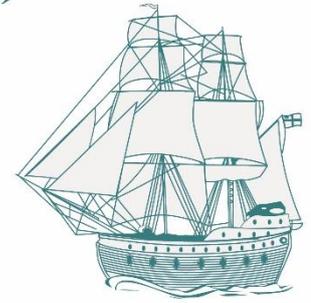


# ANNUAL REPORT 2017/18



TASMAN COUNCIL



*'Of Natural Escape'*

## ABOUT TASMAN

The Tasman municipality is located on Tasmania's picturesque southeast coast approximately 90 minutes from Hobart. As in many rural communities, Tasman's population is dispersed with the majority of people centered in and around the township of Nubeena and the localities of White Beach, Highcroft, Port Arthur, Premaydena, Saltwater River, Koonya, Taranna, Eaglehawk Neck and Murdunna. The municipal area covers approximately 659.3 square kilometres. Practically an island, the diversity and abundance of wildlife and plant life is remarkable.

The population is relatively stable at approximately 2400 swelling to between 8,000 and 9,000 as a result of tourists and visitors particularly during the summer months who come to enjoy beaches, bush walking and fishing as well as many other tourist attractions. The World Heritage listed Port Arthur and Coal Mines Historic Sites attracted 336,000 visitors in 2017/2018.

Tasman strives to be a welcoming community with an unbeatable quality of life which boasts a number of boating and sporting clubs with tourism services catering for all ages and interests. Tasman is also proving to be an attractive area for property developers, people seeking a 'sea change' and retirees looking for a quieter lifestyle.

The Tasman Peninsula was formally a bustling industrial zone fuelled by convict labor. In the era between convict settlement and the introduction of the modern tourist industry the area was mostly engaged in timber and fishing.

The Tasman Peninsula is renowned for its rugged coastlines which have been the scene of a number of shipwrecks. At Eaglehawk Neck there are many remarkable rock formations, including The Devils Kitchen, Tasmans Arch, Blow Hole and the Tessellated Pavements. Tasman has some of the world's best surf spots at Eaglehawk Neck, Roaring Beach and the world renowned Shipstern's Bluff.

An extremely scenic part of Tasmania that is dominated by rolling pastures, heavily timbered hills and surrounded by a dramatic coastline of sheer cliffs, towering rocky outcrops, sheltered bays and sea caves.

Walking tracks and kayaks give access to the area's most isolated and spectacular areas.

## COUNCIL'S VISION 2015-2025

- Make Tasman an inspirational place to live and visit.
- Improve cultural and recreational opportunities for everyone.
- Maximise the attributes of the region.
- Provide the opportunity for sustainable growth.
- Ensure growth and development is done in balance with the natural and built environment, community and lifestyle expectations.
- Diversify and increase our revenue base.
- Increase the working population.
- Increase and facilitate the opportunities for local employment.
- Provide for the ageing population.
- Turn our part time residents into full time residents.
- Strategically integrate our online presence with improved communication accessibility.

## KEY FOCUS AREAS 2015-2025

- Develop productive advocacy, alliance and engagement partnerships.
- Continue to develop and maintain supportive relationships with the community.
- Manage the opportunities and challenges associated with increased visitation to the area.
- Strive for a balance between development, environment and lifestyle and retain natural, heritage and social values.
- Identify funding needs and revenue opportunities.

## INVITATION FOR SUBMISSIONS

Members of the community are invited to make submissions on the Draft Annual Report for discussion at Council's Annual General Meeting to be held at 1.00pm on 14<sup>th</sup> December. Any person wishing to make a submission should do so by close of business 5<sup>th</sup> December.

## **MAYOR'S REPORT**

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It is with pleasure that I present the Mayor's Report for the 2017/18 Tasman Council Annual Report.

### **Budget 2017/18**

Tasman Council set the budget and rates for the 2017/18 financial year at their June Council meeting. Because of a road asset revaluation increasing our annual depreciation from \$1.117m to \$1.833m, it was a difficult process, which required many workshops to fully understand, critique and consider budget impacts and approaches. This is with regard to ensuring the long-term sustainability of the Council whilst minimising impacts to our ratepayers. Putting it simply, to manage Council in a sustainable, transparent and robust way does not allow Councillors (nor staff) any real latitude other than to comply with best practice; formal accounting and asset management standards; and Tasmanian Audit Office requirements.

A summary of the budget includes:

- Asset Maintenance – \$1.482m,
- Asset Renewal – \$1.605m (Roads \$1.151m, Bridges \$190k, Buildings \$65k, Plant & Equipment \$198k),
- New & Upgraded Assets - \$363k (Roads and Drainage \$150k, Buildings \$38k, Paths \$150k, Plant & Equipment \$25k).

Council continues to provide the best affordable service to our ratepayers, residents and visitors that we can with the small population rate base we have in Tasman. Understanding the true costs of what we need to set aside for the \$80 million in public assets we manage is complex and requires much work from the General Manager and the Staff.

### **Cripps Creek Bridge**

The old timber Cripps Creek Bridge on White Beach Road was demolished. The timber bridge was built in 1984 and a new concrete bridge was built and officially

opened by Mayor Jan Barwick in 2008. Since the opening of the new bridge, the timber bridge was used for restricted access as a footbridge only. It reached the end of its useful life with all access restricted and has been recommended by Council's independent bridge inspectors AusSpan for closure and demolition.

### **Lendlease Foundation**

The Lendlease Foundation has been coming to the Tasman Peninsula for the past three years and they decided to continue for one more year with their Springboard Program there have been 27 programs run over these three years. Since that time over 800 Lendlease International and Australia employees (delegates) along with 100 community members and years 8, 9 and 10 students from the Tasman District School having participated in those programs. Many project initiatives have been undertaken by the delegates and community members. The calendar that we all love to purchase is one project that was undertaken by the Volunteer Group, hopefully this will continue each year.

It gave me a great deal of pleasure to be able to announce, at the final farewell to the Lendlease Springboard Program event on the 30th May, that the Australian Business and Community Network (ABCN), a not for profit organisation, would partner with Tassal and the Tasman District School to deliver Mentoring Programs for the Students at the School. ABCN was formed in 2005 by a group of CEO's whose vision was to engage business to have a greater positive impact in the community, since then 32,507 students have benefited from direct mentoring through their work. Currently there are 38 Australian leading companies and 203 schools working together to make a difference in the lives of young Australian students. ABCN approached me in early 2017 to attend a session, 'Interview to Impress', with the students and I was impressed to see how the ABCN representative gradually drew

the, initially very shy students, to work together and interact with the community representatives and delegates from Lendlease who also attending the session. Louise Manks from ABCN approached me to see if there was a business in our region that would be able to support the Tasman District School with this Program. I approached Tassal to see if they would be prepared to commit to a three year collaboration with the school along with a substantial monetary component, they, as stated above, agreed to work with ABCN and the School. The Tasman District School's acting Principal Michelle Waldock is very excited that the School will participate in this wonderful Program. I would like to thank Tassal for agreeing to participate in the ABCN program and work with the School and the students who will benefit from this initiative.

### **Improved Housing**

The Department of Health and Human Services (DHHS) ran a competitive state-wide EOI process in 2017 for the provision of additional affordable housing in regional areas and Tasman Council was successful in being awarded over \$1m to construct five two bedroom units with associated civil works. This is a great outcome for the Tasman Area and has been a strategic priority of Council's for many years. There will be tenant application thresholds determined by Department of Health and Human Services and administered through Council, targeting in the first instance the elderly, disabled and women escaping violence. With two bedroom units there will be the opportunity for visiting family members and friends to stay overnight, something that has not been easy to achieve with the existing one bedroom units.

### **Port Arthur Historic Site/World Heritage**

I was invited by the Port Arthur Historic Site Management Authority (PAHSMA) to welcome delegates from ICOMOS China in October 2017. ICOMOS (International Council on Monuments and Sites) is one of

the advisory bodies to UNESCO the World Heritage Committee. The delegates attended an intensive residential master class in heritage management at the Port Arthur Historic Site. The delegate's master class covered insight into values-based management practices at World Heritage sites in Australia using the Port Arthur Historic Site as an example. Port Arthur was one of the first tourism attractions in Tasmania to be China ready accredited, with multi-lingual tours, signage and staff. The delegates also visited the Coal Mines Historic Site at Saltwater River and the Cascades Female Factory in South Hobart. Tasman is very fortunate having two World Heritage Sites within our Municipality.

### **Tasman District School Renovations**

Tasman District School is well underway with its \$4 million rebuild. This rebuild will see four new class spaces, new offices and meeting rooms, new community library, new foyer and administration area and new senior toilets. The school will also be installing an energy monitoring system that will help track the energy use around the school and pave the way for improvements in energy consumption and efficiency across the site. This is a significant improvement to the school and has been well overdue for many years. The school Principal, staff and students have done an amazing job at continuing the high level of education and engagement through this period of building works across the school. They have all been very adaptable in utilising all the other spaces around the school and the Tasman Civic Centre. The new facilities will indeed be of a significant benefit to current and future students in the area.

### **Volunteers**

During May 2018 National Volunteer Week was celebrated, many events were held across Australia to thank the over 6 million Australians who volunteer their time to many organisations. Without these volunteers in all of our communities, many events, fund raising morning/afternoon

teas, luncheons, award ceremonies, forums and training sessions, to name just a few, would not be possible. Tasman has two wonderful service organisations, Lions and Rotary, who are all volunteers and do an amazing amount for the Tasman Community. There are Landcare groups, Coast Care groups, animal rescue, Country Women's Association, history groups, Ambulance, SES and Tasmanian Fire Service volunteers along with the numerous other small committees that meet regularly to get things done. From Tasman Council, I would like to express our sincere thank you to all the volunteers in our community who work to help our environment and our residents 365 days a year, every year, thank you.

#### **St. Albans Church**

St. Albans Church and cemetery in Koonya was placed on the 'for sale' list put out by the Anglican Diocese of Tasmania. St. Albans is the only Church in the Tasman Area that has a cemetery attached to it; the Anglican cemetery in Sorell is full and no more reservations can be taken there. St. Albans was built in 1904, the land was donated by an adjoining landowner and was built and paid for by the local community. That same local community, through a 'Friends of St. Albans' group and the congregation still maintain and care for the building as well as the surrounding cemetery. Communities across the State of Tasmania are very unhappy and angry that the majority of Churches to be sold are in rural and regional communities, as they are the ones that do not meet the criteria set out by the Diocese. For example, thirty families supporting a Church every Sunday with a full time Rector for that Church paid for by those attending that Church.

#### **Asset Management**

At the November 2017 Council Meeting, Council passed and approved a revised Asset Management Policy, Asset Management Strategy and Asset Management (Transport) Plan. This Policy

and the Asset Management Strategy are an integral part of Council's responsibility to ensure Asset Management is recognised as a major corporate function within the organisation. Tasman Council owns and uses approximately \$83.76 million worth of non-current assets to support its core business of delivery of services to the community. Asset management is a legislative requirement for all Council's in Tasmania and is part of our overall management processes that demonstrate best practice including the significant influence it has on Council's 20 year long term financial plan.

#### **Voluntary Amalgamations**

On the Voluntary Merger Project in July 2017, Council resolved to accept the results of the Community Consultation Strategy and to continue with the process by seeking an independent due diligence assessment of all five options by the Board of Local Government. Sorell Council resolved in a similar approach but on the basis of the four merger options only being the subject of a due diligence assessment.

The Local Government Board Review commenced in December 2017 for the Voluntary Amalgamation and Shared Service Options for Sorell and Tasman Councils with written submissions due to close in April 2018. Residents and ratepayers took the opportunity to have their say in this due diligence and public consultation process with over 50 submissions received.

The scope of the review focused on three options:

- no change to Sorell and Tasman (current and future viability {10 and 20 year outlook} of the Sorell and Tasman Council);
- further resource-sharing options (potential to improve viability through further shared service arrangements); and

- a merge of Sorell and Tasman (merger of Sorell and Tasman Councils into one local council).

The Tasman community, Councillors and Council staff are anxious for the amalgamation process to be finalised. The Local Government Board's final report was to be released in August 2018.

I wish to thank Tasman Council's General Manager, Robert Higgins, for his ongoing support and commitment to the Tasman Council and this community; and the Tasman Council's indoor and outdoor staff for their continuing excellence in their

roles. I also take this opportunity to thank the Tasman Councillors for their support.



Roseanne Heyward  
Mayor

## **GENERAL MANAGER'S REPORT**

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The focus for Council over the past 12 months has been to lobby and advocate at the State level for an awareness and recognition of the increasing pressure the growing tourism and visitation industry has been placing on our Municipal area.

The strategic and operational focus of the Federal and State Tourism bodies marketing Australia and Tasmania to international and national markets has been highly effective. It is important though that the quality of tourism product and supporting infrastructure is established and able to be maintained into the future.

Council's continued efforts were recognised with the State Election process returning some positive outcomes for the infrastructure necessary to support the tourism sector. The provision of \$3m toward the upgrading and sealing of Stormlea Road and \$3m for upgrades to Fortescue Road were happily received by Council. The Stormlea Road upgrade works are expected to be delivered by Council throughout 2018/19.

