council area	<p><b><u>Facilitating Business Growth</u></b></p> <p>Facilitate new and existing business growth through Council supported activities.</p>	Support provided to organisations supporting local businesses	<b>EDO</b>	<p>Council provided a financial contribution to the Break O'Day Business Enterprise Centre.</p> <p>Council's Economic Development Officer has worked with 41 potential business intenders representing the following sectors:</p> <ul style="list-style-type: none"> <li>• Agriculture</li> <li>• General retail</li> <li>• Tourism</li> <li>• Meals/Accommodation</li> <li>• Food Processing</li> <li>• Manufacturing</li> </ul>
	<p><b><u>Economic Development Strategy</u></b></p> <p>Establish an Economic Development Group to build on the outcomes of the East Coast Regional Innovation Action Session.</p>	Economic Development Group established	<b>GM</b>	<p>Activities restricted to Regional Innovation activities which continued in August 2015.</p> <p>Further forum in the 2<sup>nd</sup> quarter of 2016 will further develop the foundation for regional innovation.</p>
	<p>Prioritise and implement major priorities identified in the Economic Development Strategy including addressing the St Helens Barway issue</p>	Implementation of high priorities commenced	<b>GM</b>	<p>Focus is occurring on the following major priorities:</p> <p>1.1 Growing the population – developing a place brand.</p> <p>2.3 Develop regional tourism through Great Eastern Drive, Mountain Bike Trails and ECRTO support.</p> <p>3.1 Developing workforce skills through a proposal to Skills Tasmania to undertake a Skills Needs Analysis for the BOD area which forms the basis for a skills strategy.</p> <p>4.2 Developing St Helens as a service centre, supporting business growth and establishment through Economic Development Officer and the BEC.</p> <p>6.1 Facilitating economic development – through regional innovation.</p>

<p>Develop and implement initiatives to attract people to live, work and invest in the Council area. CONT</p>	<p><b><u>Infrastructure upgrades</u></b> Pursue infrastructure improvements which improve the livability of the towns. St Marys town centre car parking expansion. Upgrading of Georges Bay Jetties. BBQ facilities upgraded at Georges Bay. Beaumaris Community Park planning. Scamander northern entry facilities planning.</p> <p><b><u>Multi-Purpose Stadium</u></b> Development of Strategic Direction for the Break O'Day Multi-Purpose Stadium: Development of a business plan; Development of a marketing strategy; Development of sponsorship packages; Liaison with management committee on stadium direction</p>	<p>5 Infrastructure improvement projects presented to Council for consideration.</p> <p>Development of plans:</p> <ul style="list-style-type: none"> <li>• Business Plan</li> <li>• Marketing Strategy</li> <li>• Sponsorship Package</li> </ul>	<p><b>MT</b></p> <p><b>EDO</b></p>	<p>Projects presented:</p> <ul style="list-style-type: none"> <li>• St Marys town centre car parking (November 2015).</li> <li>• Upgrading of Georges Bay Jetties.</li> <li>• Beaumaris Community Park planning – concept designs done.</li> <li>• Binalong Bay Car Park Upgrade.</li> </ul> <p>Sponsorship Package information developed and being used for sponsorship discussions. Naming rights sponsor secured, and one (1) Gold sponsor secured.</p> <p>Business Plan drafted and reviewed by User Group.</p>
<p>Develop and implement initiatives for appropriate tourism in the region</p>	<p><b><u>Mountain Bike Trails</u></b> Investigation options for the expansion of the Blue Derby Mountain Bike Trails to cement St Helens as a key base for this activity.</p> <p><b><u>Multi-Purpose Stadium Usage</u></b> Facilitate regional events being held at the Break O'Day Multi-purpose Stadium.</p> <p><b><u>Great Eastern Drive</u></b> Support the implementation of the Great Eastern Drive initiative and work with key stakeholders on the extension of the GED to cover the entire East Coast.</p>	<p>Concept Plan to create St Helens as a base is completed.</p> <p>2 regional events facilitated.</p> <p>Great Eastern Drive project priorities implemented through ECRT0.</p>	<p><b>MCTyS</b></p> <p><b>EDO</b></p> <p><b>EDO</b></p>	<p>In progress – Ground truthing and trail design completed, report awaited.</p> <p>Economic case reviewed by TRC Tourism to assist with external funding of trails.</p> <p>Netball Tasmania – State League roster game in April 2016.</p> <p>Gateway and town entrance signage establishment being facilitated through Council.</p>



Develop and implement initiatives for appropriate tourism in the region. CONT.	<p><b><u>Tourism Support</u></b> Work with East Coast Regional Tourism Organisation; local organisations and key agencies to promote and enhance the attractions of Break O'Day.</p> <p><b><u>East Coast Tasmania Trail</u></b> Support the implementation of the "Iconic Walk" and work with key stakeholders to progress the planning of this project</p>	<p>Support provided to ECRTTO activities.</p> <p>Completion of supporting documents: RAA Flora and Fauna Report Forest Practices Plan</p>	<p><b>EDO</b></p> <p><b>MCTyS</b></p>	<p>Visitor Information Centre review occurring with BODC participation through the GM.</p> <p>Clr McGuinness appointed as Council representative.</p> <p>Working with organisation to commence a stage of the trail. MOU has been signed with relevant organisations, steering group formed to ensure consultation around the project is undertaken</p>
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*Works underway on the Blue Derby MTB trails*



*Entrance to the Bendigo BOCS*



*Karana Flames vs the Northern Hawks at the Bendigo BOCS*



*Aerial view of the St Helens Barway*

## Goal 5: Asset Management

*Ensure the efficient and effective provision of appropriate community assets.*

Strategies	Activities	Measure of Success	Responsibility	Progress as at 30.06.16
Provide a strategic framework for Council to manage, maintain, enhance and develop open space and associated public realm areas for the benefit of residents and visitors	<p><b><u>Standardised Designs</u></b></p> <p>Implementation of standardized design for certain facilities for the benefit of residents and visitors:</p> <p>Develop modular designs for toilet replacement program;</p> <p>Develop modular design for BBQ facilities;</p> <p>Develop modular designs for street furniture and signage.</p>	<p>Designs completed for:</p> <p>Toilets;</p> <p>BBQ facilities;</p> <p>Street furniture and signage.</p>	<b>BSC</b>	<p>Modular designs for public amenities, BBQ facilities and street furniture has been endorsed by Council.</p> <p>New modular designs are being incorporated into all new capital works programs.</p> <p>Lions Park Toilet Block Completed.</p> <p>Fingal Old Tasmanian Hotel Internal Renovations Commenced.</p> <p>Designs and Regulatory approvals commenced for:</p> <ul style="list-style-type: none"> <li>• Mathinna toilet and shower block;</li> <li>• New Beaumaris toilet and BBQ Facility;</li> <li>• Replacement of St Marys BBQ and toilet facility;</li> <li>• New Pyengana shower and toilet facility.</li> </ul>
Develop and implement a 10 year asset management plan for all classes of assets that includes:- Capital Works Program Maintenance Program	<p><b><u>Stormwater Management Plan</u></b></p> <p>Develop and implement a Stormwater Management Plan in compliance with the Urban Drainage Act 2013 using LGAT approved template.</p>	Stormwater Management Plan presented to Council.	<b>WM</b>	On-going - LGAT has yet to finalise on a statewide local government template for a stormwater management plan.

Develop and implement a 10 year asset management plan for all classes of assets that includes:- • Capital Works Program • Maintenance Program	<b><u>Service Delivery</u></b>		<b>WM</b>	
	• Implement an asset maintenance defects inspection program.	Program implemented in September 2015.		Not completed
	• Develop a maintenance grading program.	Program implemented in October 2015.		Not completed
	• Develop a drainage maintenance program.	Program implemented in November 2015.		Not completed
	• Review existing road hierarchy.	Review completed in January 2016.		Not completed
	• Perform trials to test methods or materials to improve and/ or extend gravel pavements.	Trials completed by June 2016.		Trialed new gravel materials from a quarry at Rushy Lagoon on North Ansons Bay Road.
	<b><u>Service Efficiencies</u></b>		<b>WM</b>	
	Develop and implement a program to maximise the financial benefits from the operation of Council controlled quarry sites including disposal of surplus sites.	Quarry Efficiency Program presented to Council.		On-going – Use of materials from a Council Quarry and a quarry acquisition in process.
		80% of Council's road making material requirements are sourced from Council operated quarries.		Council has completed its allowable gravel extraction quantity from its Halfway Hill Quarry, and the materials have either been used or earmarked for Council's resheeting program.
		All required quarry sites are fully licenced and operating in accordance with licence conditions		Partially completed with updated documentation based on new regulations effective 1 January 2016  Council is currently applying to take over a quarry lease from Forestry at Mathinna, which will serve Council roads in the surrounding areas.  In addition, Council is negotiating with two interested parties to access materials at its quarry on North Ansons Bay Road



Develop and implement a 10 year asset management plan for all classes of assets that includes:- Capital Works Program Maintenance Program. CONT.	<p><b><u>Asset Management Plans</u></b> Develop and implement a 10 year Plant Replacement Program</p> <p>Ongoing development of 10 Year Toilet Replacement Program.</p> <p>Undertake an audit of all building assets to determine current conditions ratings and asset values</p>	<p><i>10 year Plant Replacement Program presented to Council.</i></p> <p><i>10 year program developed and adopted.</i></p> <p><i>Condition audit of all Council's building assets is completed.</i></p>	<p><b>WM</b></p> <p><b>BSC</b></p>	<p>Completed – Updated Program presented and approved by Council.</p> <p>Ongoing – Council has implemented program and Council officers are actively ensuring replacement program is included in capital works budget considerations.</p> <p>Building Asset Management data has been updated and is actively being used for ongoing capital works projects</p> <p>Council investigations commenced for Asset Management Software to improve data collation and efficiencies in management of assets.</p>
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Storm water system being installed in St Helens



Resheeting Works



St Marys Streetscape during the annual Carshow in June.