The benefits tourism brings to the State and Regional economies are quantifiable and recognised, however, the requisite connection that results in regional Councils also being able to generate additional revenue to pay for the increased asset maintenance, renewal and upgrading of roads, reserves, facilities and services has not been established. An example of this is the hugely successful 3CT and new \$5m private walking experience investment located in the Tasman National Park. A Crown Land tenure that is exempt from local government rates. This places significant pressure on Tasman where we are not experiencing population growth, development growth nor growth in our socio-economic profile that results in increased capacity for the ratepayers to equitably generate more revenue.

Council still delivered the majority of key focus areas of the Strategic and Annual Plans. This was despite a very lean organisation that relies upon a significant amount of specialised functions supplied through a Local Government Shared Services Model and yet

again, I am proud of what our small organisation has achieved.

The local government purge on increasing financial, asset and corporate governance compliance continued, directly impacting our ability to sustainably provide services and improve assets without ratepayers bearing the brunt of necessary increases in revenue. The scrutiny associated with this is necessary, based on contemporary practice and Council fundamentally supports it and has appropriately adopted it. What is not supported is that the thresholds and transparency associated with how Councils should be recognising and demonstrating compliance are not applied consistently across the State. Further, there is no appetite from the State Government to change this situation and enforce it (nor to apply the same parameters to their own operations).

The work carried out by the South East Regional Development Association group of South-Eastern Councils continued with the evidence based approach of identifying policy, strategy and investment decisions to assist the State and Federal Governments. The maturity of the four Council Mayors is a key to this ongoing body of work achieving outcomes that benefit the region.

The relevance of the south-east regarding transport and education requirements, business investment through the irrigation scheme and tourism infrastructure and continuing strong residential growth has not diminished. Further, that the south-east plays an increasingly important and relevant role to the economic performance of the Greater Hobart Region. The principal challenge being to turn this relevance into action and commitment from those public bodies that have the financial capacity and jurisdiction to effect positive change and investment in services and infrastructure was addressed in part around the 2018 State Election process. The Government has committed to delivering a number of infrastructure initiatives.

Interest and scrutiny of marine farming operations became a key matter for Council and presented a number of challenges in

managing statutory processes and community expectations. This is with regard to representing transparently and equitably, the competing interests of regional employers, local employees and ratepayers. There were many occasions where the expectations for Council involvement, advocacy and representation were not coming from a consistent voice.

It was Council's position as part of the West of Wedge / Storm Bay expansion proposal that a balanced shared view of the community (including Council) could be summarised as a genuine need and desire for the proponent to remain and be successful in the region. However, the capital investment associated with the expansion proposal and its physical scale is such that it absolutely must be successful and sustainable environmentally, economically and operationally over a long period of time.

The Local Government Reform Project with Sorell Council continued to impact our operational and strategic decisions. The process will provide benefits to Council particularly with the review of our long term financial plan assumptions by the Board and their financial consultants (Crowe Horwath).

Our financial performance was sound with results again based on more contemporary and transparent data, recognised through a successful audit. Council delivered a comparatively significant Capital works program of \$2.406m including a 114% asset sustainability ratio from \$1.938m of asset renewal/replacement, \$468k for new/upgraded assets and maintenance expenditure of \$1.737m, Council successfully delivered a range of services and maintenance activities without a net increase in FTE's.

We ended the year with a net operating surplus of \$615k (\$1.865m 2016/17) against a budgeted \$524k. The adjusted underlying surplus was \$211k (\$890k 2016/17). Our net assets and total equity all increased including a stronger cash position of \$6.027m (\$4.996m 2015/16, \$5.670m 2016/17). The transport asset condition and revaluation assessment completed in 2016/17 took effect in 2017/18 principally through a significant increase in

depreciation from \$1.191m in 2016/17 to \$1.698m.

A review of our Long Term Financial Plan was again carried out both during the mid year budget review process and again as part of the due diligence review by the Local Government Board and Crowe Horwath. With each review it is an opportunity to update the audited results from the prior year and ensure the asset and operating assumptions more closely reflect the cyclical, long term performance and life of asset components comprising roads, bridges, footpaths, stormwater drainage, buildings, parks and reserves.

The Copping landfill and Lutana Waste Transfer Station continued to operate with increased profitability through Southern Waste Solutions on behalf of the Joint Authority, delivering a consolidated net surplus before tax of \$925,761. Both current and non-current assets increased in value whilst current liabilities decreased. Non-current liabilities and in particular, borrowings, increased reflecting the investment in long term income generating assets. The C Cell civil construction works were completed and operations commenced in 2017/18. The strategic importance of the site overall, and in particular the C Cell, for the south of the State will only increase into the future. Council's commitment to the Authority did not waiver and supports best practice in waste management culminating for both the commercial operation of the Category C Cell and other improvements.

As I acknowledged each year, the Council is grateful for the efforts of all community, recreational and volunteer organisations and respective individuals who continue to play vital roles that assist our operations and importantly, keep the community together and engaged. Council would not be able to operate without this workforce. To replicate their efforts would require additional staff with associated costs to be borne by ratepayers. There continues to be some concerning trends with retaining volunteer participation and ensuring there is sufficient new blood to keep this important social resource viable and sustainable into the future.

Our ongoing engagement, cooperation and partnering with key stakeholders continued and I would like to acknowledge the Port Arthur Historic Site Management Authority, Destination Southern Tasmania, Parks and Wildlife Service amongst others for working with Council on behalf of the South-East Region.

My thanks again to Staff and Councillors who through hard work, consistent focus and co-operation achieve continued improvement in what Council did and how it conducted its

business and should be rightly proud of their efforts.

A handwritten signature in black ink, appearing to read 'Robert Higgins', with a stylized flourish at the end.

**Robert Higgins**  
**General Manager**

**ELECTED MEMBERS  
AS AT 30 JUNE 2018**



**MAYOR**

**ROSEANNE HEYWARD**

Term Expires 2018

**Committee Representations**

Municipal Emergency Management Committee

Sorell Tasman Affected Area Recovery Committee

Koonya Hall Committee

Municipal Alliance Committee

**DEPUTY MAYOR**

**KELLY SPAULDING**

Term Expires 2018

**Committee Representations**

TasWater – Owners Representative

Port Arthur & Tasman Tourism Association (PATTA)

Municipal Alliance Committee



**COUNCILLOR**

**PAM FENERTY**

Term Expires 2018

**Committee Representations**

Tasman Council Audit Panel Committee



**COUNCILLOR**

**ALAN HULL**

Term Expires 2018

**Committee Representations**

Copping Refuse Disposal Site Joint Authority

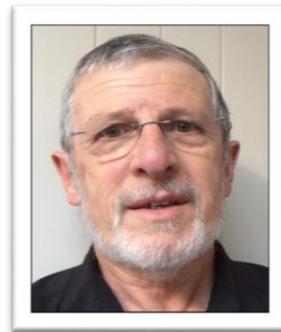




**COUNCILLOR  
GLENN SKEGGS**  
Term Expires 2018  
**Committee Representations**

**COUNCILLOR  
DAVID MOSER**

Term Expires 2018  
**Committee Representations**  
Copping Refuse Disposal Site Joint Authority (Proxy)



**COUNCILLOR  
MARIA STACEY**  
Term Expires 2018  
**Committee Representations**

Tasman Civic Centre Strategic Committee (Chair)  
Municipal Emergency Management Committee  
(Deputy Municipal Coordinator)  
Tasman Council Audit Panel Committee Member



## COUNCILLOR MEETING ATTENDANCE

Ordinary Council Meetings							
	R Heyward	K Spaulding	M Stacey	A Hull	P Fenerty	G Skeggs	D Moser
17 Jul 17	✓	✓	✓	✓	✓	✓	✓
23 Aug 17	✓	A	✓	✓	✓	✓	✓
27 Sep 17	✓	✓	A	✓	✓	✓	✓
25 Oct 17	✓	✓	✓	✓	A	✓	✓
22 Nov 17	✓	✓	✓	A	✓	✓	✓
13 Dec 17	✓	✓	✓	✓	✓	✓	✓
24 Jan 18	✓	✓	✓	✓	✓	✓	✓
28 Feb 18	✓	✓	✓	✓	✓	✓	✓
28 Mar 18	✓	✓	✓	✓	✓	✓	✓
26 Apr 18	✓	✓	✓	✓	✓	✓	✓
23 May 18	✓	✓	✓	✓	✓	✓	✓
27 Jun 18	✓	✓	✓	✓	✓	✓	✓
Annual General Meeting							
	R Heyward	K Spaulding	M Stacey	A Hull	P Fenerty	G Skeggs	D Moser
13 Dec 17	✓	✓	✓	✓	✓	✓	✓

## STATUTORY REPORTING

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### ENTERPRISE POWERS STATEMENT

Council has not resolved to exercise any powers or undertaken any activities in accordance with Section 21 of the *Local Government Act 1993*.

### CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES

In accordance with Regulation 29 of the *Local Government Act Regulations 2015*, below is a list of Goods and Services valued at or above \$250,000 excluding GST where entered into in the 2017-2018 financial year.

Company	Tender Description	COST
Rockit	Combined Reseal Tender (Tasman Component)	\$169,487
VEC	Duck Creek Bridge (under \$250k but tendered)	\$165,648

### DONATION OF LAND STATEMENT

The Council has not resolved to donate any lands in accordance with Section 177 of the *Local Government Act 1993*.

### GRANTS, ASSISTANCE AND BENEFITS PROVIDED UNDER SECTION 77(1)

#### TASMAN COUNCIL COMMUNITY ASSISTANCE GRANTS 2017-2018

Tasman Mens Shed	\$2000.00
Lions Club of Tasman	\$200.00
Lions Club of Tasman	\$1816.00 In Kind Support
Port Arthur Sports Club	\$200.00
Premaydena Cricket Club	\$2000.00
Wildcare Inc Roaring Beach Wildlife Rescue	\$1500.00
Impression Bay Community Development Assoc	\$1000.00
Women's Auxilliary of Tasman Ex-Service Men's & Women's Assoc	\$1288.40
Tasman District School – Tasman Youth Program	\$2000.00
Koonya Garlic Festival Committee	\$1000.00 In kind support

#### SCHOOL BURSARIES

Tasman District School	\$180.00
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#### DONATIONS

N/A	N/A
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#### FUNDING ASSISTANCE FOR YOUTH AND COMMUNITY

Tasman Youth Worker/Program	\$20,000.00
Tasman Medical Assistance	Provide housing and associated outgoing costs for locum doctors.

## COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY

The Copping Refuse Disposal Site Joint Authority (Trading as Southern Waste Solutions) was established under section 30 of the *Local Government Act 1993* by the Tasman Council, Sorell Council and Clarence City Council. Kingborough Council joined the Authority in 2009.

### Activities

The Copping Refuse Disposal Site Joint Authority's function is to promote and manage a putrescible landfill disposal site which conforms to its Development Proposal and Environmental Management Plan (DP&EMP) and permit conditions.

Net operating result before tax was \$925,962 which was above budget, mostly due to an increase in gate revenue, almost \$1M over budget. Total comprehensive surplus for the year was \$590,063.

## PUBLIC DISCLOSURES ACT 2002

Section 86 of the *Public Interest Disclosures Act 2002* states that Council as a public body is required by *The Local Government Act 1993* to prepare an Annual Report and therefore must report on the following:

Information as to how persons may obtain or access copies of the current procedures established by the public body under the Act.	Via Council's website and through direct contact to Council.
The number and types of disclosures made to the relevant public body during the year and the number of disclosures determined to be a public interest disclosure.	Nil
The number of disclosures determined by the relevant public body to be public interest disclosures that it investigated during the year.	Nil
The number and types of disclosed matters referred to the public body during the year by the Ombudsman.	Nil
The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate.	Nil
The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year.	Nil

The number and types of disclosed matters that the relevant public body has declined to investigate during the year.	Nil
The number and type of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation.	Nil
Any recommendations made by the Ombudsman that relate to the relevant public body.	Nil

### **CODE OF CONDUCT**

In accordance with Section 72(1)(ba) of the Local Government Act 1993, no Code of Conduct Complaints were lodged.

## PUBLIC HEALTH STATEMENT, GOALS AND OBJECTIVES

Council has a number of statutory responsibilities with respect to environmental health. The Local Government Act 1993 is the principal Act for Council.

Council have continued to provide the community with authoritative information on environmental health risks, by facilitating seminars and information sessions as appropriate, and the preparation and distribution of publications.

### **Food Act 2003**

Council's responsibilities in accordance with the Food Act 2003 involve licensing of food businesses and food premises inspections to ensure safe food hygiene standards are met. There were 46 food premises currently registered in the municipality for the 2017/18 financial year as categories below:-

<i>Type</i>	<i>Number</i>
Category A	0
Category B	3
Category C	23
Category D	14
Category E	5
Mobile Food Van	5
Statewide Registration	2
Notification Only	2
<b>TOTAL</b>	<b>54</b>

To carry out this service an average of two visits per premises per annum on category C premises and 3 inspections on category B premises, is required, plus food sampling as directed by the Director of Public Health and the issuing of improvement orders and other associated administrative work. Approximately 14 temporary food business licences were issued during the 2017/18 financial year.

### **Onsite Wastewater**

It is vitally important that wastewater from unsewered premises is properly and safely disposed of in an environmentally sound manner. The role of the Environmental Health Officer includes an inspection of each new property requiring a Plumbing Permit and advice and interpretation of any public health issue arising with respect to wastewater management. 30 Plumbing Permits for the installation of an onsite wastewater management system were issued by Council during 2017/18.

### **Public Health**

Immunisation is perhaps the most effective and practical single public health measure available for the reduction of morbidity and mortality arising from infectious diseases. Council's obligation to provide this service includes the coordination of the school immunisation program.

Infectious disease incidents are notifiable and may require an investigation and interview. Advice to Council may also be necessary. Few infectious disease investigations occur in a single year, however, this is an important role and obligation of Council.

Water sampling of potable supplies, wastewater system and recreational waters were carried out by Council during 2017/18. Separate annual reports for potable water and recreational waters are required for the Department of Health and Human Services.

Burial of human remains outside of established cemeteries must be done in a responsible way with no adverse impact on public or environmental health. Supervision of exhumations is another role of the Environmental Health Officer.

Council has a responsibility in accordance with the Environmental Management Pollution Act 1994 to ensure that the impact of human activity on the environment is within acceptable limits in accordance with the Environmental Management Pollution Act 1994. The activities of this service include monitoring and assessing industrial waste, rural industries, residential waste, and intensive animal farming effluent are duties expected of the Environmental Health Officer. This responsibility involves the review and maintenance of a Contaminated Sites register.



## TASMAN COUNCIL AUDIT PANEL REPORT 2017/18

The Tasman Council Audit Panel is pleased to be able to present its Report for the year 2016/17. This Audit Panel is established pursuant to Section 85 of the *Local Government Act* and the *Local Government (Audit panels) Order 2014*.

Tasman Council Audit Panel has been established since 2014. However changes to the legislation in early 2016 meant that the Charter had to be revised to comply. The Council made the necessary changes to its Audit Panel Charter and determined that its Panel would consist of 5 members, 3 independent persons and 2 Councillors.

After publicly seeking expressions of interest the Council appointed the following persons to the Panel

- Mr. David Sales (Chair)
- Mrs Kim Hudson
- Mrs Carolyn Pillans
- Cr. Pamela Fenerty
- Cr. Alan Hull – resigned after the August 2017 meeting
- Cr. Maria Stacey – appointed to the committee at the September Council Meeting

The Panel met for the first time late in 2015/16, however this Report covers the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018.

In terms of the *Order*, the Panel is required to consider:

- Whether the annual financial statements of the Council accurately represent the state of affairs of the Council;
- Whether and how the Part 7 plans are integrated and the processes by which, and assumptions under which those plans are prepared;
- The accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls that the Council has in relation to safeguarding its long term financial position;
- Whether the Council is complying with provisions of the Act and any other relevant legislation; and
- Whether the Council has taken any action in relation to previous recommendations provided by the audit panel to the Council and, if it has taken action, what that action was and its effectiveness.

In complying with these legislative requirements, the Panel must take into account the size of the Council and the maturity of the internal audit practices in place.

The *Order* requires that an Audit Panel prepares an annual work plan which it has done. In determining its work plan, the Panel took into account the particular circumstances of the Council

Tasman Council is a relatively small Council and participates in a shared services arrangement with a number of other Councils to provide a number of its services. The Panel where necessary met with officers from other Councils who were responsible for providing shared services

In accordance with the Charter, the Panel's Work Plan in 2017/18 included:

### External Audit

- Meeting with the External Auditors at least once;
- Providing input and feedback on the financial statement and performance audit coverage proposed by external audit and providing feedback on the audit services provided;
- Receiving and considering all external plans and reports in respect of planned or completed audits and monitoring management's implementation of audit recommendations;

### **Annual Audited Financial Statements**

- Satisfying itself that the financial statements were supported by appropriate management and sign-off;
- Reviewing the financial statements, including the appropriateness of Accounting Policies and significant estimates and judgements adopted in the preparation of the financial statements;

### **Risk Management**

- Actively reviewing the risk management framework, and associated procedures that are in place for management to effectively identify and manage the Tasman Council's financial and business risks;
- Monitoring the organisational performance in managing the risks identified in the risk register(s).

### **Internal Control**

- Ensuring that the internal control measures in place are appropriate for the size of the council
- Reviewing the operation of internal control measures
- Checking compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements
- Monitoring ethical standards and related party transactions by determining whether the systems of control are adequate
- Monitoring the progress of any major lawsuits facing the council

The Committee met on the prescribed four occasions during the year and there were no specific irregularities that the Panel drew to the attention of Council. A number of systemic improvements were discussed with the General Manager in the course of the meetings.

A copy of the minutes of each Panel Meeting was submitted to Council for its information.

The attendance at the meeting was as follows:

- |                        |     |
|------------------------|-----|
| • Mr. D. Sales – Chair | 4/4 |
| • Mrs. K. Hudson       | 4/4 |
| • Mrs C. Pillans       | 4/4 |
| • Cr. P. Fenerty       | 2/4 |
| • Cr. A. Hull          | 1/1 |
| • Cr. M. Stacey        | 3/3 |

All recommendations made to Council were adopted by Council without alteration and were put into effect.

There are a number of areas which the Panel continues to monitor to ensure the proper implementations of its recommendations.

There were no specific matters referred by Council for consideration of the Panel. Additionally there were no matters submitted to the Panel by the general public.

The Order also requires the Panel to regularly review the Audit Panel Charter and conduct a self-assessment of the Panel's performance. In view of the fact that the Panel has only effectively been operating for 12 months, the Panel proposes to undertake these tasks in the forthcoming year.

The Panel would like to thank all staff, in that they unflinchingly went out of their way to provide the Panel with any information and documentation that it required.

## ANNUAL PLAN REPORTING

### KEY FOCUS AREAS AND SUMMARY OF STRATEGIES AND INITIATIVES FOR THE 2017/2018 FINANCIAL YEAR

#### 1.0 DEVELOP PRODUCTIVE ADVOCACY, ALLIANCE AND ENGAGEMENT PARTNERSHIPS

1.1	Engage with targeted public and private organisations with a particular focus on Government and relevant agencies to address key focus areas and reinforce the relevance of the Tasman Region.	Ongoing – strategy for Mayor & General Manager implemented targeting key Federal and State representatives, Agency staff, Not for Profit and Community groups (including Bendigo Bank).
1.2	Advocate for improved internet and communication infrastructure in the Municipal Area. Investigate and identify opportunities arising from the NBN rollout with a continued engagement strategy with NBN Co and other providers.	Ongoing – Active engagement with Federal Lyons Member regarding black spot program and with NBN Co. on planning, delivery, commissioning and utilisation of remaining NBN infrastructure (Port Arthur).
1.3	Implement South East Economic Infrastructure Strategy outcomes through the South East Regional Development Association (SERDA) and pursue necessary project commitments from partner stakeholders and agencies and seek to align strategies where appropriate.	In Progress – South East Regional Workforce Plan completed as a key outcome of SERDA Strategy. Implementation phase commenced with Skills Tas (as co-funder). Remaining Strategy outcomes in progress, however, hindered through un-coordinated and uncommitted state agency policy and strategy. Regular infrastructure requirement updates provided to State and Federal representatives.
1.4	Leverage partnerships and initiatives to raise the profile of the Tasman region through continued engagement and advocacy with the Local Government Association of Tasmania (LGAT), Southern Tasmanian Councils Authority (STCA) and SERDA.	Ongoing – maintained membership, attendance and engagement with all organisations.
1.5	Progress identified industry and business opportunities from continued engagement with Destination Southern Tasmania (DST), Port Arthur Historic Site Management Authority (PAHSMA), agriculture and aquaculture industries and Hobart Airport Corporation (HAC).	In Progress – engaged and advocated with Destination Southern Tasmania, Port Arthur Historic Site Management Authority, Hobart Airport Corporation, Tassal, Norske Skog and Forico for continued economic growth and development opportunities.

1.6	<p>Complete the voluntary amalgamation / common service modelling investigations and engage communities as required throughout the joint State / Local Government process ensuring the following outcomes are achieved:</p> <ul style="list-style-type: none"> <li>• be in the best interests of ratepayers;</li> <li>• improve the level of services for communities;</li> <li>• preserve and maintain local representation; and</li> <li>• ensure the financial status of the entities is strengthened.</li> </ul>	<p>Completed – modelling project through KPMG completed. Community consultation on KPMG modelling outcomes completed</p>
1.7	<p>Coordinate and support appropriate and sustainable grant funding applications to State and Federal Governments.</p>	<p>In progress – successful Community Infrastructure Grant awarded to Port Arthur Streetscape Upgrade. Successful DHHS Affordable Housing Strategy Grant awarded for six additional units at Pearls Court, Nubeena.</p>
1.8	<p>Establish and grow alliances with event holders within the Municipal Area with a key focus being on whole area promotion and sustainability of these events.</p>	<p>In Progress – ongoing alliance with Community Development Officer and numerous community groups and organisations (EHN Fair, Koonya Garlic Festival, Nubeena Regatta &amp; Feast) in addition to 2018 Commonwealth Games. NRM Officers facilitated sponsorships through NRM South projects program for the Koonya Garlic Festival, Bream Creek Show and Tasman Wildlife Expo. Further event support generated through Garage Sale Trail.</p>
1.9	<p>Partner with the Department of Education to continue advocating for development of Year 11 and 12 programs at Tasman District School and to participate in a south-east region skills audit to best utilise and develop the Trade Training Centre.</p>	<p>In progress – SERDA KPMG South-east Workforce Plan completed with stakeholders including Department of Education, Trade Training Centres, Skills Tas and industry.</p>
1.10	<p>Advocate for the provision of Government and non-government youth services within the Municipal Area.</p>	<p>In Progress – Community Development Officer with THCS Youth Officer continued involvement with whole of region service providers network. Lobbying and advocacy to State and Federal members resulting from THCS Youth Officer position being discontinued. No support at those levels, however, successfully coordinated joint funding model for 17/18 only between local providers including Council, Tasman District School, Dunalley Tasman Neighbourhood House and Huon Regional Care.</p>

1.11	Continue to support and strengthen partnerships with NRM South, Tasman Landcare Group and State and Federal Government agencies to improve delivery of NRM programs and enhance NRM outcomes for the Tasman Catchment.	<p>In Progress – formal partnerships, contracts and MOU’s executed as required with NRM South, Sorell Council and Tasman Landcare Group.</p> <p>Resulted in increased co-investment from NRM South for Tasman NRM Officers, oyster control, shorebird awareness and serrated tussock management projects. Delivered NRM outcomes in the Tasman catchment in the Sorell municipality through direct NRM South co-funding. NRM activity funding through Landcare Group and support for the Group in governance, administration, social media and project management.</p> <p>Engagement and advocacy ongoing between NRM Officers and stakeholders.</p> <p>Worked in collaboration with State Growth, Crown Lands Services and PWS to deliver weed and vegetation management outcomes.</p> <p>Provided mapping data relating to local priorities for the Southern Region Weed Service delivery plan.</p> <p>Partnered with PWS to deliver the Discovery Ranger Program and to support environmental works in coastal reserves.</p>
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## 2.0 CONTINUE TO DEVELOP AND MAINTAIN SUPPORTIVE RELATIONSHIPS WITH THE COMMUNITY

2.1	Support and encourage community organisations in the development and running of their events and activities to strengthen and sustain volunteering throughout the Municipal Area.	Ongoing – engagement and advocacy ongoing between Community Development, NRM Officer and stakeholders including elected members.
2.2	Improve the utilisation and sustainability of Council Community and Recreation Facilities in conjunction with user groups and other stakeholders (Sport and Recreation Tasmania).	<p>Ongoing – fees and charges reviewed and monitored to establish base line utilisation rates but challenging with fluctuating participant rates from small base line population. Further refinements made to centralised booking system through Council.</p> <p>Continued engagement with Sport &amp; Recreation Tasmania where applicable.</p>
2.3	Support special committees of Council and community groups.	Ongoing
2.4	Provide ongoing support to Coastcare, Landcare, the Feral Oyster Control Program and other groups with	Ongoing – NRM Officer actively engaging with Coastcare, Landcare, Feral Oyster Control Program, Bushfire Weed Recovery project,

environmental and sustainability programs. Encourage involvement of private landowners.	Tasman District School, Wildlife Rescue, Pungenna Parrdarrama Aboriginal Corporation and associated private landowners where applicable.
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### 3.0 MANAGE THE OPPORTUNITIES AND CHALLENGES ASSOCIATED WITH INCREASED VISITATION TO THE AREA

3.1	In consultation with key stakeholders, develop an implementation strategy for the South-East Destination Action Plan taking into consideration the Destination Southern Tasmania Destination Management Plan and any requisite Council priorities and actions.	In Progress – Destination Action Plan implementation strategy completed and Council actively engaged in project identification and delivery.
3.2	Implement and advocate recommendations of 3-4 star accommodation investment feasibility & business case prospectus, including consideration of any identified strategic development sites.	In Progress – targeted engagement and proactive facilitation with accommodation proponents for key sites.
3.3	Advocate for solutions and actions that address transport corridor limitations regarding overtaking opportunities with the Arthur Highway and road conditions of Fortescue Bay Road.	Ongoing – continued advocacy for identified projects with Federal and State representatives and relevant agencies including regular strategic infrastructure demand updates.
3.4	Explore tourism, business and residential growth opportunities associated with the proposed Hobart airport extension including transport linkages to and within the Tasman region.	Ongoing – continued engagement with Hobart Airport Corporation, Destination Southern Tasmania, Parks & Wildlife Services and key operators on identification of opportunities and constraints with growing and evolving tourism market including aquaculture.
3.5	Investigate approaches to attracting / collecting revenue for the Municipal Area in order to assist in funding the provision of local supporting infrastructure that caters for the increasing visitor numbers.	Ongoing – engagement commenced with local tourism proponents (PAHSMA) and Department of Tourism but little appetite displayed to pursue this.
3.6	Incorporate natural and environmental values into tourism infrastructure development.	Ongoing
3.7	Seek opportunities which enhance and showcase the natural values of the Tasman region whilst enabling increased visitation with limited impacts.	Ongoing – 3 Capes Track finalisation and roll out of public track upgrade and huts including Cape Raoul and Shipstern Bluff. Development Application issued for private commercial

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walking operators with accommodation within 3 Capes Track.