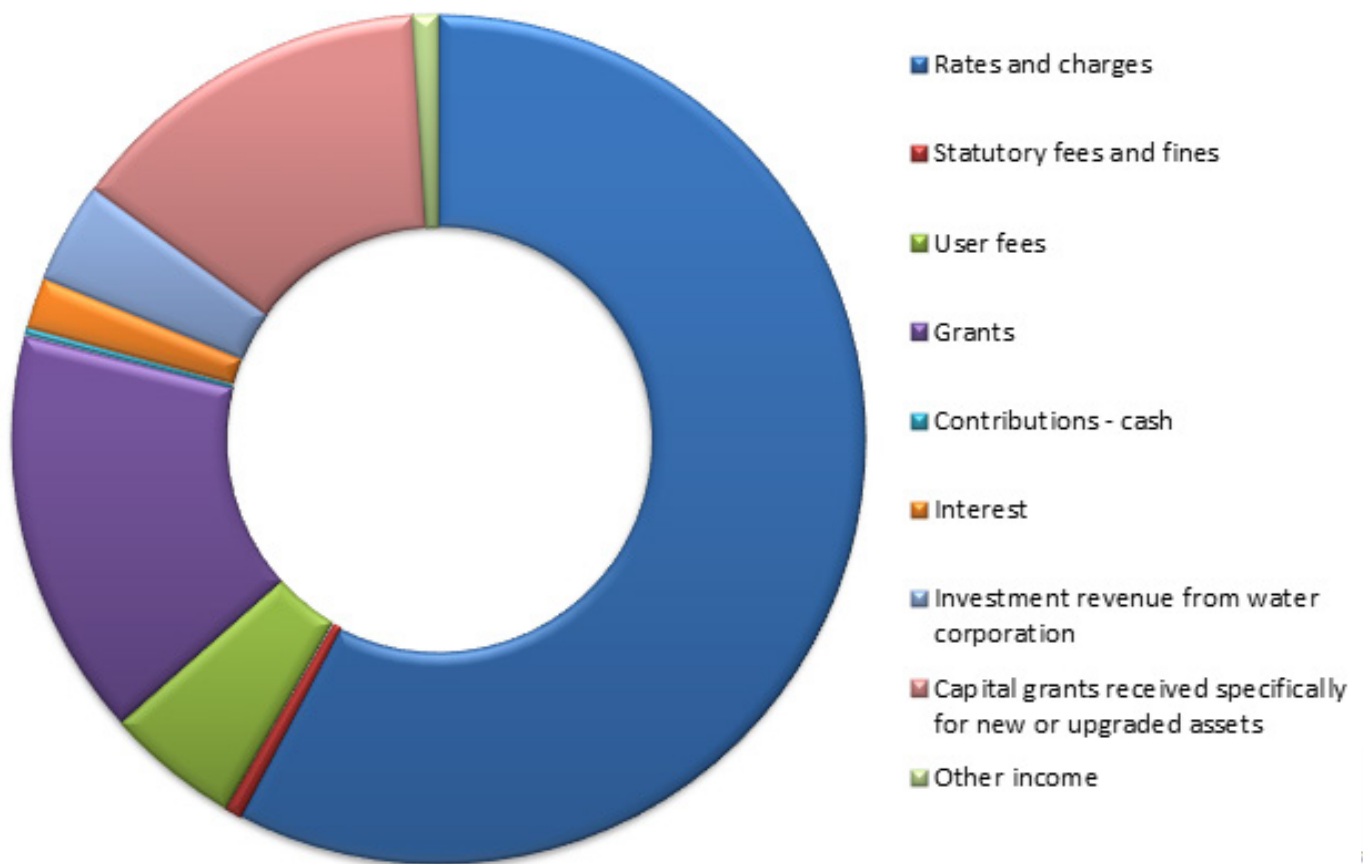


St Marys Riulet.

# Financial Snapshot

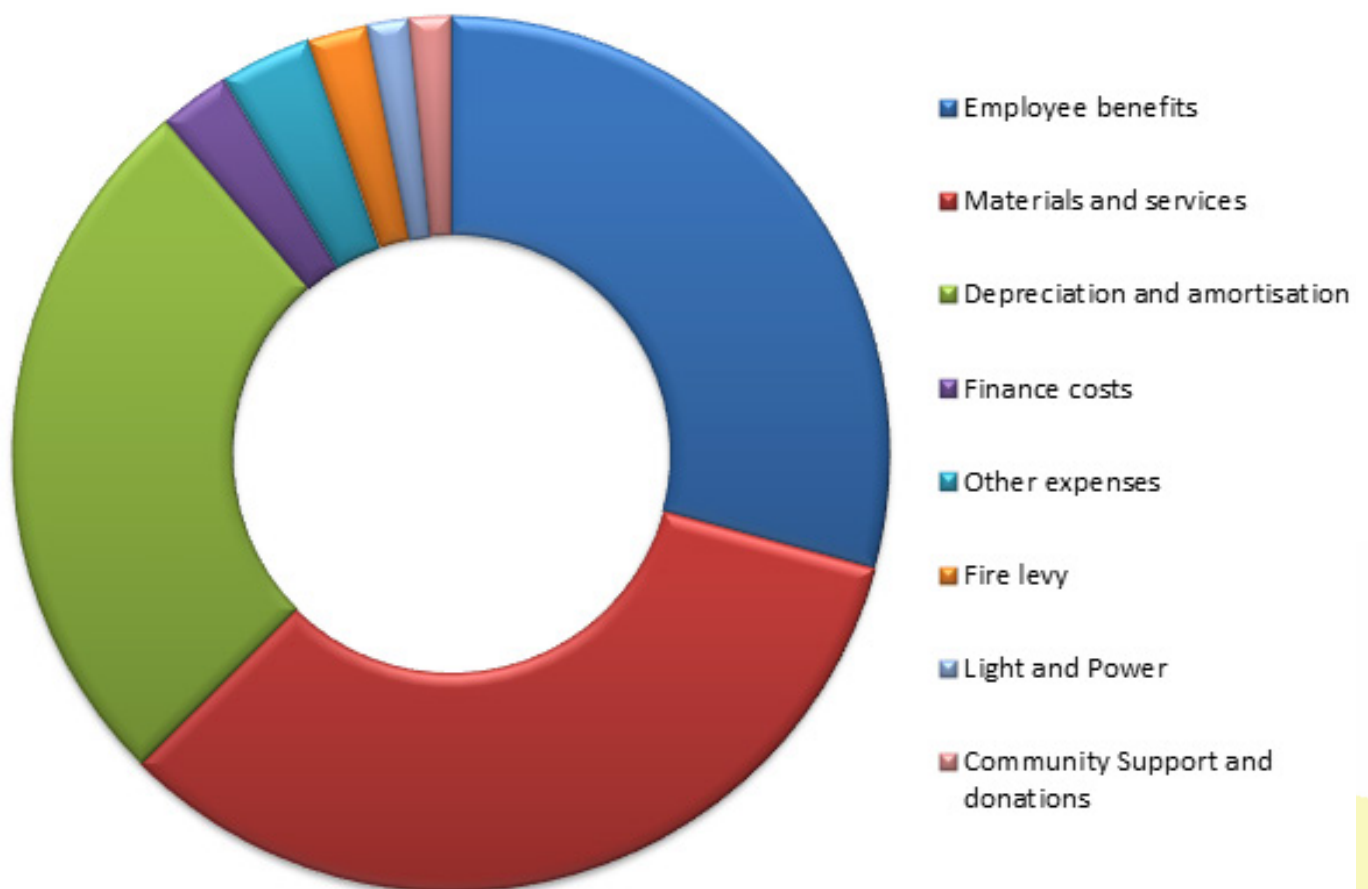
## Income

Rates and charges	\$8,192,989
Statutory fees and fines	\$95,804
User fees	\$719,264
Grants	\$2,208,557
Contributions - cash	\$41,428
Interest	\$277,851
Investment revenue from water corporation	\$551,054
Capital grants received specifically for new or upgraded assets	\$1,988,644
Other income	\$135,782



## Expenses

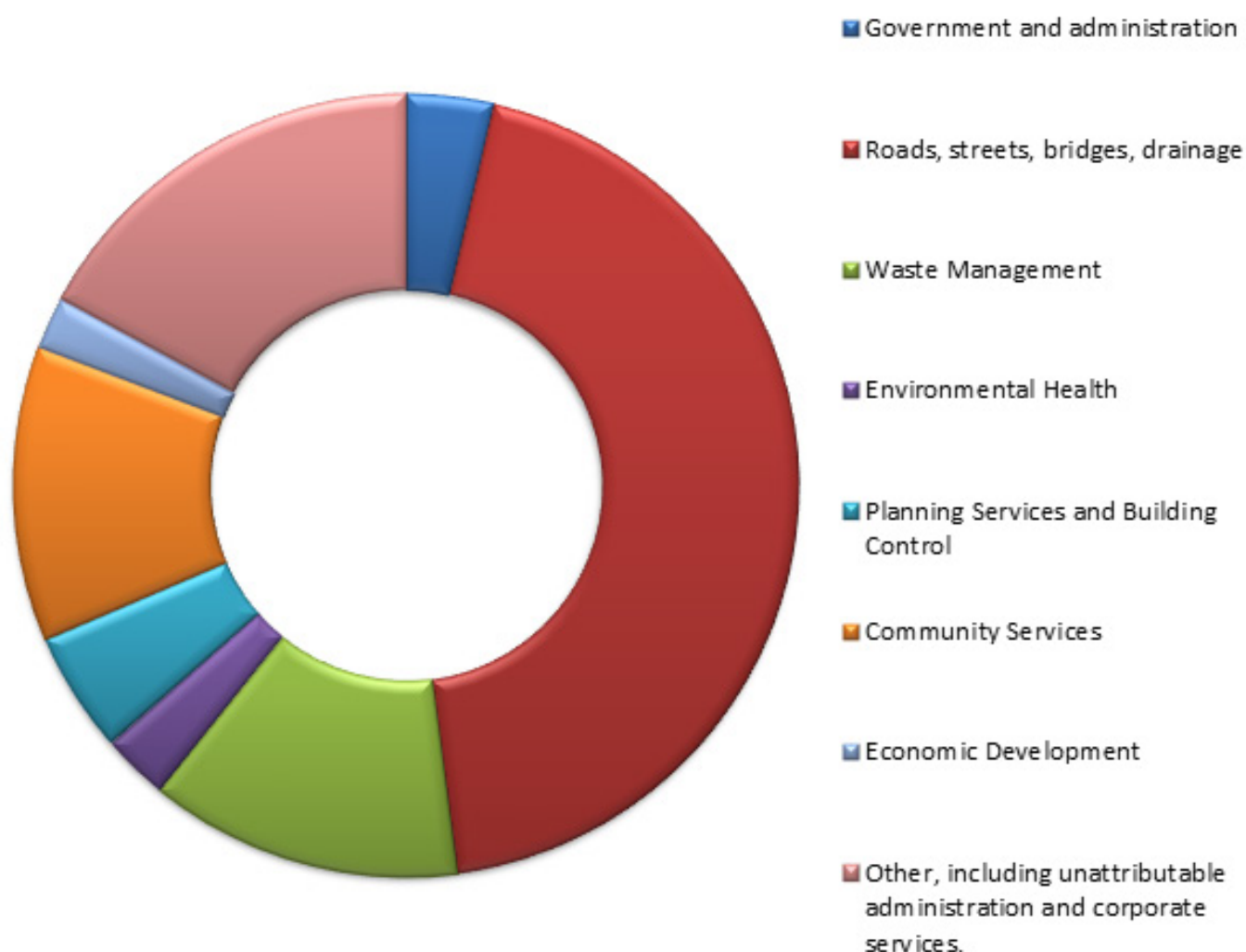
Employee benefits	\$4,031,351
Materials and services	\$4,590,688
Depreciation and amortisation	\$3,613,869
Finance costs	\$360,589
Other expenses	\$467,764
Fire levy	\$306,884
Light and Power	\$213,985
Community Support and donations	\$210,734