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#### **4.0 STRIVE FOR A BALANCE BETWEEN DEVELOPMENT, ENVIRONMENT AND LIFESTYLE AND RETAIN NATURAL, HERITAGE AND SOCIAL VALUES**

- |     |   |  |
|-----|---|--|
| 4.1 | Promote the sustainable management of Tasman's natural environment including the conservation of threatened species and vegetation communities, and sites of high cultural heritage value.  | In Progress – engagement by NRM Officer through a number of programs and events involving NRM South, Tasman Landcare, numerous Coastcare Groups, private landowners and post 2013 bushfire environmental works.<br>Application of more stringent assessment requirements through Tasman Interim Planning Scheme. |
| 4.2 | Integrate Natural Resource Management (NRM) programs within Council departments and new projects.   | Ongoing – through contract documentation, environmental registers, Tasman Council Climate Change Strategy, Drummuster training and collection.   |
| 4.3 | Ensure local Natural Resource Management (NRM) priorities are being delivered in conjunction with regional, state and national legislation and frameworks.  | Ongoing – formalised through heads of agreement / contracts and key deliverables aligned with national legislation and frameworks.   |
| 4.4 | Assess Health, Housing and Aged Care development opportunities.   | In Progress – engagement and advocacy with Tasman Health and Community Service providers and Department of Health and Human Services regarding further capacity development of Pearls Court resulted in successful awarding of capital grant to construct additional six two-bedroom units.                      |
| 4.5 | In partnership with Parks and Wildlife Service (PWS), Crown Land Services and other stakeholders continue to develop a Tracks and Trails Strategy that delivers a prioritised funding program of both asset renewal and provision of upgraded and new facilities. | In Progress – maintenance, renewal, upgrade and new assets delivered through capital works program. Future strategy being developed in consultation with Parks & Wildlife Services and Mountain Trail Bike proponents.   |
| 4.6 | Explore opportunities through Destination Southern Tasmania to further develop the Historic Convict Trail between Richmond and Port Arthur and upgrade existing infrastructure.   | Completed – maintenance of existing infrastructure by Council ongoing. Engagement with Destination Southern Tasmania on future status resulted in establishment that the future of the trail is only to maintain as existing and only at the Council level.  |
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4.7	Continue to undertake all regulatory and legislative requirements.	Ongoing – continual review and improvement of our performance by ensuring the assessment and determination of all applications is carried out objectively and pragmatically based on the applicable State legislation.
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## 5.0 IDENTIFY FUNDING NEEDS AND REVENUE OPPORTUNITIES

5.1	Engage with the Department of State Growth (Economic Development) to secure assistance for an economic development strategy for the Tasman region encompassing a range of visitor accommodation options (including backpacker accommodation), boutique rural based industries, new technology businesses and new recreation businesses.	Completed – engaged with State Growth but no appetite to specifically assist at the local Council level. Preference is to either deal at sub-regional level ie: SERDA or preferably, at identified key industry investment streams wherever they may occur in the state.
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5.2	Utilise outcomes of SERDA South East Economic Infrastructure Strategy to advocate for and support funding submissions.	Ongoing – utilised successfully for Community Infrastructure Grant (Port Arthur Streetscape Upgrade) and DHHS Affordable Housing Grant (Pearls Court Units) with strategic evidence basis from SEEIS.
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5.3	Advocate for continued development and commercial activity of the Copping Refuse Disposal Site including completion of the C Cell.	In Progress –
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5.4	Continue to explore and implement local government common services and associated opportunities to maximise operational and financial efficiencies and profitability.	<p>Ongoing – joint General Manager continued between Tasman and Sorell Council.</p> <p>Other shared services between both Councils includes:</p> <ul style="list-style-type: none"> <li>• Works Manager</li> <li>• Facilities Co-ordinator</li> <li>• Environmental Health</li> <li>• ICT</li> <li>• GIS</li> <li>• Development Engineering</li> <li>• Human Resources</li> <li>• Building Surveying</li> <li>• Regulatory Services Admin / Projects</li> <li>• Plumbing Surveying</li> </ul> <p>Other shared services between Tasman and other Councils involved in the formal arrangement include:</p> <ul style="list-style-type: none"> <li>• Financial Services</li> </ul>
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- Civil / capital Works Management
  - Town Planning
  - Asset Management Planning

5.5	Develop a land disposal / acquisition strategy including consideration of future development and investment opportunities.	Commenced assessment of current land holdings and their associated strategic, operational and commercial value, risk and considered against potential land acquisitions and the same parameters
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## **Independent Auditor's Report**

### **To the Councillors of Tasman Council**

### **Report on the Audit of the Financial Report**

#### **Opinion**

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

In my opinion the accompanying financial report:

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

#### **Basis for Opinion**

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 10.5 to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

...1 of 3

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

### **Responsibilities of the General Manager for the Financial Report**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

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

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



Rob Luciani

**Director Financial Audit Services  
Delegate of the Auditor-General**

**Tasmanian Audit Office**

11 October 2018

Hobart

**Tasman Council**  
**LOCAL GOVERNMENT MODEL**  
**ANNUAL FINANCIAL REPORT**  
*For the Year Ended 30 June 2018*

**Tasman Council  
Financial Report  
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## Statement of Comprehensive Income For the Year Ended 30 June 2018

	Note	Budget 2018 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
<b>Income from continuing operations</b>				
<b>Recurrent income</b>				
Rates and charges	2.1	4,733	4,782	4,392
Statutory fees and fines	2.2	117	139	120
User fees	2.3	494	532	415
Grants	2.4	887	973	1,399
Contributions - cash	2.5	-	(4)	14
Interest	2.6	71	122	113
Other income	2.7	155	76	87
Investment revenue from water corporation	2.9, 4.2	15	15	15
		<b>6,471</b>	<b>6,635</b>	<b>6,555</b>
<b>Capital income</b>				
Capital grants received specifically for new or upgraded assets	2.4	285	386	500
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	-	(502)	26
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	4.1	-	59	75
		<b>285</b>	<b>(57)</b>	<b>601</b>
<b>Total income from continuing operations</b>		<b>6,756</b>	<b>6,578</b>	<b>7,156</b>
<b>Expenses from continuing operations</b>				
Employee benefits	3.1	(1,084)	(1,104)	(1,148)
Materials and services	3.2	(2,622)	(2,719)	(2,546)
Depreciation and amortisation	3.3	(1,658)	(1,698)	(1,191)
Finance costs	3.4	(36)	(24)	(20)
Other expenses	3.5	(831)	(418)	(386)
<b>Total expenses from continuing operations</b>		<b>(6,232)</b>	<b>(5,963)</b>	<b>(5,291)</b>
<b>Result from continuing operations</b>		<b>524</b>	<b>615</b>	<b>1,865</b>
<b>Net result for the year</b>		<b>524</b>	<b>615</b>	<b>1,865</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net asset revaluation increment/(decrement)	9.1	-	-	7,965
		<b>-</b>	<b>-</b>	<b>7,965</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	9.1	-	10	5
		<b>-</b>	<b>10</b>	<b>5</b>
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>10</b>	<b>7,970</b>
<b>Total Comprehensive result</b>		<b>524</b>	<b>625</b>	<b>9,835</b>

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

## Statement of Financial Position As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	6,027	5,670
Trade and other receivables	5.2	445	318
Financial assets	5.3	700	700
Inventories	5.4	2	1
Other assets	6.1	132	137
<b>Total current assets</b>		<b>7,306</b>	<b>6,826</b>
<b>Non-current assets</b>			
Investments in associates accounted for using the equity method	4.1	465	405
Investment in water corporation	4.2	802	792
Property, plant and equipment and infrastructure	6.2	56,768	56,897
Investment in Bendigo Bank	4.3	20	20
<b>Total non-current assets</b>		<b>58,055</b>	<b>58,114</b>
<b>Total assets</b>		<b>65,361</b>	<b>64,940</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7.1	377	532
Trust funds and deposits	7.2	12	17
Provisions	7.3	164	158
Interest-bearing loans and borrowings	8.1	49	46
<b>Total current liabilities</b>		<b>602</b>	<b>753</b>
<b>Non-current liabilities</b>			
Trade and other payables	7.1	6	5
Provisions	7.3	155	160
Interest-bearing loans and borrowings	8.1	166	215
<b>Total non-current liabilities</b>		<b>327</b>	<b>380</b>
<b>Total liabilities</b>		<b>929</b>	<b>1,133</b>
<b>Net Assets</b>		<b>64,432</b>	<b>63,807</b>
<b>Equity</b>			
Accumulated surplus		20,906	20,291
Reserves	9.1	43,526	43,516
<b>Total Equity</b>		<b>64,432</b>	<b>63,807</b>

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

## Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		4,790	4,393
Statutory fees and fines		114	217
User charges and other fines (inclusive of GST)		521	687
Grants (inclusive of GST)		973	1,399
Developer contributions (inclusive of GST)		-	14
Interest		121	109
Investment revenue from water corporation		15	15
Other receipts (inclusive of GST)		74	-
Net GST refund / (payment)		335	294
Payments to suppliers (inclusive of GST)		(3,530)	(2,844)
Payments to employees (including redundancies)		(1,042)	(1,398)
Finance costs		(17)	(20)
<b>Net cash provided by / (used in) operating activities</b>	9.2	<b>2,354</b>	<b>2,866</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(2,406)	(2,703)
Proceeds from sale of property, infrastructure, plant and equipment		69	54
Capital grants (inclusive of GST)		386	500
<b>Net cash provided by / (used in) investing activities</b>		<b>(1,951)</b>	<b>(2,149)</b>
<b>Cash flows from financing activities</b>			
Repayment of interest bearing loans and borrowings		(46)	(43)
<b>Net cash provided by / (used in) financing activities</b>	9.3	<b>(46)</b>	<b>(43)</b>
Net increase / (decrease) in cash and cash equivalents		357	674
Cash and cash equivalents at the beginning of the financial year		5,670	4,996
<b>Cash and cash equivalents at the end of the financial year</b>	9.4	<b>6,027</b>	<b>5,670</b>
Restrictions on cash assets	5.1	331	335

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

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

	Note	Total 2018 \$'000	Accumulated Surplus 2018 \$'000	Asset Revaluation Reserve 2018 \$'000	Fair Value Reserve 2018 \$'000	Other Reserves 2018 \$'000
Balance at beginning of the financial year		63,807	20,291	42,565	(123)	1,074
Surplus / (deficit) for the year		615	615	-	-	-
Other Comprehensive Income:					-	
Financial assets available for sale reserve						
— Fair Value adjustment on Available for Sale Assets	4.2	10	-	-	10	-
Net asset revaluation increment/(decrement)	9.1	-	-	-	-	-
<b>Balance at end of the financial year</b>		<b>64,432</b>	<b>20,906</b>	<b>42,565</b>	<b>(113)</b>	<b>1,074</b>

	Total 2017 \$'000	Accumulated Surplus 2017 \$'000	Asset Revaluation Reserve 2017 \$'000	Fair Value Reserve 2017 \$'000	Other Reserves 2017 \$'000
Balance at beginning of the financial year	53,317	17,771	34,600	(128)	1,074
Adjustment for prior period error	655	655			
Surplus / (deficit) for the year	1,865	1,865	-	-	-
Other Comprehensive Income:					
Financial assets available for sale reserve					
— Fair Value adjustment on Available for Sale Assets	4.2	5	-	-	5
Net asset revaluation increment/(decrement)	9.1	7,965	-	7,965	-
<b>Balance at end of the financial year</b>	<b>63,807</b>	<b>20,291</b>	<b>42,565</b>	<b>(123)</b>	<b>1,074</b>

The above statement should be read with the accompanying notes.

## Note 1 Overview

### 1.1 Reporting entity

- (a) Tasman Council was established on 6 January 1908 and is a body corporate with perpetual succession and a common seal. Council's main office is located at Nubeena.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government in the municipality;
  - to promote the social, economic and environmental viability and sustainability of the municipal area;
  - to ensure that resources are used efficiently and effectively and services are provided in accordance with the best value principles to best meet the needs of the community;
  - to improve the overall quality of life of people in the local community;
  - to promote appropriate business and employment opportunities;
  - to ensure that services and facilities provided by Council are accessible and equitable;
  - to ensure the equitable imposition of rates and charges; and
  - to ensure transparency and accountability in Council decision making.

### 1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.2, 5.3, 6.2, 7.3, 8.1 and 10.3(d).

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 10.2.

### 1.3 Use of judgements and estimates

#### *Judgements and Assumptions*

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

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

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

#### *Employee entitlements*

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 7.3.

#### *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 9.5.

#### *Fair value of property, plant & equipment*

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 6.2.

#### *Investment in water corporation*

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 4.2.

1.4 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
Government and administration						
2017 - 2018	1,359	4,920	6,279	3,547	2,732	8,565
2016 - 2017	1,899	4,709	6,608	2,779	3,829	8,658
Regulatory services						
2017 - 2018	-	161	161	421	(260)	-
2016 - 2017	-	166	166	305	(139)	-
Works department						
2017 - 2018	-	80	80	1,905	(1,825)	56,796
2016 - 2017	-	297	297	2,065	(1,768)	56,282
NRM						
2017 - 2018	-	58	58	90	(32)	-
2016 - 2017	-	84	84	142	(58)	-
<b>Total</b>						
<b>2017 - 2018</b>	<b>1,359</b>	<b>5,219</b>	<b>6,578</b>	<b>5,963</b>	<b>615</b>	<b>65,361</b>
<b>2016 - 2017</b>	<b>1,899</b>	<b>5,256</b>	<b>7,155</b>	<b>5,291</b>	<b>1,864</b>	<b>64,940</b>

(b) Reconciliation of Assets above with the Statement of Financial Position at 30 June:

	2018	2017
Current assets	7,306	6,826
Non-current assets	58,055	58,114
	<b>65,361</b>	<b>64,940</b>

(c) Governance and administration

Operation and maintenance of council chambers, administration offices, and councillors. Development and promotion of tourism and economic services within the municipality including sustainable employment opportunities, and improved quality of life in line with Council's strategy for the region's development and aspirations of the community.

*Regulatory services*

Administration of Planning Schemes and co-ordination of building applications, Environmental Health includes disease control, food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries.

*Works department*

To provide an efficient and safe base for the outdoor workforce and a base for the storage of plant and vehicles also with materials and supplies. Construction and maintenance of roads, parks, bridges and buildings, parking facilities and street lighting. Collection, handling, processing and disposal of all waste material.

*NRM*

To provide Natural Resource Management services within the municipality in line with Council's strategy for the region.

	2018	2017
	\$'000	\$'000
<b>Note 2.1 Revenue</b>		
<b>Note 2.1 Rates and charges</b>		

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

The valuation base used to calculate general rates for 2017-18 was \$36.1 million.

General	3,980	3,624
Waste Management	232	220
Waste Collection	407	395
Fire Levy	163	153
<b>Total rates and charges</b>	<b>4,782</b>	<b>4,392</b>

The date of the latest general revaluation of land for rating purposes within the municipality was 29 November 2016 and the valuation was first applied in the rating year commencing 1 July 2017.

#### Accounting policy

##### Rates and charges income

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

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

#### Note 2.2 Statutory fees and fines

Infringements and costs	2	1
Town planning fees	84	64
Plumbing inspections and fees	35	31
Permits	18	24
<b>Total statutory fees and fines</b>	<b>139</b>	<b>120</b>

#### Accounting policy

##### Statutory fee and fine income

Fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

#### Note 2.3 User fees

NRM income	58	71
Private works charges	43	47
Certificate fees	52	49
Shared services income	149	145
Dog licences	13	12
Building services fees	17	17
Other fees and charges	200	74
<b>Total user fees</b>	<b>532</b>	<b>415</b>

#### Accounting policy

##### User fee income

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

#### Note 2.4 Grants

Grants were received in respect of the following:

##### Summary of grants

Federally funded grants	1,257	1,748
State funded grants	55	80
Others	47	71
<b>Total Grants</b>	<b>1,359</b>	<b>1,899</b>

	2018 \$'000	2017 \$'000
<b>Note 2.4 Grants (cont.)</b>		
<b>Grants - Recurrent</b>		
Commonwealth Government Financial Assistance Grants - General Purpose	466	681
Commonwealth Government Financial Assistance Grants - Roads	507	718
<b>Total recurrent grants</b>	<u>973</u>	<u>1,399</u>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2017-18 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 above that originally budgeted in 2017-18 by \$493k. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in 2017-18 by the same amount.

**Capital grants received specifically for new or upgraded assets**

Commonwealth Government - Roads to Recovery	284	349
State Government - Infrastructure	55	151
Other - Equipment	47	-
<b>Total capital grants</b>	<u>386</u>	<u>500</u>

**Accounting policy**

**Grant income - operating and capital**

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

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

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

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants.

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

**Note 2.5 Contributions**

**(a) Cash**

Parks, open space and streetscapes	(4)	14
<b>Total</b>	<u>(4)</u>	<u>14</u>

**(b) Non-monetary assets**

Parks, open space and streetscapes	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**Total contributions**

<u>(4)</u>	<u>14</u>
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**Accounting policy**

**Contribution income**

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt.

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

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

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

	2018	2017
	\$'000	\$'000
<b>Note 2.6 Interest</b>		
Interest on rates	25	21
Interest on cash and cash equivalents	97	92
<b>Total</b>	<u>122</u>	<u>113</u>

**Accounting policy**

**Interest income**

Interest is recognised progressively as it is earned.

<b>Note 2.7 Other income</b>		
Rental income	76	87
<b>Total other income</b>	<u>76</u>	<u>87</u>

**Accounting policy**

**Rental income**

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.

<b>Note 2.8 Net gain/(loss) on disposal of property, plant and equipment and infrastructure</b>		
Proceeds of sale	69	54
Write down value of assets disposed	(571)	(28)
<b>Total</b>	<u>(502)</u>	<u>26</u>

**Accounting policy**

**Gains and losses on asset disposals**

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

<b>Note 2.9 Investment revenue from water corporation</b>		
Dividend revenue received	10	10
Tax equivalent received	1	1
Guarantee fee received	4	4
<b>Total investment revenue from water corporation</b>	<u>15</u>	<u>15</u>

**Accounting policy**

**Investment revenue**

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

	2018	2017
	\$'000	\$'000
<b>Note 3 Expenses</b>		
<b>Note 3.1 Employee benefits</b>		
Wages and salaries	919	909
Annual leave and long service leave	8	57
Superannuation	144	128
Fringe benefits tax	5	19
Other	28	35
<b>Total employee benefits</b>	<b>1,104</b>	<b>1,148</b>

**Accounting policy**

**Employee benefits**

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

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

<b>Note 3.2 Materials and services</b>		
Fire Levy	153	148
Waste Collection	535	418
Maintenance and materials	854	852
Contractors	671	600
Computer maintenance and licences	68	63
Advertising	51	46
Postage, printing and stationery	37	50
Valuation fees	41	70
Vehicle expenses	165	130
Other	144	169
<b>Total materials and services</b>	<b>2,719</b>	<b>2,546</b>

**Accounting policy**

**Materials and services expense**

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

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

<b>Note 3.3 Depreciation and amortisation</b>		
<i>Property</i>		
Buildings		
Buildings	131	129
<i>Plant and Equipment</i>		
Plant, machinery and equipment	83	96
Motor vehicles	90	93
Fixtures, fittings and furniture	18	18
<i>Infrastructure</i>		
Roads and bridges	1,235	731
General infrastructure	16	16
Other infrastructure	125	108
<b>Total</b>	<b>1,698</b>	<b>1,191</b>

	2018	2017
	\$'000	\$'000

Note 3.3 (cont)

<b>Accounting policy</b>	
<b>Depreciation and amortisation expense</b>	
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.	
Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to 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 remaining values and a separate depreciation rate is determined for each component.	
Land and road earthwork assets 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:	
	<b>Period</b>
Buildings	
buildings	20-95 years
Plant and Equipment	
small plant	2 years
other	5-15 years
office equipment and furniture	5 years
motor vehicles	2-5 years
computers	3-5 years
Roads	
road - sealed pavements	20-60 years
road - unsealed pavements	5-20 years
road - seal	5-80 years
road - formation and earthworks	100 years
Bridges	
bridges and culverts	240 years
Intangible assets	
intangible assets	3-5 years

	2018	2017
	\$'000	\$'000
<b>Note 3.4 Finance costs</b>		
Interest - Borrowings	24	20
<b>Total</b>	<b>24</b>	<b>20</b>
Less capitalised borrowing costs on qualifying assets	-	-
<b>Total finance costs</b>	<b>24</b>	<b>20</b>

<b>Accounting policy</b>	
<b>Finance expense</b>	
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.	
Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period.	

	2018	2017
	\$'000	\$'000
<b>Note 3.5 Other expenses</b>		
External auditors' remuneration (Tasmanian Audit Office)	34	29
Internal auditors' remuneration (audit panel)	7	7
Councillors' allowances	111	104
Insurance premiums	136	127
Subscriptions	31	28
Community Grants	28	28
Utilities	64	63
Other	7	-
<b>Total</b>	<b>418</b>	<b>386</b>

#### Accounting policy

##### Other expenses

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

#### Note 4 Investments

##### Note 4.1 Investment in associates

The Copping Refuse Disposal Site Joint Authority (Trading as Southern Waste Solutions) was established under section 30 of the Local Government Act 1993 by the Sorell Council, Clarence City Council and Tasman Council. Kingborough Council joined the authority in 2009. The Copping Refuse Disposal Site Joint Authority's function is to promote and manage a putrescible landfill disposal site which conforms to its Development Proposal and Environmental Management Plan (DP&EMP) and permit conditions.

Investments in associates accounted for by the equity method are:

Waste - Southern Waste Solutions	465	405
<b>Total</b>	<b>465</b>	<b>405</b>

##### Background

Tasman Council maintains an ownership interest of 8%.

##### Council's share of accumulated surplus / (deficit)

Council's share of accumulated surplus / (deficit) at start of year	405	330
Reported surplus / (deficit) for year	45	55
Transfers (to) / from reserves	-	-
Distributions for the year	-	20
Council's share of accumulated surplus / (deficit) at end of year	<b>450</b>	<b>405</b>

##### Council's share of reserves

Council's share of reserves at start of year	405	330
Transfers (to) / from reserves	15	75
Council's share of reserves at end of year	<b>420</b>	<b>405</b>

##### Movement in carrying value of specific investment

Carrying value of investment at start of year	405	330
Share of surplus / (deficit) for year	45	55
Share of asset revaluation	15	-
Distributions received	-	20
Carrying value of investment at end of year	<b>465</b>	<b>405</b>

	2018	2017
	\$'000	\$'000

Note 4.1 Investment in associates (cont.)

**Accounting policy**

**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 Comprehensive Income.

	2018	2017
	\$'000	\$'000
Note 4.2 Investment in water corporation		
Opening Balance	792	787
Change in fair value of investment	-	-
Fair Value adjustments on Available-for-Sale Assets	10	5
<b>Total investment in water corporation</b>	<b>802</b>	<b>792</b>

Council has derived returns from the water corporation as disclosed at note 2.9.

**Accounting policy**

**Investment assets**

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2018, Council continues to hold a 0.05% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to an Available-for-sale Fair value reserve each year (refer note 9.9).