## By Function

Government and administration	\$498,176
Roads, streets, bridges, drainage	\$6,099,191
Waste Management	\$1,771,801
Environmental Health	\$376,018
Planning Services and Building Control	\$690,155
Community Services	\$1,680,354
Economic Development	\$295,754
Other, including unattributable administration and corporate services.	\$2,352,820





# Tasmanian Audit Office

## Independent Auditor's Report

### To the Councillors of Break O'Day Council

### Financial Report for the Year Ended 30 June 2016

### Report on the Financial Report

I have audited the accompanying financial report of Break O'Day Council (Council), which comprises the statement of financial position as at 30 June 2016 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

### Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2016 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

### *The Responsibility of the General Manager for the Financial Report*

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those

...1 of 2

risk assessments, I considered internal control relevant to the General Manager's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

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

My audit responsibility does not extend to the budget figures included in the statement of profit or loss and other comprehensive income, nor the asset renewal funding ratio disclosed in note 38 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*.

### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* 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.

### **Tasmanian Audit Office**



S M Lee

**Group Leader – Financial Audit  
Delegate of the Auditor-General**

Launceston  
26 September 2016





**Break O'Day Council**

**ANNUAL FINANCIAL REPORT**

***For the Year Ended 30 June 2016***

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**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2016**

	Note	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
<b>Income</b>				
<b>Recurrent Income</b>				
Rates and charges	3	7,904,122	8,192,989	7,441,825
Statutory fees and fines	4	92,496	95,804	94,963
User fees	5	673,926	719,264	639,311
Grants	6	2,116,574	2,208,557	4,221,613
Contributions - cash	7	45,500	41,428	57,113
Interest	8	300,000	277,851	252,002
Other income	9	170,604	135,782	94,974
Investment revenue from water corporation	11, 18	582,000	551,054	623,162
		<b>11,885,222</b>	<b>12,222,729</b>	<b>13,424,963</b>
<b>Capital income</b>				
Capital grants received specifically for new or upgraded assets	6	1,983,737	1,988,644	956,629
Contributions - non-monetary assets	7	-	833,000	2,764,859
Recognition of Land under roads	23	-	2,628,405	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10	40,000	(347,315)	(496,977)
		<b>2,023,737</b>	<b>5,102,734</b>	<b>3,224,511</b>
<b>Total income</b>		<b>13,908,959</b>	<b>17,325,463</b>	<b>16,649,474</b>
<b>Expenses</b>				
Employee benefits	12	(4,374,818)	(4,031,351)	(3,746,881)
Materials and services	13	(4,005,554)	(4,590,688)	(3,987,086)
Impairment of receivables	14	-	31,595	(6,967)
Depreciation and amortisation	15	(3,516,683)	(3,613,869)	(3,531,188)
Finance costs	16	(297,000)	(360,589)	(217,930)
Other expenses	17	(1,121,789)	(1,199,367)	(1,137,518)
<b>Total expenses</b>		<b>(13,315,844)</b>	<b>(13,764,269)</b>	<b>(12,627,570)</b>
<b>Surplus / (deficit)</b>		<b>593,115</b>	<b>3,561,194</b>	<b>4,021,904</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net asset revaluation increment/(decrement) reversals	28	-	1,597,978	801,165
		-	<b>1,597,978</b>	<b>801,165</b>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Financial assets available for sale reserve				
— Fair Value adjustment on Available for Sale Assets	28	-	553,476	258,972
		-	<b>553,476</b>	<b>258,972</b>
<b>Total Other Comprehensive Income</b>		-	<b>2,151,454</b>	<b>1,060,137</b>
<b>Comprehensive result</b>		<b>593,115</b>	<b>5,712,648</b>	<b>5,082,041</b>

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



**Statement of Financial Position  
As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	19	7,070,793	7,308,942
Trade and other receivables	20	402,044	463,789
Inventories	21	143,849	106,784
Other assets	22	74,011	134,344
<b>Total current assets</b>		<b>7,690,697</b>	<b>8,013,859</b>
<b>Non-current assets</b>			
Investment in water corporation	18	33,068,952	32,515,476
Trade and other receivables	20	14,392	1,890
Other assets	22	28,000	50,400
Property, infrastructure, plant and equipment	23	128,911,244	123,081,631
<b>Total non-current assets</b>		<b>162,022,588</b>	<b>155,649,397</b>
<b>Total assets</b>		<b>169,713,285</b>	<b>163,663,256</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	24	714,844	744,589
Trust funds and deposits	25	274,737	367,424
Provisions	27	584,822	467,949
Interest-bearing loans and borrowings	26	298,900	268,376
<b>Total current liabilities</b>		<b>1,873,303</b>	<b>1,848,338</b>
<b>Non-current liabilities</b>			
Provisions	27	382,913	271,597
Interest-bearing loans and borrowings	26	7,963,903	7,762,803
<b>Total non-current liabilities</b>		<b>8,346,816</b>	<b>8,034,400</b>
<b>Total liabilities</b>		<b>10,220,119</b>	<b>9,882,738</b>
<b>Net Assets</b>		<b>159,493,166</b>	<b>153,780,518</b>
<b>Equity</b>			
Accumulated surplus		24,073,330	20,571,043
Reserves	28	135,419,836	133,209,475
<b>Total Equity</b>		<b>159,493,166</b>	<b>153,780,518</b>

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

**Statement of Cash Flows**  
**For the Year Ended 30 June 2016**

		2016 Inflows/ (Outflows) \$	2015 Inflows/ (Outflows) \$
	Note		
<b>Cash flows from operating activities</b>			
Rates		8,111,600	7,805,877
User charges and other fines		1,054,022	886,452
Grants		2,208,557	4,221,613
Reimbursements		40,830	21,586
Interest		294,660	225,206
Investment revenue from water corporation		551,054	623,162
Other receipts		43,693	366,403
Net GST refund/payment		471,912	470,361
Payments to suppliers		(6,245,050)	(6,037,649)
Payments to employees (including redundancies)		(3,803,162)	(3,698,800)
Finance costs		(360,589)	(217,930)
<b>Net cash provided by (used in) operating activities</b>	29	<u>2,367,527</u>	<u>4,666,281</u>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(4,863,472)	(8,912,802)
Proceeds from sale of property, infrastructure, plant and equipment		50,030	67,020
Loans and advances to community organisations		(12,502)	(1,890)
<b>Net cash provided by (used in) investing activities</b>		<u>(4,825,944)</u>	<u>(8,847,672)</u>
<b>Cash flows from financing activities</b>			
Capital grants		1,988,644	956,629
Proceeds from interest-bearing loans and borrowings		500,000	3,900,000
Repayment of interest-bearing loans and borrowings		(268,376)	(130,731)
<b>Net cash provided by (used in) financing activities</b>		<u>2,220,268</u>	<u>4,725,898</u>
Net increase (decrease) in cash and cash equivalents		(238,149)	544,507
Cash and cash equivalents at the beginning of the financial year		7,308,942	6,764,435
<b>Cash and cash equivalents at the end of the financial year</b>	30	<u>7,070,793</u>	<u>7,308,942</u>
Financing arrangements	31		
Restrictions on cash assets	19		

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

### Statement of Changes in Equity For the Year Ended 30 June 2016

	Note	Total 2016 \$	Accumulated Surplus 2016 \$	Asset Revaluation Reserve 2016 \$	Fair Value Reserve 2016 \$	Other Reserves 2016 \$
<b>2016</b>						
Balance at beginning of the financial year		153,780,518	20,571,043	135,911,626	(3,567,960)	865,809
Surplus / (deficit) for the year		3,561,194	3,561,194	-	-	-
Other Comprehensive Income:						
Financial assets available for sale reserve						
— Fair Value adjustment on Available for Sale Assets	18	553,476	-	-	553,476	-
Net asset revaluation increment(decrement) reversals	28	1,597,978	-	1,597,978	-	-
Transfers between reserves		-	(58,907)	-	-	58,907
<b>Balance at end of the financial year</b>		<b>159,493,166</b>	<b>24,073,330</b>	<b>137,509,604</b>	<b>(3,014,484)</b>	<b>924,716</b>
		Total 2015 \$	Accumulated Surplus 2015 \$	Asset Revaluation Reserve 2015 \$	Fair Value Reserve 2015 \$	Other Reserves 2015 \$
<b>2015</b>						
Balance at beginning of the financial year		148,698,477	15,715,640	135,110,461	(3,826,932)	1,699,308
Surplus / (deficit) for the year		4,021,904	4,021,904	-	-	-
Other Comprehensive Income:						
Financial assets available for sale reserve						
— Fair Value adjustment on Available for Sale Assets	18	258,972	-	-	258,972	-
Net asset revaluation increment(decrement) reversals	28	801,165	-	801,165	-	-
Transfers between reserves		-	833,499	-	-	(833,499)
<b>Balance at end of the financial year</b>		<b>153,780,518</b>	<b>20,571,043</b>	<b>135,911,626</b>	<b>(3,567,960)</b>	<b>865,809</b>

The above statement should be read with the accompanying notes.



## **Introduction**

- (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.

These financial statements are a general purpose financial report that consists of the Statements of Profit and Loss and Other 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 (AASB), and the *Local Government Act 1993 (LGA1993)* (as amended).

## **Note 1 Significant accounting policies**

### **(a) Basis of accounting**

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(f), 1(i), 1(k), 1(o), 1(p), 1(q), 1(v), 1(w), 1(x) and 1(y).

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.

### *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 1(o).

### *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 32.

*Fair value of property, plant & equipment*

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 1(f) and in note 23.