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

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

Note 4.3 Other investments

Investment in Bendigo Bank - shares for the Nubeena & Tasman Community Bank Branch	20	20
	<b>20</b>	<b>20</b>

Note 5 Current Assets

Note 5.1 Cash and cash equivalents

Cash on hand	1	1
Cash at bank	1,376	1,851
Term Deposits	4,650	3,818
<b>Total cash and cash equivalents</b>	<b>6,027</b>	<b>5,670</b>

Council's 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 7.2)	12	17
- Provisions for leave (note 7.3)	319	318
<b>Restricted funds</b>	<b>331</b>	<b>335</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>5,696</b>	<b>5,335</b>

**Accounting policy**

**Cash and cash equivalents**

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

	2018 \$'000	2017 \$'000
<b>Note 5.2 Trade and other receivables</b>		
<b>Current</b>		
Rates debtors	249	257
Sundry debtors	120	62
Provision for impairment - other debtors	(1)	(1)
Net GST receivable	78	-
<b>Total trade and other receivables</b>	<b>445</b>	<b>318</b>

**Accounting policy**

**Trade and other receivables**

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

**Note 5.3 Financial assets**

**Current**

Managed funds	700	700
<b>Total financial assets</b>	<b>700</b>	<b>700</b>

**Accounting policy**

**Financial assets**

Managed funds are valued at cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

**Note 5.4 Inventories**

Inventories held for distribution	2	1
<b>Total inventories</b>	<b>2</b>	<b>1</b>

**Accounting policy**

**Inventories**

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

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

**Note 6 Non-current assets**

**Note 6.1 Other assets**

**Current**

Prepayments	116	82
Accrued income	16	55
<b>Total other assets</b>	<b>132</b>	<b>137</b>

Note 6.2	Property, plant and equipment and infrastructure	2018 \$'000	2017 \$'000
	<b>Summary</b>		
	at cost	5,336	5,045
	Less accumulated depreciation	(2,715)	(2,399)
		<u>2,621</u>	<u>2,646</u>
	at fair value as at 30 June	78,821	78,319
	Less accumulated depreciation	(24,674)	(24,067)
		<u>54,147</u>	<u>54,252</u>
	<b>Total</b>	<u>56,768</u>	<u>56,897</u>
	<b>Property</b>		
	<b>Land</b>		
	at fair value as at 30 June	2,005	2,005
		<u>2,005</u>	<u>2,005</u>
	<b>Land under roads</b>		
	at fair value as at 30 June	2,507	2,507
		<u>2,507</u>	<u>2,507</u>
	<b>Total Land</b>	<u>4,512</u>	<u>4,512</u>
	<b>Buildings</b>		
	at fair value as at 30 June	7,564	7,730
	Less accumulated depreciation	(2,369)	(2,281)
		<u>5,195</u>	<u>5,449</u>
	<b>Total Buildings</b>	<u>5,195</u>	<u>5,449</u>
	<b>Total Property</b>	<u>9,707</u>	<u>9,961</u>
	<b>Plant and Equipment</b>		
	<b>Plant, machinery and equipment</b>		
	at cost	864	852
	Less accumulated depreciation	(646)	(563)
		<u>218</u>	<u>289</u>
	<b>Fixtures, fittings and furniture</b>		
	at cost	451	322
	Less accumulated depreciation	(436)	(288)
		<u>15</u>	<u>34</u>
	<b>Motor vehicles</b>		
	at cost	988	916
	Less accumulated depreciation	(494)	(550)
		<u>494</u>	<u>366</u>
	<b>Total Plant and Equipment</b>	<u>727</u>	<u>689</u>

**Note 6.2 Property, plant and equipment and infrastructure (cont)**

**Infrastructure**

**Roads and bridges**

at fair value as at 30 June	66,746	66,077
Less accumulated depreciation	(22,305)	(21,785)
	<b>44,441</b>	<b>44,292</b>

**General infrastructure**

at cost as at 30 June	603	603
Less accumulated depreciation	(95)	(79)
	<b>508</b>	<b>524</b>

**Other structures**

at cost as at 30 June	2,240	2,240
Less accumulated depreciation	(1,044)	(919)
	<b>1,196</b>	<b>1,321</b>

**Total Infrastructure**

	<b>46,145</b>	<b>46,137</b>
--	---------------	---------------

**Works in progress**

Buildings at cost	50	-
Roads at cost	92	112
Plant at cost	47	-
<b>Total Works in progress</b>	<b>189</b>	<b>112</b>

**Total property, plant and equipment and infrastructure**

	<b>56,768</b>	<b>56,897</b>
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Note 6.2 Property, plant and equipment and infrastructure (cont.)

Reconciliation of property, plant and equipment and infrastructure

2018	Balance at beginning of financial year	Acquisition of assets	Revaluation increments / (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	(note 9.1) \$'000	(note 3.3) \$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	2,005	-	-		-	-	-	2,005
land under roads	2,507	-	-	-	-	-	-	2,507
<b>Total land</b>	<b>4,512</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,512</b>
buildings	5,449	138		(131)	(262)			5,195
<b>Total buildings</b>	<b>5,449</b>	<b>138</b>	<b>-</b>	<b>(131)</b>	<b>(262)</b>	<b>-</b>	<b>-</b>	<b>5,195</b>
<b>Total property</b>	<b>9,961</b>	<b>138</b>	<b>-</b>	<b>(131)</b>	<b>(262)</b>	<b>-</b>	<b>-</b>	<b>9,707</b>
<b>Plant and Equipment</b>								
plant, machinery and equipment	289	12	-	(83)	-	-	-	218
fixtures, fittings and furniture	34	-	-	(18)	-	-	-	15
motor vehicles	366	242	-	(90)	(24)	-	-	494
<b>Total plant and equipment</b>	<b>689</b>	<b>254</b>	<b>-</b>	<b>(191)</b>	<b>(24)</b>	<b>-</b>	<b>-</b>	<b>727</b>
<b>Infrastructure</b>								
roads and bridges	44,290	1,559	-	(1,235)	(285)	-	112	44,441
general infrastructure	524	-	-	(16)	-	-	-	508
other infrastructure	1,321	-	-	(125)	-	-	-	1,196
<b>Total infrastructure</b>	<b>46,135</b>	<b>1,559</b>	<b>-</b>	<b>(1,376)</b>	<b>(285)</b>	<b>-</b>	<b>112</b>	<b>46,145</b>
<b>Works in progress</b>								
roads, buildings and plant	112	189	-	-	-	-	(112)	189
<b>Total works in progress</b>	<b>112</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(112)</b>	<b>189</b>
<b>Total property, plant and equipment and infrastructure</b>	<b>56,897</b>	<b>2,140</b>	<b>-</b>	<b>(1,698)</b>	<b>(571)</b>	<b>-</b>	<b>-</b>	<b>56,768</b>

Note 6.2 Property, plant and equipment and infrastructure (cont.)

Reconciliation of property, plant and equipment and infrastructure

2017	Balance at beginning of financial year	Acquisition of assets	Revaluation increments / (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	(note 9.1) \$'000	(note 3.3) \$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	2,304	-	(299)	-	-	-	-	2,005
land under roads	2,507	-	-	-	-	-	-	2,507
<b>Total land</b>	<b>4,811</b>	<b>-</b>	<b>(299)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,512</b>
buildings	5,350	109	119	(129)	-	-	-	5,449
<b>Total buildings</b>	<b>5,350</b>	<b>109</b>	<b>119</b>	<b>(129)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,449</b>
<b>Total property</b>	<b>10,161</b>	<b>109</b>	<b>(180)</b>	<b>(129)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,961</b>
<b>Plant and Equipment</b>								
plant, machinery and equipment	202	185	-	(96)	(2)	-	-	289
fixtures, fittings and furniture	52	-	-	(18)	-	-	-	34
motor vehicles	444	38	-	(93)	(23)	-	-	366
<b>Total plant and equipment</b>	<b>698</b>	<b>223</b>	<b>-</b>	<b>(207)</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>689</b>
<b>Infrastructure</b>								
roads and bridges	34,983	1,896	8,145	(731)	(3)	-	-	44,290
general infrastructure	540	-	-	(16)	-	-	-	524
other infrastructure	1,005	424	-	(108)	-	-	-	1,321
<b>Total infrastructure</b>	<b>36,528</b>	<b>2,320</b>	<b>8,145</b>	<b>(855)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>46,135</b>
<b>Works in progress</b>								
roads	61	112	-	-	-	-	(61)	112
<b>Total works in progress</b>	<b>61</b>	<b>112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(61)</b>	<b>112</b>
<b>Total property, plant and equipment and infrastructure</b>	<b>47,448</b>	<b>2,764</b>	<b>7,965</b>	<b>(1,191)</b>	<b>(28)</b>	<b>-</b>	<b>(61)</b>	<b>56,897</b>

**Accounting policy**

**Recognition and measurement of assets**

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

Property, plant and equipment and infrastructure 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.

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

	<b>Threshold \$'000</b>
Land	
land	10
land under roads	10
Buildings	
buildings	10
Plant and Equipment	
plant, machinery and equipment	1
fixtures, fittings and furniture	1
motor vehicles	1
Roads	
roads and bridges	10
general infrastructure	1
other infrastructure	1
Intangible assets	
intangible assets	1

**Revaluation**

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

Land	fair value
Land under roads	fair value
Buildings	fair value
Plant, machinery and equipment	cost
Fixtures, fittings and furniture	cost
Motor vehicles	cost
Roads and bridges	fair value
General infrastructure	cost
Other infrastructure	cost
Work in progress	cost
Investment in water corporation	fair value

Note 6.2 Property, plant and equipment, infrastructure (cont.)

**Accounting policy (cont.)**

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

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

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

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

On 31 January 2018 Council received a revised Road Valuation report from GR Webb Consulting. This report was a rectification to the 2017 revaluation of Council's road network assets due to the unit rate for the pavement subbase asset component for each Tasman road was input in error as double the cost of its actual rate. As a consequence, the fair value of roads and bridges and its related accumulated depreciation were overstated. As this error was associated with a prior period error, the fair value of roads and bridges as at 30 June 2017 has been restated.

**Impairment of assets**

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

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

**Land under roads**

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

Note 6.3 Prior period adjustment

During the year Council identified building and road assets that had not been previously recorded. An adjustment was made to record these assets as a prior period error, with buildings, roads and opening retained surplus restated. Additionally Council received a revised road valuation report from G R Webb Consulting rectifying the 2017 revaluation of Council's road network assets. An adjustment was made to record this adjustment as a prior period error, with road assets and opening retained surplus restated. In addition certain asset balances related to 2016/17 were restated.

	Previous \$'000	30/06/2017 Adjustment \$'000	Restated \$'000
Opening accumulated surplus 1 July 2016	17,771	655	18,426
Buildings			
Gross	7,522	208	7,730
Accumulated depreciation	(2,215)	(66)	(2,281)
Written down value	5,307	-	5,449
Roads			
Gross	82,892	(17,509)	66,077
Accumulated depreciation	(31,290)	9,700	(21,785)
Written down value	51,602	(7,809)	44,292
Total property, plant and equipment	64,065	(7,809)	56,897
Depreciation and amortisation	1,177	14	1,191
Result from continuing operations	1,879	(14)	1,865

	2018 \$'000	2017 \$'000
<b>Note 7 Current liabilities</b>		
<b>Note 7.1 Trade and other payables</b>		
<b>Current</b>		
Trade payables	210	99
Accrued expenses	130	412
Other	37	21
<b>Total</b>	<u>377</u>	<u>532</u>
<b>Non current</b>		
Other	6	5
<b>Total</b>	<u>6</u>	<u>5</u>
<b>Total trade and other payables</b>	<u>383</u>	<u>537</u>
<b>Note 7.2 Trust funds and deposits</b>		
Other refundable deposits	12	17
<b>Total trust funds and deposits</b>	<u>12</u>	<u>17</u>

#### Accounting policy

##### Refundable deposits

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

#### Note 7.3 Provisions

	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
<b>2018</b>			
Balance at beginning of the financial year	130	188	318
Additional provisions	(10)	11	1
Balance at the end of the financial year	<u>120</u>	<u>199</u>	<u>319</u>
<b>2017</b>			
Balance at beginning of the financial year	110	157	267
Additional provisions	20	31	51
Balance at the end of the financial year	<u>130</u>	<u>188</u>	<u>318</u>
		<b>2018</b>	<b>2017</b>
<b>(a) Employee benefits</b>		<b>\$'000</b>	<b>\$'000</b>
<b>(i) Current</b>			
Annual leave		120	130
Long service leave		44	28
		<u>164</u>	<u>158</u>
<b>(ii) Non-current</b>			
Long service leave		155	160
		<u>155</u>	<u>160</u>
Aggregate carrying amount of employee benefits:			
Current		164	158
Non-current		155	160
		<u>319</u>	<u>318</u>

Note 7.3 Provisions (cont.)

	2018	2017
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	2.50%	2.50%
Weighted average discount rates	2.04%	1.93%
Weighted average settlement period	12	12
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(iii) Current</b>		
All annual leave and 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	164	158
	<u>164</u>	<u>158</u>
<b>(iv) Non-current</b>		
Long service leave representing less than 10 years of continuous service measured at present value	155	160
	<u>155</u>	<u>160</u>
<b>(v) Employee Numbers</b>		
	20	20

**Accounting policy**

**Employee benefits**

*i) Short term obligations*

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

*ii) Other long term employee benefit obligations*

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

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

*iii) Sick leave*

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

*iv) Superannuation*

Council makes superannuation contributions for all eligible employees to an appropriate fund complying with the Superannuation Guarantee (Administration) Act 1992.

**Note 8 Non-current liabilities**

**Note 8.1 Interest-bearing loans and borrowings**

**Current**

Borrowings - secured	49	46
	<u>49</u>	<u>46</u>

**Non-current**

Borrowings - secured	166	215
	<u>166</u>	<u>215</u>
<b>Total</b>	<u>215</u>	<u>261</u>

**Borrowings**

The maturity profile for Council's borrowings is:

Not later than one year	49	46
Later than one year and not later than five years	166	215
Later than five years	-	-
<b>Total</b>	<u>215</u>	<u>261</u>

Note 8.1 Interest-bearing loans and borrowings (cont.)

**Accounting policy**

**Interest bearing liabilities**

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

Note 9 Other financial information

Note 9.1 Reserves

	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve</b>				
<b>2018</b>				
<b>Property</b>				
Land	1,048	-	-	1,048
Land under roads	(24)	-	-	(24)
Buildings	3,037	-	-	3,037
Building Improvements	(291)	-	-	(291)
Other structures	83	-	-	83
	<b>3,853</b>	<b>-</b>	<b>-</b>	<b>3,853</b>
<b>Infrastructure</b>				
Roads and bridges	38,519	-	-	38,519
Other infrastructure	193	-	-	193
	<b>38,712</b>	<b>-</b>	<b>-</b>	<b>38,712</b>
<b>Total asset revaluation reserve</b>	<b>42,565</b>	<b>-</b>	<b>-</b>	<b>42,565</b>
<b>2017</b>				
<b>Property</b>				
Land	1,347	-	(299)	1,048
Land under roads	(24)	-	-	(24)
Buildings	2,918	119	-	3,037
Building Improvements	(291)	-	-	(291)
Other structures	83	-	-	83
	<b>4,033</b>	<b>119</b>	<b>(299)</b>	<b>3,853</b>
<b>Infrastructure</b>				
Roads and bridges	30,374	8,145	-	38,519
Other infrastructure	193	-	-	193
	<b>30,567</b>	<b>8,145</b>	<b>-</b>	<b>38,712</b>
<b>Total asset revaluation reserve</b>	<b>34,600</b>	<b>8,264</b>	<b>(299)</b>	<b>42,565</b>
The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.				
<b>(b) Fair value reserve</b>				
<b>2018</b>				
<b>Available-for-sale assets</b>				
Investment in water corporation	(123)	10	-	(113)
<b>Total fair value reserve</b>	<b>(123)</b>	<b>10</b>	<b>-</b>	<b>(113)</b>
<b>2017</b>				
<b>Available-for-sale assets</b>				
Investment in water corporation	(128)	5	-	(123)
<b>Total fair value reserve</b>	<b>(128)</b>	<b>5</b>	<b>-</b>	<b>(123)</b>
The available-for-sale financial asset reserve was established to capture the fair value movements in Council's water corporation investment.				
<b>(c) Other reserves</b>				
<b>2018</b>				
Public open space	119			119
Tasman civic centre	3			3
General	952	-	-	952
<b>Total Other reserves</b>	<b>1,074</b>	<b>-</b>	<b>-</b>	<b>1,074</b>
<b>2017</b>				
Public open space	119	-	-	119
Tasman civic centre	3	-	-	3
General	952	-	-	952
<b>Total Other reserves</b>	<b>1,074</b>	<b>-</b>	<b>-</b>	<b>1,074</b>

	2018 \$'000	2017 \$'000
<b>Total Reserves</b>	<b>43,526</b>	<b>43,516</b>

	2018 \$'000	2017 \$'000
<b>Note 9.2 Reconciliation of cash flows from operating activities to surplus / (deficit)</b>		
Result from continuing operations	615	1,865
Depreciation/amortisation	1,698	1,191
(Profit)/loss on disposal of property, plant and equipment, infrastructure	502	(26)
Recognition of Infrastructure Assets	-	(4)
Share of net (profit) / loss of associates and joint ventures accounted for by the equity method	(59)	(75)
Capital grants received specifically for new or upgraded assets	(386)	(500)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(128)	66
Decrease/(increase) in other assets	4	(78)
Decrease/(increase) in inventories	-	11
Increase/(decrease) in trade and other payables	111	363
Increase/(decrease) in provisions	1	56
Increase/(decrease) in other liabilities	(5)	(3)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,353</b>	<b>2,866</b>

**Note 9.3 Reconciliation of liabilities arising from financing activities**

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

	<b>Interest-bearing loans and borrowings</b>	
	\$'000	\$'000
<b>Opening Balance</b>	261	304
Changes from financing cash flows:		
Cash Received	-	-
Cash Repayments	(46)	(43)
<b>Closing Balance</b>	<b>215</b>	<b>261</b>

**Note 9.4 Reconciliation of cash and cash equivalents**

Cash and cash equivalents (see note 5.1)	6,027	5,670
Less bank overdraft	-	-
<b>Total reconciliation of cash and cash equivalents</b>	<b>6,027</b>	<b>5,670</b>

**Note 9.5 Superannuation**

Fund	2018 \$'000	2017 \$'000
<b>Accumulation funds</b>		
Employer contributions to Tasplan	112	-
Employer contributions to Other	26	-
	138	-
Employer contributions payable to Tasplan at reporting date	8	-
Employer contributions payable to Other at reporting date	3	-
	11	-

**Note 9.6 Commitments**

**Contractual commitments**

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

Kerbside collection (expires 2021)	561	744
Rubbish collection (expires 2022)	775	1,020
Cleaning contractors (expires 2019)	74	156
Slashing contractor (expires 2018)	-	84
<b>Total contractual commitments</b>	<b>1,410</b>	<b>2,004</b>

**Note 9.7 Operating leases**

**(a) Operating lease commitments**

Lease of photocopiers 2017 until 2022

At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

Not later than one year	6	6
Later than one year and not later than five years	16	22
Later than five years	-	-
	<b>22</b>	<b>28</b>

Note 9.8 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	5.1	Cash on hand and at bank and money market call accounts 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. Interest revenues are recognised as they accrue.  Managed funds are measured at market value.	On call deposits returned a floating interest rate of 2.36% (2.39% in 2016-17). The interest rate at balance date was between 2.1% to 2.85% .
<b>Trade and other receivables</b>			
<b>Other debtors</b>	5.2	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 with credit terms based on 15 days.
<b>Available for sale financial assets</b>			
<b>Investment in Water Corporation</b>	4.2	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 0.05% (2016/17 0.05 %) excluding unrealised gains/losses.
<b>Financial Liabilities</b>			
<b>Trade and other payables</b>	7.1	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 receipt.
<b>Interest-bearing loans and borrowings</b>	8.1	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.  Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are unsecured. The weighted average interest rate on borrowings is 6.96% (6.95% in 2016-17).  Council currently has no finance leases.

Note 9.8 Financial Instruments (cont.)

(b) Interest Rate Risk

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

2018

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	2.36%	1,376	4,650	-	-	1	6,027
Other financial assets	2.31%	-	700	-	-	-	700
Trade and other receivables	0.00%	445	-	-	-	-	445
Bendigo Bank shares		-	-	-	-	20	20
Investment in water corporation		-	-	-	-	802	802
<b>Total financial assets</b>		<b>1,821</b>	<b>5,350</b>	<b>-</b>	<b>-</b>	<b>823</b>	<b>7,994</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	377	377
Trust funds and deposits		-	-	-	-	12	12
Interest-bearing loans and borrowings	6.96%	-	49	166	-	-	215
<b>Total financial liabilities</b>		<b>-</b>	<b>49</b>	<b>166</b>	<b>-</b>	<b>389</b>	<b>604</b>
<b>Net financial assets / (liabilities)</b>		<b>1,821</b>	<b>5,301</b>	<b>(166)</b>	<b>-</b>	<b>434</b>	<b>7,390</b>

2017

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	2.39%	1,852	3,818	-	-	-	5,670
Other financial assets	2.31%	-	700	-	-	-	700
Trade and other receivables	0.00%	257	-	-	-	61	318
Bendigo Bank shares		-	-	-	-	20	20
Investment in water corporation		-	-	-	-	792	792
<b>Total financial assets</b>		<b>2,109</b>	<b>4,518</b>	<b>-</b>	<b>-</b>	<b>873</b>	<b>7,500</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	532	532
Trust funds and deposits		-	-	-	-	17	17
Interest-bearing loans and borrowings	6.95%	-	46	215	-	-	261
<b>Total financial liabilities</b>		<b>-</b>	<b>46</b>	<b>215</b>	<b>-</b>	<b>549</b>	<b>810</b>
<b>Net financial assets (liabilities)</b>		<b>2,109</b>	<b>4,472</b>	<b>(215)</b>	<b>-</b>	<b>324</b>	<b>6,690</b>

**Note 9.8 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 Balance Sheet		Aggregate net fair value	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	6,027	5,670	6,027	5,670
Other financial assets	700	700	700	700
Trade and other receivables	445	318	445	317
Bendigo Bank shares	20	20	20	20
Investment in water corporation	802	792	802	792
<b>Total financial assets</b>	<b>7,994</b>	<b>7,500</b>	<b>7,994</b>	<b>7,499</b>
<b>Financial liabilities</b>				
Trade and other payables	377	532	377	532
Trust funds and deposits	12	19	12	19
Interest-bearing loans and borrowings	215	261	215	261
<b>Total financial liabilities</b>	<b>604</b>	<b>812</b>	<b>604</b>	<b>812</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.

Our loan borrowings are sourced from major Australian banks by a tender process. 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.

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

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

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

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

**Note 9.8 Financial Instruments (cont.)**

**Credit risk**

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

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we 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 provides a guarantee for another party. Council does not have any contingent liabilities as at year end.

**Movement in Provisions for Impairment of Trade and Other Receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the year	1	1
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	<u>1</u>	<u>1</u>

**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 Council's Trade and Other Receivables was:

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Current (not yet due)	134	15
Past due by up to 30 days	34	1
Past due between 31 and 365 days	264	269
Past due by more than 1 year	14	33
<b>Total Trade &amp; Other Receivables</b>	<u>446</u>	<u>318</u>

**Note 9.8 Financial Instruments (cont.)**

**Liquidity risk**

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

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

To help reduce these risks we:

- 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 instruments;
- 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.

Council's 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).

2018	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	377	-	-	-	-	377	377
Trust funds and deposits	-	12	-	-	-	12	12
Interest-bearing loans and borrowings	25	24	95	71	-	215	215
Total financial liabilities	402	36	95	71	-	604	604

2017	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	532	-	-	-	-	532	532
Trust funds and deposits	7	-	12	-	-	19	19
Interest-bearing loans and borrowings	24	23	101	113	-	261	261
Total financial liabilities	563	23	113	113	-	812	812

Note 9.8 Financial Instruments (cont.)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, 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 of 4.4%.

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

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2018	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	6,027	(121)	121	(60)	60
Trade and other receivables	445	(9)	9	(4)	4
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	215	(4)	4	(2)	2

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2017	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	5,670	(113)	113	(57)	57
Trade and other receivables	318	(6)	6	(3)	3
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	261	(5)	5	(3)	3

**Note 9.9 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
  - Land under roads
  - Roads
  - Bridges
  - Buildings

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 2018.

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

**As at 30 June 2018**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>					
Investment in water corporation	4.2	-	-	802	802
Land	6.2	-	2,005	-	2,005
Buildings	6.2	-	-	5,195	5,195
Roads, bridges and drainage	6.2	-	-	44,441	44,441
Land under roads	6.2	-	-	2,507	2,507
		-	2,005	52,945	54,950

**As at 30 June 2017**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>					
Investment in water corporation	4.2	-	-	792	792
Land	6.2	-	2,005	-	2,005
Buildings	6.2	-	-	5,449	5,449
Roads, bridges and drainage	6.2	-	-	44,292	44,292
Land under roads	6.2	-	-	2,507	2,507
		-	2,005	53,040	55,045

Note 9.9 Fair Value Measurements (cont.)

**Transfers between levels of the hierarchy**

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

**(b) Highest and best use**

Not all assets valued at fair value in this note are being used for their highest and best use. Some Council owned buildings are not being used to their full market potential rather their use has been determined by what is required for the community as a whole.

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

**Level 2 Measurements (recurring and non-recurring)** - describe the valuation techniques and the inputs used in the fair value measurement, if there has been a change in the technique then this change and the reason for making it should be disclosed.

**Level 3 Measurements (recurring and non-recurring)** - same as Level 2 above plus, for items other than PPE under AASB116, quantitative information about the significant unobservable inputs used in the fair value.

**Level 3 measurements (recurring)** - a reconciliation of opening and closing balances is also required, which should include gains and losses recognised in profit and loss, gains/loss recognised in other comprehensive income, purchases and disposals, transfers in and out of Level 3. Refer Note (e) below.

**Investment in water corporation**

Refer to Note 4.2 for details of valuation techniques used to derive fair values.

**Land**

Land fair values were determined by a qualified independent valuer ValueIT Pty Ltd effective 1st July 2017. Councils land holdings have been revalued based on these figures.

*Land under roads*

Land under roads is based on the unit rate given by the Valuer General for urban and rural areas multiplied by m2 road data held in Council's asset management system.

**Infrastructure and building assets**

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained. The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component was determined by the The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted. 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

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Roads are managed in segments. 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. Council assumes that pavements are constructed to depths of 3.5 cms for high traffic areas and 3 cms for lower traffic locations. 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.