*Investment in water corporation*

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 1(k) and in note 18.

*Landfill / Tip Rehabilitation*

Assumptions and judgements are utilised in determining the present value of future rehabilitation costs. These assumptions are discussed in note 27(b).

**(b) Adoption of new and amended accounting standards**

- (i) *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* (effective from 1 July 2015)

The completion of AASB project to remove Australian guidance on materiality from Australian Accounting Standards with the issue of the final amending standard to effect the withdrawal of AASB 1031 *Materiality*. Guidance on materiality is now located in AASB 101 *Presentation of Financial Statements*.

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

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

**(c) Pending Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

- (i) *AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations* (effective from 1 January 2016)

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

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

This amendment introduces a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. In addition to this, there is limited opportunity for presumption to be overcome and clarifies that revenue-based depreciation for property, plant and

- (iii) AASB 2014-9 *Amendments to Australian Accounting Standards - Equity method in Separate Financial Statements* (effective from 1 January 2016)

Under this amendment, the use of the equity method in separate financial statements in accounting for associates, joint ventures and subsidiaries is allowed.

- (iv) AASB 2015-1 *Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* (effective from 1 January 2016)

Amendments to existing accounting standards, particularly in relation to:

IFRS 5 - guidance on changes in method of disposal;

IFRS 7 - clarifies 'continuing involvement for service contracts and also clarifies offsetting disclosures are not specifically required in interim financial statements, but may be included under general requirements of IAS 34;

IAS 19 - clarifies that discount rates used should be in the same currency as the benefits are to be paid; and

IAS 34 - clarifies that disclosures may be incorporated in the interim financial statements by cross-reference to another part of the interim financial report.

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

The amendment extends the scope of AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities.

- (vi) AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* (effective from 1 July 2016)

The amendment provides relief to not-for-profit public sector entities from certain disclosures about the fair value measurement of property, plant and equipment held for their current service potential rather than to generate net cash inflows that is categorised within Level 3 of the fair value hierarchy.

- (vii) AASB 1057 *Application of Australian Accounting Standards*, AASB 2015-9 *Amendments to Australian Accounting Standards - Scope and Application Paragraphs* (effective from 1 January 2016)

The AASB has reissued most of its Standards (and Interpretations) that incorporate IFRSs to make editorial changes. The editorial changes will enable the AASB to issue Australian versions of IFRS more efficiently. As part of the reissuance, the AASB has moved the application paragraphs that identify the reporting entities and general purpose financial statements to which the pronouncements apply to a new Standard, AASB 1057 *Application of Australian Accounting Standards*. However, the technical application requirements have not been amended.



- (viii) AASB 9 *Financial Instruments* and the relevant amending standards (effective from 1 January 2018)  
AASB 9 is one of a series of amendments that are expected to replace AASB 139 *Financial Instruments: Recognition and Measurement*. The main impact of the standard is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four categories of financial assets in AASB 139 will be replaced with two measurement categories: fair value and amortised cost.
- Amortised cost is to be used for assets with contractual terms giving rise to principal and interest. Fair value is to be used for all other financial assets. Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or an irrevocable election has been made to present in other comprehensive income changes in the fair value of an equity instrument not held for trading.
- 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.
- (ix) AASB 15 *Revenue from Contracts with Customers*, and AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* (effective from 1 January 2018)
- Under the new standard, a single model that applies to contracts with customers and two approaches to recognising revenue, at a point in time or over time is proposed. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.
- The new standard will apply to contracts of not-for-profit entities that are exchange contracts. AASB 1004 *Contributions* will continue to apply to non-exchange transactions until the Income from Transactions of Not-for-Profit Entities project is completed.
- (x) AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, AASB 2015-9 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB10 and AASB 128* (effective 1 January 2018)
- AASB 2014-10 amendments require the full gain or loss to be recognised when the assets transferred meet the definition of a 'business' under AASB 3 *Business Combinations* (whether housed in a subsidiary or not).
- AASB 2015-10: the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Deferring the effective date indefinitely in the Australian jurisdiction may have unintended legal consequences given AASBs are legislative instruments. Accordingly, the AASB has deferred the effective date of the amendments to 1 January 2018.
- (xi) AASB 16 *Leases* (effective from 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.
- (xii) *Disclosure Initiative - Amendments to AASB 107* (effective from 1 January 2017)
- Amendments to AASB 107 will see the introduction of additional disclosures to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as effects of changes in foreign exchange rates and changes in fair values).

**(d) Revenue recognition**

*Rates, grants and contributions*

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. 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 various performance obligations under an agreement are fulfilled.

*Non-monetary contributions*

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

*User fees and Statutory fees and fines*

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

*Sale of property, plant and equipment, infrastructure*

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

*Rent*

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

*Interest*

Interest is recognised progressively as it is earned.

*Dividends*

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

**(e) Expense recognition**

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.

*Employee benefits*

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

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

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major 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	40 years
Plant and Equipment	
plant, machinery and equipment	3-25 years
fixtures, fittings and furniture	2-40 years
computers and telecommunications	5-10 years
Roads	
road pavements and seals	15-60 years
road substructure	60 years
road formation and earthworks	60 years
road kerb, channel and minor culverts	50 years
Bridges	
bridges deck	20-80 years
bridges substructure	20-80 years
Other Infrastructure	
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	5 years



*Repairs and maintenance*

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

*Borrowing Costs*

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

Finance costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts.

**(f) Recognition and measurement of assets**

*Acquisition and Recognition*

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

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

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 note 23. 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 \$
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	cost
Investment in water corporation	fair value

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. Further details regarding the fair value hierarchy are disclosed at Note 34, Financial Instruments.

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.

*Land under roads*

Land under roads is being 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.

**(g) 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.

**(h) 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.

**(i) Financial assets**

Council does not hold any financial assets

**(j) Inventories**

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



**(k) Investments in water corporation**

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 2016, Council held a 2.10% (2015: 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 28).

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.

Council has derived returns from the corporation as disclosed at note 11.

**(l) Investments**

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

**(m) Accounting for investments in associates**

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

**(n) Tender deposits**

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 25).

**Employee benefits**

(o)

(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) *Retirement benefit obligations*

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

*Defined benefit plans*

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

*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.

**(p) 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 Profit and Loss and Other Comprehensive Income over the period of the liability using the effective interest method.

**(q) Leases**

*Finance leases*

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council has no leased assets..

*Operating leases*

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

Lease income from operating leases where Council is a lessor is recognised in income on a straight-line basis over the lease term.

**(r) 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.

**(s) 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.



**(t) 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 Profit and Loss and 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.

**(u) Rounding**

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

**(v) Investment property**

Council does not hold any investment property.

**(w) Financial guarantees**

Council has not issued any financial guarantees.

**(x) Significant Business Activities**

Council is required to report the operating capital and competitive neutrality costs in respect of each significant business activity undertaken by the council. Council has determined, based upon materiality that it does not participate in any significant business activities.

**(y) 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.

**(z) Budget**

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

**Note 2 Functions/Activities of the Council**

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						
2015 - 2016	-	4,366	4,366	498,176	(493,810)	10,368
2014 - 2015	-	10,379	10,379	815,478	(805,099)	50,488
Roads, streets and bridges						
2015 - 2016	3,157,983	2,677,545	5,835,528	5,636,662	198,866	88,116,717
2014 - 2015	2,973,624	2,338,393	5,312,017	4,788,111	523,906	88,668,504
Drainage						
2015 - 2016	-	-	-	462,529	(462,529)	17,493,621
2014 - 2015	-	-	-	355,776	(355,776)	15,100,320
Waste management						
2015 - 2016	-	1,497,774	1,497,774	1,771,801	(274,027)	240,359
2014 - 2015	-	1,401,490	1,401,490	1,698,976	(297,486)	208,393
Environmental health						
2015 - 2016	34,400	114,697	149,097	376,018	(226,921)	220,474
2014 - 2015	59,400	107,118	166,518	363,779	(197,261)	233,459
Planning services						
2015 - 2016	-	232,527	232,527	454,157	(221,630)	12,902
2014 - 2015	-	226,935	226,935	309,974	(83,039)	13,486
Building control						
2015 - 2016	-	203,240	203,240	235,998	(32,758)	26,232
2014 - 2015	-	155,770	155,770	172,232	(16,462)	16,078
Community amenities						
2015 - 2016	-	67,448	67,448	483,094	(415,646)	3,079,348
2014 - 2015	-	61,430	61,430	461,109	(399,679)	3,028,833
Community services						
2015 - 2016	105,573	5,605	111,178	553,340	(442,162)	628,372
2014 - 2015	199,006	(78,732)	120,274	668,912	(548,638)	775,066
Recreation facilities						
2015 - 2016	296,900	882,729	1,179,629	643,920	535,709	8,042,910
2014 - 2015	144,449	32,262	176,711	566,459	(389,748)	6,042,803
Economic development						
2015 - 2016	-	46,636	46,636	295,754	(249,118)	102,967
2014 - 2015	479	64,988	65,467	275,427	(209,960)	70,711
Other - not attributable						
2015 - 2016	602,345	7,395,695	7,998,040	2,352,820	5,645,220	51,739,015
2014 - 2015	1,801,284	7,151,199	8,952,483	2,151,337	6,801,146	49,455,115
<b>Total</b>						
2015 - 2016	4,197,201	13,128,262	17,325,463	13,764,269	3,561,194	169,713,285
2014 - 2015	5,178,242	11,471,232	16,649,474	12,627,570	4,021,904	163,663,256

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

	2016	2015
Current assets	7,690,697	7,993,349
Non-current assets	162,022,588	155,669,907
	<b>169,713,285</b>	<b>163,663,256</b>

(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 of the Child Care Centre, 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 swimming pools, active and passive recreation and recreation centres).

*Economic development*

Maintenance and marketing of tourist facilities, property development and operation of caravan parks.

*Other - not attributable*

Rates and charges and work not attributed elsewhere.



	2016	2015
	\$	\$
<b>Note 3 Rates and charges</b>		
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 2015-2016 was \$66.229 million (2014-2015 \$64.036 million). The 2015-2016 rate in the AAV dollar was 8.23657 cents (2014-2015, 7.897).		
General Rate	6,486,795	5,842,152
Fire Levy	316,551	297,220
Garbage charge	1,018,527	952,233
Wheelie Bin Charges	370,388	343,794
Revenue in advance	728	6,426
<b>Total rates and charges</b>	<b>8,192,989</b>	<b>7,441,825</b>

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.

<b>Note 4 Statutory fees and fines</b>		
Infringements and costs	14,945	21,919
Land information certificates	80,859	73,044
<b>Total statutory fees and fines</b>	<b>95,804</b>	<b>94,963</b>

<b>Note 5 User fees</b>		
Waste and garbage	106,982	104,343
Health food licences/fees	29,326	602
Dog registrations and associated revenue	31,156	36,780
Building and development services	304,762	251,011
Commission received	14,074	13,888
Facility leases and hall hire	126,530	96,287
Private works	19,111	35,434
Other fees and charges	87,323	100,966
<b>Total user fees</b>	<b>719,264</b>	<b>639,311</b>

**Ageing analysis of contractual receivables**

Please refer to note 34 for the ageing analysis of contractual receivables.

<b>Note 6 Grants</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Federally funded grants	2,613,721	4,555,464
State funded grants	1,549,080	588,378
Others	34,400	34,400
<b>Total</b>	<b>4,197,201</b>	<b>5,178,242</b>
<b>Grants - Recurrent</b>		
Financial assistance grant	1,353,584	3,922,729
Facilitation of Break O'Day NRM	34,400	34,400
Learner Driver	8,118	12,991
Delivery of Business Events and Training	50,000	-
26TEN Community Grant for Break O'Day Council	45,455	-
Undertake Roadside Slashing and Roadworks	35,000	-
St Helens Point Road & Tasman Highway Junction Upgrade	680,000	-
Digital Hubs	-	76,719
Business Events and Training	-	50,000
Feasibility Study for Artificial Dive Reef	-	50,000
Whale Trail	-	25,000
Sustainable Tourism Planning for East Coast	-	40,000
Other	2,000	9,774
<b>Total recurrent grants</b>	<b>2,208,557</b>	<b>4,221,613</b>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2014-15 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being below that originally budgeted in 2015-16 by \$1,297,926. This has impacted the Statement of Comprehensive Income resulting in the Surplus being lower in 2015-16 by this amount.

	2016 \$	2015 \$
<b>Capital grants received specifically for new or upgraded assets</b>		
Commonwealth Government - roads to recovery	1,260,137	441,016
Break O'Day Multi-Purpose Indoor Stadium	250,000	50,000
Georges Bay/Pamella Landslide Area	250,000	250,000
Multi-Sport Ablution Facility	38,500	-
Great Eastern Drive Signs	11,607	-
Tourism Funding Program	8,400	-
St Helens Point Road & Tasman Highway Junction Upgrade	170,000	-
Learner Driver	-	10,000
Beauty Bay Landslip Rectification	-	111,164
Old Tasmanian Hotel Upgrade	-	94,449
<b>Total capital grants</b>	<b>1,988,644</b>	<b>956,629</b>
<b>Conditions on grants</b>		
Non-reciprocal grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
St Helens Point Road & Tasman Highway Junction Upgrade		63,871
Georges Bay/Pamella Landslide Area		241,506
Old Tasmanian Hotel Upgrade		87,474
Feasibility Study for Artificial Dive Reef		15,890
Whale Trail		25,000
Georges Bay/Pamella Landslide Area	250,000	
Multi-Sport Ablution Facility	36,265	
26TEN Community Grant for Break O'Day Council	45,454	
<b>Total</b>	<b>331,719</b>	<b>433,741</b>
Non-reciprocal grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Digital hubs		29,895
Break O'Day Multi-Purpose Indoor Stadium Stage 1		450,000
Sustainable Tourism Planning fo East Coast		263,706
Skate Park Lighting		6,000
St Helens Point Road & Tasman Highway Junction Upgrade	63,871	64,679
Trail of the Tin Dragon	135,183	55,455
Georges Bay/Pamella Landslide Area	43,374	
Old Tasmanian Hotel Upgrade	60,758	
Feasibility Study for Artificial Dive Reef	15,890	
Whale Trail	10,770	
<b>Total</b>	<b>329,846</b>	<b>869,735</b>
Net increase (decrease) in non-reciprocal grant revenues for the year:	<b>1,873</b>	<b>(435,994)</b>
<b>Note 7 Contributions</b>		
<b>Cash</b>		
Heavy Vehicle Contribution Fees	38,335	38,335
Parks, open space and streetscapes	3,093	18,778
<b>Total</b>	<b>41,428</b>	<b>57,113</b>
<b>(b) Non-monetary assets</b>		
Bridges	-	2,764,859
Recreation and sports centres	833,000	-
<b>Total</b>	<b>833,000</b>	<b>2,764,859</b>
<b>Total contributions</b>	<b>874,428</b>	<b>2,821,972</b>
<b>Note 8 Interest</b>		
Interest on financial assets	185,009	148,062
Interest and penalties on rates	92,842	103,940
<b>Total</b>	<b>277,851</b>	<b>252,002</b>

		2016	2015
		\$	\$
<b>Note 9</b>	<b>Other income</b>		
	Sale of goods	45,047	60,328
	Employment subsidies	-	11,539
	S137 unclaimed funds	46,337	-
	Reimbursements	40,830	10,047
	Other	3,568	13,060
	<b>Total other income</b>	<b>135,782</b>	<b>94,974</b>
<b>Note 10</b>	<b>Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
	Proceeds of sale	50,030	67,020
	Written down value of assets disposed	(397,345)	(563,997)
	<b>Total</b>	<b>(347,315)</b>	<b>(496,977)</b>
<b>Note 11</b>	<b>Investment revenue from water corporation</b>		
	Dividend revenue received	394,450	429,129
	Tax equivalent received	109,269	144,974
	Guarantee fee received	47,335	49,059
	<b>Total investment revenue from water corporation</b>	<b>551,054</b>	<b>623,162</b>
<b>Note 12</b>	<b>Employee benefits</b>		
	Wages and salaries	3,059,843	2,913,878
	Workers compensation	56,879	51,173
	Annual leave and long service leave	460,331	310,335
	Superannuation	387,145	374,351
	Fringe benefits tax	48,945	30,848
	Staff training, recruitment and conferences	38,672	115,016
	Uniforms and protective clothing	23,284	25,998
	Payroll tax, licences and membership fees	168,418	157,269
		<b>4,243,517</b>	<b>3,978,868</b>
	Less amounts capitalised	(212,166)	(231,987)
	<b>Total employee benefits</b>	<b>4,031,351</b>	<b>3,746,881</b>
<b>Note 13</b>	<b>Materials and services</b>		
	Materials and services	997,053	957,365
	Contract payments	1,513,337	668,706
	Waste Collection Contracts	1,396,685	1,330,836
	Plant and equipment maintenance and hire	111,288	68,362
	Professional and consultants fees	446,875	818,546
	Fuel and lubricants	125,450	143,271
	<b>Total materials and services</b>	<b>4,590,688</b>	<b>3,987,086</b>
<b>Note 14</b>	<b>Impairment of receivables</b>		
	Rates debtors	9,562	36,186
	Other debtors	491	182
	Recoveries of previous bad debts	(41,648)	(29,401)
	<b>Total impairment of receivables</b>	<b>(31,595)</b>	<b>6,967</b>
<b>Note 15</b>	<b>Depreciation and amortisation</b>		
	<i>Property</i>		
	Land improvements	141,260	169,316
	<i>Buildings</i>		
	Buildings	189,294	155,934
	Heritage buildings	166	167
	<i>Plant and Equipment</i>		
	Plant, machinery and equipment	295,759	314,464
	Fixtures, fittings and furniture	207,783	197,128
	<i>Infrastructure</i>		
	Roads	1,958,237	1,955,385
	Bridges	469,975	444,951
	Drainage	328,995	271,443
	<i>Other assets</i>		
	Municipal revaluation	22,400	22,400
	<b>Total depreciation and amortisation</b>	<b>3,613,869</b>	<b>3,531,188</b>



		2016 \$	2015 \$
<b>Note 16</b>	<b>Finance costs</b>		
	Interest - Borrowings	360,589	217,930
	<b>Total finance costs</b>	<b>360,589</b>	<b>217,930</b>
<b>Note 17</b>	<b>Other expenses</b>		
	External auditors' remuneration *	47,510	27,703
	Councillors' allowances and reimbursements	180,033	169,127
	Fire levy	306,884	295,411
	Light and power	213,985	244,407
	Rates discounts and remissions*	180,803	162,140
	Community support and donations	210,734	193,997
	Land tax	35,709	35,640
	Other	23,709	9,093
	<b>Total other expenses</b>	<b>1,199,367</b>	<b>1,137,518</b>
*The external auditors remuneration for 2015-16 is \$25,580 and for 2014-15 was \$25,460. The balance relates to an under accrual in 2014-15 together with work performed on grant acquittals.			
<b>Note 18</b>	<b>Investment in water corporation</b>		
	Opening Balance	32,515,476	32,256,504
	Fair Value adjustments on Available-for-Sale Assets	553,476	258,972
	<b>Total investment in water corporation</b>	<b>33,068,952</b>	<b>32,515,476</b>
Council has derived returns from the water corporation as disclosed at note 11.			
<b>Note 19</b>	<b>Cash and cash equivalents</b>		
	Cash on hand	2,650	2,450
	Cash at bank	355,413	1,488,964
	Cash on deposit	6,675,152	5,792,411
	Committee accounts	37,578	25,117
	<b>Total cash and cash equivalents</b>	<b>7,070,793</b>	<b>7,308,942</b>
Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:			
	- Trust funds and deposits (note 25 )	274,737	367,424
	- Leave provisions (note 27)	967,735	739,546
	<b>Restricted funds</b>	<b>1,242,472</b>	<b>1,106,970</b>
	<b>Total unrestricted cash and cash equivalents</b>	<b>5,828,321</b>	<b>6,201,972</b>
<b>Note 20</b>	<b>Trade and other receivables</b>		
	<b>Current</b>		
	Rates debtors	391,784	342,104
	Other debtors	76,195	219,329
	Provision for impairment	(65,935)	(97,644)
	<b>Total</b>	<b>402,044</b>	<b>463,789</b>
	<b>Non-current</b>		
	Loans and advances to community organisations	14,392	1,890
	<b>Total</b>	<b>14,392</b>	<b>1,890</b>
	<b>Total trade and other receivables</b>	<b>416,436</b>	<b>465,679</b>
<b>Note 21</b>	<b>Inventories</b>		
	Inventories held for consumption	143,849	106,784
	<b>Total inventories</b>	<b>143,849</b>	<b>106,784</b>
<b>Note 22</b>	<b>Other assets</b>		
	<b>Current</b>		
	Prepayments	21,848	65,372
	Accrued income*	29,763	46,572
	Municipal revaluation	22,400	22,400
	<b>Total</b>	<b>74,011</b>	<b>134,344</b>
	<b>Non-current</b>		
	Municipal revaluation	28,000	50,400
	<b>Total</b>	<b>28,000</b>	<b>50,400</b>