**Note 9.9 Fair Value Measurements (cont.)**

Bridges

A full valuation of bridges assets was undertaken by independent valuers, Tasspan effective 30 June 2013. 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

Drainage is valued at the amount that is capitalised at year end and then indexed accordingly.

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.

**(d) 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 notes 4.2 and 6.2 respectively.

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

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

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

**Note 9.10 Events occurring after balance date**

(a) Council has no after balance date events to disclose.

**Note 10 Other matters**

**Note 10.1 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>	Mayor Roseanne Heyward
	Deputy Mayor Kelly Spaulding
	Councillor Pam Fenerty
	Councillor Alan Hull
	Councillor David Moser
	Councillor Maria Stacey
	Councillor Glenn Skeggs
<b>General Manager</b>	Robert Higgins

(ii) **Councillor Remuneration**

2018	Short term employee benefits		Post employment benefits	Total Compensation AASB 124	Expenses <sup>3</sup>	Total allowances and expenses section 72
	Allowances	Vehicles <sup>2</sup>	Superannuation <sup>1</sup>			
	\$	\$	\$	\$	\$	\$
<i>Mayor Heyward</i>	31,616	3,999	-	35,615	1,224	36,840
<i>Deputy Mayor Spaulding</i>	18,568	1,577	-	20,145	-	20,145
<i>Councillor Fenerty</i>	9,034	-	-	9,034	-	9,034
<i>Councillor Hull</i>	9,034	-	-	9,034	-	9,034
<i>Councillor Moser</i>	9,034	-	-	9,034	-	9,034
<i>Councillor Skeggs</i>	9,034	-	-	9,034	-	9,034
<i>Councillor Stacey</i>	9,034	-	-	9,034	-	9,034
<b>Total</b>	<b>95,352</b>	<b>5,576</b>	<b>-</b>	<b>100,929</b>	<b>1,224</b>	<b>102,153</b>

2017	Short term employee benefits		Post employment benefits	Total Compensation AASB 124	Expenses <sup>1</sup>	Total allowances and expenses section 72
	Allowances	Vehicles <sup>2</sup>	Superannuation <sup>1</sup>			
	\$	\$	\$	\$	\$	\$
<i>Mayor Heyward</i>	31,439	-	-	31,439	3,629	35,068
<i>Deputy Mayor Spaulding</i>	18,464	-	-	18,464	1,711	20,175
<i>Councillor Fenerty</i>	8,983	-	-	8,983	-	8,983
<i>Councillor Moser</i>	8,983	-	-	8,983	-	8,983
<i>Councillor Hull</i>	8,983	-	-	8,983	-	8,983
<i>Councillor Stacey</i>	8,983	-	-	8,983	-	8,983
<i>Councillor Macdonald</i>	1,817	-	-	1,817	-	1,817
<i>Councillor Skeggs</i>	6,830	-	-	6,830	-	6,830
<b>Total</b>	<b>94,482</b>	<b>-</b>	<b>-</b>	<b>94,482</b>	<b>5,340</b>	<b>99,822</b>

Note 10.1 Related party transactions (cont.)

(iii) Key Management Personnel Remuneration

2018	Remuneration band	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits <sup>8</sup>	Total
			Salary <sup>1</sup>	Short-term Incentive Payments <sup>2</sup>	Vehicles <sup>3</sup>	Other Allowances and Benefits <sup>4</sup>	Super-annuation <sup>5</sup>	Other Long-term Benefits <sup>6</sup>	Termination Benefits <sup>7</sup>		
			\$	\$	\$	\$	\$	\$	\$		
	\$220 001 - \$240 000	1 <sup>9</sup>	176,514	-	16,724	-	21,525	-	-	20,378	235,141
<b>Total</b>			<b>176,514</b>	<b>-</b>	<b>16,724</b>	<b>-</b>	<b>21,525</b>	<b>-</b>	<b>-</b>	<b>20,378</b>	<b>235,141</b>

2017	Remuneration band	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits <sup>8</sup>	Total
			Salary <sup>1</sup>	Short-term Incentive Payments <sup>2</sup>	Vehicles <sup>3</sup>	Other Allowances and Benefits <sup>4</sup>	Super-annuation <sup>5</sup>	Other Long-term Benefits <sup>6</sup>	Termination Benefits <sup>7</sup>		
			\$	\$	\$	\$	\$	\$	\$		
	\$220 001 - \$240 000	1 <sup>9</sup>	169,247	-	18,601	-	20,303	-	-	23,338	231,489
<b>Total</b>			<b>169,247</b>	<b>-</b>	<b>18,601</b>	<b>-</b>	<b>20,303</b>	<b>-</b>	<b>-</b>	<b>23,338</b>	<b>231,489</b>

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

<sup>2</sup> Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary.

<sup>3</sup> Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

<sup>4</sup> Other benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

<sup>5</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>6</sup> other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; other non-monetary benefits (such as housing, subsidised goods or services etc).

<sup>7</sup> Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

<sup>8</sup> Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc)

<sup>9</sup> The role of General Manager is a shared role between Tasman and Sorell Councils. Monthly invoices are issued by Tasman Council and this resulted in reimbursement of \$128,911 in 2017/18 (\$129,306 in 2016/17).

**Note 10.1 Related party transactions (cont)**

**(iv) Remuneration Principles**

**Councillors**

Remuneration levels for Councillors are set by the Department of Premier and Cabinet and reviewed annually in November. Expense reimbursement is paid for the travel to and from Council meetings.

**General Manager**

The employment terms and conditions of the general manager is contained in an individual employment contract and prescribes total remuneration for the General Manager, is reviewed annually which includes a review of the remuneration package. The terms of employment of the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period prior to termination of the contract. Whilst not automatic, contracts can be extended.

**(v) Transactions with subsidiaries, associates and joint ventures**

Council does not have any subsidiaries and did not enter into any transactions with associates or joint ventures.

**(vi) Transactions with related parties**

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

**Note 10.2 Special committees and other activities**

Council has the following Special Committees:

- Tasman Community Centre;
- Tasman Civic Centre; and
- Koonya Hall Committee.

The above Special Committees financial transactions were included with Councils' and resulted in Consolidated Financial Statements being prepared for the year ended 30 June 2018.

**Note 10.3 Other significant accounting policies and pending accounting standards**

**(a) Taxation**

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

*Goods and services tax (GST)*

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

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

**(b) Impairment of assets**

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

**(c) Allocation between current and non-current**

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

**(d) Financial guarantees**

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

**(e) Contingent assets, contingent liabilities and commitments**

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

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

**(f) Budget**

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

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

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

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

This standard is applicable to annual reporting periods beginning on or after 1 January 2017.

Amendments to AASB 107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities in the Statement of Cash Flows at note 9.3

**Note 10.3 Other significant accounting policies and pending accounting standards (cont.)**

**(h) Pending Accounting Standards**

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

**(i) AASB 9 Financial Instruments**

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

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

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

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

The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, Council expects no increase to impairment losses, however the standard is not expected to have a material impact overall.

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

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

**(ii) AASB 15 Revenue from Contracts with Customers**

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

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

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

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

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

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in note 2.4. Council's assessment is that the majority of the amounts received unexpended for the year, will be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled.

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

**Note 10.3 Other significant accounting policies and pending accounting standards (cont.)**

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

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

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

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

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

Where the asset acquired is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. These leased right-of-use assets have not previously been recognised. Council has not yet determined the number of Peppercorn leases, and the resultant recognition of right-of-use lease assets and lease liabilities. The balance will be adjusted against Accumulated surpluses.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period. The impact to Council will be that revenue recognised when received from *Rates and charges in advance* as disclosed in note 2.1, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured. Council has not yet assessed these requirements.

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

**(iv) AASB 16 *Leases***

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

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

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. Councils existing lease commitments are disclosed in Note 9.9.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. Council's current operating lease expenditure is shown at Note 3.6. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

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

**(v) AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, AASB 2015-10 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB10 and AASB12* and AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections***

This standard is applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledged inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

AASB 2017-5 defers the effective date of AASB 2014-10 to 1 January 2022

Council is yet to determine the impact of this change.

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

**Note 10.4 Significant Business Activities**

Council does not consider any of its activities to be deemed as significant business activities.

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Note	10.5	Management indicators	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
		<b>(a) Underlying surplus or deficit</b>					
		Net result for the year		615	1,865	1,100	1,170
		Less non-operating income and expenditure		404	975	98	436
		Underlying surplus / (deficit)	0	211	890	1,002	734

The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.

**(b) Underlying surplus ratio**

<u>Underlying surplus or deficit</u>		211	904	1,002	734
Recurrent income		6,174	6,555	6,056	5,914
Underlying surplus ratio %	0%	3%	14%	17%	12%

This ratio serves as an overall measure of financial operating effectiveness.

Council exceeds the benchmark

**(c) Net financial liabilities**

Liquid assets less		7,172	6,688	6,079	5,153
total liabilities		929	1,135	759	846
Net financial liabilities	0	6,243	5,553	5,320	4,307

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets Council exceeds the benchmark

**(d) Net financial liabilities ratio**

<u>Net financial liabilities</u>		6,243	5,553	5,320	4,307
Recurrent income		6,174	6,555	6,056	5,914
Net financial liabilities ratio %	0% - (50%)	101%	85%	88%	73%

This ratio indicates the net financial obligations of Council compared to its recurrent income.

Council is paying its loans as and when they fall due and has not obtained any additional borrowings.

**(e) Asset consumption ratio**

An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

*Transport Infrastructure*

<u>Depreciated replacement cost</u>		44,441	44,292	33,900	34,044
Current replacement cost		66,746	66,077	45,796	45,520
Asset consumption ratio %		67%	67%	74%	75%

*Buildings*

<u>Depreciated replacement cost</u>		5,195	5,307	5,206	5,166
Current replacement cost		7,564	7,522	7,245	7,148
Asset consumption ratio %		69%	71%	72%	72%

*General infrastructure*

<u>Depreciated replacement cost</u>		508	524	568	502
Current replacement cost		603	603	583	510
Asset consumption ratio %		84%	87%	97%	98%

This ratio indicates the level of service potential available in Council's existing asset base.

Note	10.5	Management indicators (cont.)	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
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(f) Asset renewal funding ratio

An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

*Transport Infrastructure*

Projected capital funding outlays**		30,508	1,370	8,090	8,932
Projected capital expenditure funding***		22,494	1,370	4,787	5,597
Asset renewal funding ratio %	90-100%	136%	100%	169%	160%

*Buildings*

Projected capital funding outlays**		3,988	55	426	553
Projected capital expenditure funding***		2,540	55	326	406
Asset renewal funding ratio %	90-100%	157%	100%	131%	136%

*Drainage*

Projected capital funding outlays**		2,285	61	1,059	1,138
Projected capital expenditure funding***		1,400	61	630	630
Asset renewal funding ratio %	90-100%	163%	100%	168%	181%

\*\* 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.

(g) Asset sustainability ratio

Capex on replacement/renewal of existing assets		1,938	1,405	776	1,045
Annual depreciation expense		1,698	1,191	1,143	1,040
Asset sustainability ratio %	100%	114%	118%	68%	100%

Council is working in line with its current Asset Management Plan

2018	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Roads	1,323	297	1,620
Bridges	246		246
Drainage		78	78
Buildings	124	62	186
Other Structures			-
Plant & Equipment	246	31	277
<b>Total</b>	<b>1,938</b>	<b>468</b>	<b>2,406</b>

2017	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Roads	797	882	1,679
Bridges	331	-	331
Drainage	-	-	-
Buildings	90	18	108
Other Structures	14	409	423
Plant & Equipment	173	50	223
<b>Total</b>	<b>1,405</b>	<b>1,359</b>	<b>2,764</b>

**Note 10.6 Material Budget Variations**

Council's original budget was adopted by the Council on 28 June 2017. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations of more than 10% are explained below:

**Revenues**

**1 Statutory Fees and Fines**

Revenue was up \$22,000 on budget (19%) due mainly to an unexpected increase in activity.

**2 Grants**

The variations for operating was up \$86,000 on budget (10%) due to the early receipt of Commonwealth funding. The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2011-12 the Commonwealth has been making 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 effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2016-17 by \$460,000 and 2017-18 by \$460,000. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in both years by these amounts. With fewer instalments due to be received in 2018-19, the reverse effect may occur, however future payments remain at the Commonwealth's discretion.

**3 Interest**

Interest income up \$51,000 on budget (72%) due mainly to a very conservative estimate being made for interest in the budget.

**4 Other Income**

Other income is down by \$79,000 (-51%) due to an over estimation in the original budget.

**Expenses**

**1 Finance Cost**

The decrease in Finance Costs of \$12,000 (-34%) is due to no new borrowings during the financial year.

**2 Other expenses**

Other expenses is down by \$413,000 (-50%) due to an over estimation in the original budget.

## Certification of the Financial Report

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



Robert Higgins  
General Manager

Date : 27.9.18