2016	2015
\$	\$

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

**Note 23 Property, infrastructure, plant and equipment**

	2016	2015
	\$	\$
<b>Summary</b>		
at cost	12,408,748	14,044,828
Less accumulated depreciation	6,220,244	6,408,370
	<u>6,188,504</u>	<u>7,636,458</u>
at fair value as at 30 June	180,074,482	169,537,400
Less accumulated depreciation	57,351,742	54,092,227
	<u>122,722,740</u>	<u>115,445,173</u>
<b>Total</b>	<u>128,911,244</u>	<u>123,081,631</u>
<b>Property</b>		
<b>Land</b>		
at fair value at 30 June 2014	5,612,969	5,427,269
	<u>5,612,969</u>	<u>5,427,269</u>
<b>Land under roads</b>		
at Council valuation at 30 June	2,628,405	-
	<u>2,628,405</u>	<u>-</u>
Council recognised the value of land under roads it controls at fair value for the first time at 30 June 2016		
<b>Land improvements</b>		
at cost	4,061,430	4,900,849
Less accumulated depreciation	1,998,724	2,477,666
	<u>2,062,706</u>	<u>2,423,183</u>
<b>Total Land</b>	<u>10,304,080</u>	<u>7,850,452</u>
<b>Buildings</b>		
at fair value at 30 June 2014	9,352,269	6,540,861
Less accumulated depreciation	496,272	306,978
	<u>8,855,997</u>	<u>6,233,883</u>
<b>Heritage buildings</b>		
at fair value at 30 June 2014	16,663	16,663
Less accumulated depreciation	1,632	1,466
	<u>15,031</u>	<u>15,197</u>
<b>Total Buildings</b>	<u>8,871,028</u>	<u>6,249,080</u>
<b>Total Property</b>	<u>19,175,108</u>	<u>14,099,532</u>



Note 23 <i>Property, infrastructure, plant and equipment (cont.)</i>	2016 \$'000	2015 \$'000
<i>Plant and Equipment</i>		
<i>Plant, machinery and equipment</i>		
at cost	3,822,007	3,841,335
Less accumulated depreciation	2,835,420	2,659,831
	<u>986,587</u>	<u>1,181,504</u>
<i>Fixtures, fittings and furniture</i>		
at cost	1,965,812	1,998,774
Less accumulated depreciation	1,386,100	1,270,873
	<u>579,712</u>	<u>727,901</u>
<i>Total Plant and Equipment</i>	<u>1,566,299</u>	<u>1,909,405</u>
<i>Infrastructure</i>		
<i>Roads</i>		
at fair value at 30 June 2014	108,571,830	108,197,003
Less accumulated depreciation	38,525,082	36,897,795
	<u>70,046,748</u>	<u>71,299,208</u>
<i>Bridges</i>		
at fair value at 30 June 2016	27,080,992	26,552,280
Less accumulated depreciation	9,011,023	9,182,984
	<u>18,069,969</u>	<u>17,369,296</u>
<i>Drainage</i>		
at fair value at 1 July 2015	26,811,354	22,803,324
Less accumulated depreciation	9,317,733	7,703,004
	<u>17,493,621</u>	<u>15,100,320</u>
<i>Total Infrastructure</i>	<u>105,610,338</u>	<u>103,768,824</u>
<i>Works in progress</i>		
Buildings at cost	662,927	1,449,575
Roads at cost	838,741	881,228
Land improvements at cost	593,484	192,675
Drainage	6,179	-
Bridges	456,417	778,641
Fixtures, fittings and furniture	1,751	1,751
<i>Total Works in progress</i>	<u>2,559,499</u>	<u>3,303,870</u>
<i>Total property, infrastructure, plant and equipment</i>	<u>128,911,244</u>	<u>123,081,631</u>

Note 23 Property, infrastructure, plant and equipment (cont.)

Reconciliation of property, infrastructure, plant and equipment

2016	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 15)	Written down value of disposals	Transfers	WIP transferred to expense	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Property</b>								
land	5,427,269	185,700	-	-	-	-	-	5,612,969
land under roads	-	2,628,405	-	-	-	-	-	2,628,405
land improvements	2,423,183	11,607	-	141,260	1,018	(229,806)	-	2,062,706
Total land	7,850,452	2,825,712	-	141,260	1,018	(229,806)	-	10,304,080
buildings	6,233,883	864,112	-	189,294	-	1,947,296	-	8,855,997
heritage buildings	15,197	-	-	166	-	-	-	15,031
Total buildings	6,249,080	864,112	-	189,460	-	1,947,296	-	8,871,028
Total property	14,099,532	3,689,824	-	330,720	1,018	1,717,490	-	19,175,108
<b>Plant and Equipment</b>								
plant, machinery and equipment	1,181,504	106,719	-	295,759	5,877	-	-	986,587
fixtures, fittings and furniture	727,901	59,594	-	207,783	-	-	-	579,712
Total plant and equipment	1,909,405	166,313	-	503,542	5,877	-	-	1,566,299
<b>Infrastructure</b>								
roads	71,299,208	-	(260,916)	1,958,237	298,447	1,265,140	-	70,046,748
bridges	17,369,296	-	32,869	469,975	92,003	1,229,782	-	18,069,969
drainage	15,100,320	-	1,826,025	328,995	-	896,271	-	17,493,621
Total infrastructure	103,768,824	-	1,597,978	2,757,207	390,450	3,391,193	-	105,610,338
<b>Works in progress</b>								
buildings	1,449,575	1,161,108	-	-	-	(1,947,296)	(460)	662,927
roads	881,228	1,536,882	-	-	-	(1,523,635)	(55,734)	838,741
land improvements	192,675	577,367	-	-	-	(168,568)	(7,990)	593,484
fixtures, fittings and furniture	1,751	-	-	-	-	-	-	1,751
drainage	-	245,581	-	-	-	(239,402)	-	6,179
bridges	778,641	947,802	-	-	-	(1,229,782)	(40,244)	456,417
Total works in progress	3,303,870	4,468,740	-	-	-	(5,108,683)	(104,428)	2,559,499
<b>Total property, plant and equipment, infrastructure</b>	<b>123,081,631</b>	<b>8,324,877</b>	<b>1,597,978</b>	<b>3,591,469</b>	<b>397,345</b>	<b>-</b>	<b>(104,428)</b>	<b>128,911,244</b>

(a) Impairment losses

Impairment losses are recognised in the Statement of profit or loss and other comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of profit or loss and other comprehensive income under other revenue.

Note 23 *Property, infrastructure, plant and equipment (cont.)*

Reconciliation of property, infrastructure, plant and equipment

2015	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 15)	Written down value of disposals	Transfers from work in progress	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
<b>Property</b>							
land	5,427,269	-	-	-	-	-	5,427,269
land improvements	2,242,261	-	-	169,316	1,205	351,443	2,423,183
Total land	7,669,530	-	-	169,316	1,205	351,443	7,850,452
buildings	6,186,085	-	-	155,934	98,895	302,627	6,233,883
heritage buildings	15,364	-	-	167	-	-	15,197
Total buildings	6,201,449	-	-	156,101	98,895	302,627	6,249,080
Total property	13,870,979	-	-	325,417	100,100	654,070	14,099,532
<b>Plant and Equipment</b>							
plant, machinery and equipment	1,123,681	384,425	-	314,464	12,138	-	1,181,504
fixtures, fittings and furniture	823,741	95,906	-	197,128	-	5,382	727,901
Total plant and equipment	1,947,422	480,331	-	511,592	12,138	5,382	1,909,405
<b>Infrastructure</b>							
roads	72,282,579	-	-	1,955,385	295,768	1,267,782	71,299,208
bridges	11,065,772	2,764,859	801,166	444,951	155,991	3,338,441	17,369,296
drainage	12,614,021	-	-	271,443	-	2,757,742	15,100,320
Total infrastructure	95,962,372	2,764,859	801,166	2,671,779	451,759	7,363,965	103,768,824
<b>Works in progress</b>							
buildings	239,305	1,512,897	-	-	-	(302,627)	1,449,575
roads	891,222	1,257,788	-	-	-	(1,267,782)	881,228
land improvements	199,620	344,498	-	-	-	(351,443)	192,675
fixtures, fittings and furniture	-	7,133	-	-	-	(5,382)	1,751
drainage	561,418	2,196,324	-	-	-	(2,757,742)	-
bridges	1,003,250	3,113,832	-	-	-	(3,338,441)	778,641
Total works in progress	2,894,815	8,432,472	-	-	-	(8,023,417)	3,303,870
<b>Total property, plant and equipment, infrastructure</b>	<b>114,675,588</b>	<b>11,677,662</b>	<b>801,166</b>	<b>3,508,788</b>	<b>563,997</b>	<b>-</b>	<b>123,081,631</b>

(a) *Impairment losses*

Impairment losses are recognised in the Statement of profit or loss and other comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of profit or loss and other comprehensive income under other revenue.



	2016 \$	2015 \$
<b>Note 24 Trade and other payables</b>		
Trade payables	559,396	555,862
Net GST payable	2,423	-
Accrued expenses	153,025	188,727
<b>Total trade and other payables</b>	<b>714,844</b>	<b>744,589</b>
<b>Note 25 Trust funds and deposits</b>		
Refundable building deposits	42,000	40,500
Section 137 seizures	157,533	208,550
Refundable civic facilities deposits	5,515	4,855
Retention amounts	67,501	109,363
Other refundable deposits	2,188	4,156
<b>Total trust funds and deposits</b>	<b>274,737</b>	<b>367,424</b>
<b>Note 26 Interest-bearing loans and borrowings</b>		
<b>Current</b>		
Borrowings - secured	298,900	268,376
<b>Non-current</b>		
Borrowings - secured	7,963,903	7,762,803
<b>Total</b>	<b>8,262,803</b>	<b>8,031,179</b>
Borrowings are secured over Council's rates revenue.		
The maturity profile for Council's borrowings is:		
Not later than one year	298,900	268,376
Later than one year and not later than five years	1,335,785	1,201,755
Later than five years	6,628,118	6,561,048
<b>Total</b>	<b>8,262,803</b>	<b>8,031,179</b>

Note 27 Provisions

	Annual leave & RDO's	Long service leave	Landfill restoration	Employee entitlement on-costs	Total
<b>2016</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at beginning of the financial year	328,321	275,875	91,069	44,281	739,546
Additional provisions	256,823	183,553	24,306	39,073	503,755
Amounts used	(228,736)	(22,284)	-	(24,546)	(275,566)
Balance at the end of the financial year	<u>356,408</u>	<u>437,144</u>	<u>115,375</u>	<u>58,808</u>	<u>967,735</u>
<b>2015</b>					
Balance at beginning of the financial year	321,002	237,895	88,415	44,153	691,465
Additional provisions	259,811	51,113	2,654	18,545	332,123
Amounts used	(252,492)	(13,133)	-	(18,417)	(284,042)
Balance at the end of the financial year	<u>328,321</u>	<u>275,875</u>	<u>91,069</u>	<u>44,281</u>	<u>739,546</u>
				<b>2016</b>	<b>2015</b>
<b>(a) Employee benefits and oncosts</b>				<b>\$'000</b>	<b>\$'000</b>
<b>(i) Current</b>					
Annual leave				356,408	328,321
Long service leave				188,964	108,409
Employee entitlement on-costs				39,450	31,219
				<u>584,822</u>	<u>467,949</u>
<b>(ii) Non-current</b>					
Long service leave				248,180	167,466
Employee entitlement on-costs				19,358	13,062
Landfill restoration				115,375	91,069
				<u>382,913</u>	<u>271,597</u>
Aggregate carrying amount of employee benefits:					
Current				584,822	467,949
Non-current				382,913	271,597
				<u>967,735</u>	<u>739,546</u>
The following assumptions were adopted in measuring the present value of employee benefits:					
Weighted average increase in employee costs				6.65%	-1.26%
Weighted average discount rates				1.65%	2.24%
Weighted average settlement period				10	10
<b>(i) Current</b>					
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				356,408	328,321
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value				188,964	108,409
				<u>545,372</u>	<u>436,730</u>
<b>(ii) Non-current</b>					
Long service leave representing less than 10 years of continuous service measured at present value				248,180	167,466
				<u>248,180</u>	<u>167,466</u>
<b>(iii) Employee Numbers</b>				52	50

**(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 28 Reserves

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
	\$	\$	\$	\$
<b>(a) Asset revaluation reserve</b>				
<b>2016</b>				
<b>Property</b>				
Land	1,055,481	-	-	1,055,481
Land improvements	16,273	-	-	16,273
Buildings	267,016	-	-	267,016
	<u>1,338,770</u>	<u>-</u>	<u>-</u>	<u>1,338,770</u>
<b>Infrastructure</b>				
Roads	122,847,572	-	(260,916)	122,586,656
Bridges	1,165,784	32,869	-	1,198,653
Drainage	10,559,500	1,826,025	-	12,385,525
	<u>134,572,856</u>	<u>1,858,894</u>	<u>(260,916)</u>	<u>136,170,834</u>
<b>Total asset revaluation reserve</b>	<u>135,911,626</u>	<u>1,858,894</u>	<u>(260,916)</u>	<u>137,509,604</u>

<b>2015</b>				
<b>Property</b>				
Land	1,055,481	-	-	1,055,481
Land improvements	16,273	-	-	16,273
Buildings	267,016	-	-	267,016
	<u>1,338,770</u>	<u>-</u>	<u>-</u>	<u>1,338,770</u>
<b>Infrastructure</b>				
Roads	122,847,572	-	-	122,847,572
Bridges	364,619	801,165	-	1,165,784
Drainage	10,559,500	-	-	10,559,500
	<u>133,771,691</u>	<u>801,165</u>	<u>-</u>	<u>134,572,856</u>
<b>Total asset revaluation reserve</b>	<u>135,110,461</u>	<u>801,165</u>	<u>-</u>	<u>135,911,626</u>

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>(b) Fair value reserve</b>				
<b>2016</b>				
<b>Available-for-sale assets</b>				
Investment in water corporation	(3,567,960)	553,476	-	(3,014,484)
<b>Total fair value reserve</b>	<u>(3,567,960)</u>	<u>553,476</u>	<u>-</u>	<u>(3,014,484)</u>

<b>2015</b>				
<b>Available-for-sale assets</b>				
Investment in water corporation	(3,826,932)	258,972	-	(3,567,960)
<b>Total fair value reserve</b>	<u>(3,826,932)</u>	<u>258,972</u>	<u>-</u>	<u>(3,567,960)</u>

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



	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
(c) Other reserves	\$	\$	\$	\$
<b>2016</b>				
Facilities and properties	347,172	2,229	-	349,401
Other Reserves	518,637	56,678	-	575,315
<b>Total Other reserves</b>	<b>865,809</b>	<b>58,907</b>	<b>-</b>	<b>924,716</b>

<b>2015</b>				
Facilities and properties	411,562	3,750	(68,140)	347,172
Other Reserves	1,287,746	-	(769,109)	518,637
<b>Total Other reserves</b>	<b>1,699,308</b>	<b>3,750</b>	<b>(837,249)</b>	<b>865,809</b>

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

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.

	2016 \$	2015 \$
<b>Total Reserves</b>	<b>135,419,836</b>	<b>133,209,475</b>

**Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)**

Surplus/(Deficit)	3,561,194	4,021,904
Depreciation/amortisation	3,613,869	3,531,188
(Profit)/loss on disposal of property, plant and equipment, infrastructure	347,315	496,977
Contributions non-monetary	(833,000)	(2,764,859)
Recognition of assets	(2,628,405)	-
Capital grants received specifically for new or upgraded assets	(1,988,644)	(956,629)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	61,745	437,713
Decrease/(increase) in other assets	164,761	(29,173)
Decrease/(increase) in inventories	(37,065)	34,584
Increase/(decrease) in trade and other payables	(29,745)	(389,408)
Increase/(decrease) in provisions	228,189	48,081
Increase/(decrease) in other liabilities	(92,687)	235,903
<b>Net cash provided by/(used in) operating activities</b>	<b>2,367,527</b>	<b>4,666,281</b>

**Note 30 Reconciliation of cash and cash equivalents**

Cash and cash equivalents (see note 19)	7,070,793	7,308,942
<b>Total reconciliation of cash and cash equivalents</b>	<b>7,070,793</b>	<b>7,308,942</b>

**Note 31 Financing arrangements**

Credit Card	30,000	30,000
Used facilities	8,162	5,116
<b>Unused facilities</b>	<b>21,838</b>	<b>24,884</b>
Security Deposit Guarantee	100,000	100,000
Used Facility	91,000	90,500
<b>Unused facilities</b>	<b>9,000</b>	<b>9,500</b>

**Note 32 Superannuation**

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. 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 and accordingly no asset or liability is recognised in these accounts in respect of the scheme.

For the year ended 30 June 2016 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, Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2014. The review disclosed that at that time the net market value of assets available for funding member benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000, the value of total accrued benefits was \$58,093,000, and the number of members was 187.

The actuarial review concluded that, 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.

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 next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$10,000, and the amount to be paid to accumulation schemes is \$402,000.

As at 30 June 2015 the Fund had 164 members and the total employer contributions and member contributions for the year ending 30 June 2015 were \$2,083,883 and \$325,833 respectively.

Council adopted reduced disclosure in relation to the Fund based on an assessment that the impact of non-disclosure is insignificant to users of the accounts. The assessment was based on the number of Council employees that are member of the Fund (one) and Council's contributions to the Fund (as noted above) in comparison to both the Fund's total members and contributions and Council's total employee numbers and superannuation contributions. In addition, the Fund is currently in surplus. If the Fund's position changes, the need for increased disclosure will be considered.

	2016 \$	2015 \$
<b>Fund</b>		
<b>Defined benefits fund</b>		
Employer contributions to Tasplan	12,345	12,047
	<u>12,345</u>	<u>12,047</u>
<b>Accumulation funds</b>		
Employer contributions to super funds	374,886	362,457
	<u>374,886</u>	<u>362,457</u>

**Note 33 Commitments**

**Contractual commitments**

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

Waste transfer stations	4,445,722	1,300,000
Youth service provision	-	40,200
Cleaning contracts for council buildings	376,202	240,000
<b>Total contractual commitments</b>	<b><u>4,821,924</u></b>	<b><u>1,580,200</u></b>

**Capital expenditure commitments**

Buildings	-	351,189
Roads	-	1,221,828
Bridges	365,625	672,894
	<u>365,625</u>	<u>2,245,911</u>

Note 34 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial assets</b>			
Cash and cash equivalents	19	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 1.05% on call and 2.83% term deposits (1.40% and 2.58% 2014/15).
<b>Trade and other receivables</b>			
Other debtors	20	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% 2014/15). Credit terms are based on 30 days.
<b>Available for sale financial assets</b>			
Investment in Water Corporation	18	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 1.69% (1.93% 2014-2015) excluding unrealised gains/losses
<b>Financial Liabilities</b>			
Trade and other payables	24	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	26	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 4.43% (4.51% in 2014/15).
Bank overdraft	19	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 2015-2016



Note 34 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:

2016

	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 \$		
<b>Financial assets</b>							
Cash and cash equivalents	2.83%	2,039,664	5,028,479	-	-	2,650	7,070,793
Trade and other receivables		-	-	-	-	416,436	416,436
Investment in water corporation		-	-	-	-	33,068,952	33,068,952
<b>Total financial assets</b>		<b>2,039,664</b>	<b>5,028,479</b>	<b>-</b>	<b>-</b>	<b>33,488,038</b>	<b>40,556,181</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	714,844	714,844
Trust funds and deposits		-	-	-	-	274,737	274,737
Interest-bearing loans and borrowings	4.43%	-	298,900	1,335,785	6,628,118	-	8,262,803
<b>Total financial liabilities</b>		<b>-</b>	<b>298,900</b>	<b>1,335,785</b>	<b>6,628,118</b>	<b>989,581</b>	<b>9,252,384</b>
<b>Net financial assets (liabilities)</b>		<b>2,039,664</b>	<b>4,729,579</b>	<b>(1,335,785)</b>	<b>(6,628,118)</b>	<b>32,498,457</b>	<b>31,303,797</b>

2015

	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 \$		
<b>Financial assets</b>							
Cash and cash equivalents	2.58%	2,798,690	4,507,802	-	-	2,450	7,308,942
Trade and other receivables		-	-	-	-	465,679	465,679
Investment in water corporation		-	-	-	-	32,515,476	32,515,476
<b>Total financial assets</b>		<b>2,798,690</b>	<b>4,507,802</b>	<b>-</b>	<b>-</b>	<b>32,983,605</b>	<b>40,290,097</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	744,589	744,589
Trust funds and deposits		-	-	-	-	367,424	367,424
Interest-bearing loans and borrowings	4.51%	-	268,376	1,201,755	6,561,047	-	8,031,179
<b>Total financial liabilities</b>		<b>-</b>	<b>268,376</b>	<b>1,201,755</b>	<b>6,561,047</b>	<b>1,112,013</b>	<b>9,143,192</b>
<b>Net financial assets (liabilities)</b>		<b>2,798,690</b>	<b>4,239,426</b>	<b>(1,201,755)</b>	<b>(6,561,047)</b>	<b>31,871,592</b>	<b>31,146,905</b>

Note 34 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	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	7,070,793	7,308,942	7,070,793	7,308,942
Trade and other receivables	416,436	465,679	416,436	465,679
Investment in water corporation	33,068,952	32,515,476	33,068,952	32,515,476
<b>Total financial assets</b>	<b>40,556,181</b>	<b>40,290,097</b>	<b>40,556,181</b>	<b>40,290,097</b>
<b>Financial liabilities</b>				
Trade and other payables	714,844	744,589	714,844	744,589
Trust funds and deposits	274,737	367,424	274,737	367,424
Interest-bearing loans and borrowings	8,262,803	8,031,179	9,018,889	8,031,179
<b>Total financial liabilities</b>	<b>9,252,384</b>	<b>9,143,192</b>	<b>10,008,470</b>	<b>9,143,192</b>

(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.

#### 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	2016 \$	2015 \$
Balance at the beginning of the year	(97,644)	(115,893)
New/used Provisions recognised during the year	(15,498)	(19,545)
Amounts already provided for and written off as uncollectible	5,445	8,393
Amounts provided for but recovered during the year	41,648	29,401
Balance at end of year	(65,935)	(97,644)

#### 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:

	2016 \$	2015 \$
Current (not yet due)	52,197	125,018
Past due by up to 30 days	236,860	206,867
Past due between 31 and 180 days	2,137	7,376
Past due between 181 and 365 days	52,062	48,114
Past due by more than 1 year	73,180	78,304
Total Trade & Other Receivables	416,436	465,679

#### 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.



The table below lists the contractual maturities for Financial Liabilities

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

2016	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	714,844	-	-	-	-	714,844	714,844
Trust funds and deposits	274,737	-	-	-	-	274,737	274,737
Interest-bearing loans and borrowings	147,813	151,087	312,292	1,023,493	6,628,118	8,262,803	8,262,803
<b>Total financial liabilities</b>	<b>1,137,394</b>	<b>151,087</b>	<b>312,292</b>	<b>1,023,493</b>	<b>6,628,118</b>	<b>9,252,384</b>	<b>9,252,384</b>

2015	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	744,589	-	-	-	-	744,589	744,589
Trust funds and deposits	367,424	-	-	-	-	367,424	367,424
Interest-bearing loans and borrowings	132,692	135,684	280,621	921,135	6,561,047	8,031,179	8,031,179
<b>Total financial liabilities</b>	<b>1,244,705</b>	<b>135,684</b>	<b>280,621</b>	<b>921,135</b>	<b>6,561,047</b>	<b>9,143,192</b>	<b>9,143,192</b>

(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
2016		\$	\$	\$	\$
<b>Financial assets:</b>					
Cash and cash equivalents	7,070,793	(141,416)	(141,416)	70,708	70,708
Trade and other receivables	416,436	(8,329)	(8,329)	4,164	4,164
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	8,262,803	165,256	165,256	(82,628)	(82,628)

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2015		\$	\$	\$	\$
<b>Financial assets:</b>					
Cash and cash equivalents	7,308,942	(146,179)	(146,179)	73,089	73,089
Trade and other receivables	465,679	(9,314)	(9,314)	4,657	4,657
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	8,031,179	160,624	160,624	(80,312)	(80,312)

**Note 35 Events occurring after balance date**

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

**Note 36 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:

<b>Councillors</b>	Councillor Mick Tucker Councillor John McGivern Councillor Hannah Rubenach Councillor Margaret Osborne Councillor Glen McGuinness Councillor John Tucker Councillor Janet Drummond Councillor Barry LeFevre Councillor Kylie Wright
<b>General Manager</b>	John Brown
<b>Senior Managers</b>	Bob Hoogland Christina Hughes Jake Ihnen Stephen Yam Paula Kloosterman

	2016 \$	2015 \$
(ii) Total Remuneration for the reporting year for Councillors' Emoluments and reimbursements included above amounted to:	180,033	169,127
Total Remuneration for the reporting year for senior management positions included above amounted to:	768,899	788,611
(iii) In accordance with s84(2)(b) of the <i>Local Government Act 1993</i> , 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 37 Special committees and other activities**

	2016 \$	2015 \$
<b>Pyengana Ground and Hall Committee</b>		
Opening balance cash on hand	25,117	21,911
Receipts	14,357	5,257
Less payments	(1,896)	(2,051)
Closing balance - cash on hand	<u>37,578</u>	<u>25,117</u>



Note 38	Management indicators	Benchmark	2016 \$	2015 \$	2014 \$	2013 \$
(a)	<b>Underlying surplus or deficit</b>					
	Recurrent income* less		13,520,655	12,181,919	12,274,000	10,882,000
	recurrent expenditure		14,111,584	13,124,547	12,196,230	12,406,000
	Underlying surplus/deficit	0	(590,929)	(942,628)	77,770	(1,524,000)
	* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.					
(b)	<b>Underlying surplus ratio</b>					
	<u>Underlying surplus or deficit</u>		(590,929)	(942,628)	77,770	(1,524,000)
	Recurrent income*		13,520,655	12,181,919	12,274,000	10,882,000
	Underlying surplus ratio %	0%	-4.4%	-7.7%	0.6%	-14.0%
	This ratio serves as an overall measure of financial operating effectiveness.					
(c)	<b>Net financial liabilities</b>					
	Liquid assets less		7,472,837	7,772,731	7,665,937	6,070,000
	total liabilities		10,220,119	9,882,738	6,218,891	3,199,000
	Net financial liabilities	0	(2,747,282)	(2,110,007)	1,447,046	2,871,000
	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)	<b>Net financial liabilities ratio</b>					
	<u>Net financial liabilities</u>		(2,747,282)	(2,110,007)	1,447,046	2,871,000
	Recurrent income*		13,520,655	12,181,919	12,274,000	10,882,000
	Net financial liabilities ratio %	0% - (50%)	-20.3%	-17.3%	11.8%	26.4%
	This ratio indicates the net financial obligations of Council compared to its recurrent income.					
(e)	<b>Asset consumption ratio</b>					
	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>		88,116,717	88,668,504	83,348,351	80,177,080
	Current replacement cost		135,652,822	134,749,283	130,228,512	125,625,455
	Asset consumption ratio %		65%	66%	64%	64%
	<i>Buildings</i>					
	<u>Depreciated replacement cost</u>		8,855,997	6,233,883		
	Current replacement cost		9,352,269	6,540,861		
	Asset consumption ratio %		95%	95%		
	<i>Drainage</i>					
	<u>Depreciated replacement cost</u>		17,493,621	15,100,320	12,614,021	12,381,550
	Current replacement cost		26,811,354	22,803,324	20,045,582	19,547,890
	Asset consumption ratio %		65%	66%	63%	63%
	This ratio indicates the level of service potential available in Council's existing asset base.					

Note 38 Management indicators (cont.)

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 is to be adopted in August 2016.

*Transport Infrastructure*

Projected capital funding outlays**		2,049,000
Projected capital expenditure funding***		1,937,000
Asset renewal funding ratio %	90-100%	106%

*Buildings*

Projected capital funding outlays**		192,000
Projected capital expenditure funding***		230,000
Asset renewal funding ratio %	90-100%	83%

*Drainage*

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

Capex on replacement/renewal of existing assets		2,799,848	4,770,601	3,471,761	3,272,248
Annual depreciation expense		3,613,869	3,531,188	3,397,998	3,361,372
Asset sustainability ratio %	100%	77%	135%	102%	97%

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	-	185,700	185,700
Land improvements	151,957	437,017	588,974
Buildings	176,055	1,016,167	1,192,222
Plant, machinery and equipment	91,163	15,555	106,718
Fixtures, fittings and furniture	58,194	1,400	59,594
Roads	1,374,677	162,204	1,536,881
Bridges	947,802	-	947,802
Drainage	-	245,581	245,581
<b>Total</b>	<b>2,799,848</b>	<b>2,063,624</b>	<b>4,863,472</b>

**Note 39 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 2016.

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 2016**

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
Land	23	-	5,612,969	-	5,612,969
Land improvements	23	-	-	2,062,706	2,062,706
Land under roads	23	-	2,628,405	-	2,628,405
Buildings	23	-	8,871,028	-	8,871,028
Roads, including footpaths & cycleways	23	-	-	70,046,748	70,046,748
Bridges	23	-	-	18,069,969	18,069,969
Drainage	23	-	-	17,493,621	17,493,621
		-	17,112,402	107,673,044	124,785,446

**As at 30 June 2015**

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
Land	23	-	5,427,269	-	5,427,269
Land improvements	23	-	-	2,242,261	2,242,261
Buildings	23	-	6,249,080	-	6,249,080
Roads, including footpaths & cycleways	23	-	-	71,299,208	71,299,208
Bridges	23	-	-	17,369,296	17,369,296
Drainage	23	-	-	15,100,320	15,100,320
		-	11,676,349	106,011,085	117,687,434

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 18 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. There was no material movement to June 2015.

**Land under roads**

Land under roads is being 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.



Note 39 Fair Value Measurements (cont.)

**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. There was no material movement to June 2015.

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 30 June 2014 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. There has been no material movement in the unit rate to June 2016.

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 2016. 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 39 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	\$ 70,046,748	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 1e	The longer the useful life, the higher the fair value
Bridges	\$ 18,069,969	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Drainage	\$ 17,493,621	Useful life	Refer Note 1e	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 1(f), 1(k) and 1(w) 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 profit or loss when incurred. The fair value of borrowings disclosed in note 34 is provided by Tascorp (level 2). OR The fair value of borrowings disclosed in note 34 equates to the carrying amount as the carrying amount approximates fair value (level 2).

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

### **Certification of the Financial Report**

The financial report presents fairly the financial position of the Break O'Day Council as at 30 June 2016, 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 : 12 August 2016**