



# FLINDERS COUNCIL

## ANNUAL REPORT Year Ending 30 June 2011

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# STRATEGIC OBJECTIVES

## Our Vision for the Furneaux Community

A thriving, inclusive and self-reliant community that offers opportunities for current and following generations while maintaining the diversity, uniqueness and attractiveness of the natural environment.

## Flinders Council Mission

To provide leadership, services and support which contribute to the wellbeing and sustainability of the Furneaux community and its environment.

## Our Strategic Focus Areas

### *Environment and Natural Asset Management*

*An environment that maintains its diversity, uniqueness and attractiveness while supporting sustainable production and lifestyle.*

### *Infrastructure*

*Efficient and reliable infrastructure that supports and protects production, services and lifestyle.*

### *Land Use, Development and Building*

*A productive system of land and building development that promotes investment and activity while protecting people and the environmental characteristics of the Flinders Municipal area.*

### *Community Safety, Engagement and Enterprise*

*Through positive Council-Community partnerships, enhance people's security, inclusion and well-being.*

### *Corporate Governance and Intergovernmental Relations*

*Decisions are professionally and transparently made, communicated and implemented to achieve defined outcomes in the interest of the community.*

### *Furneaux Future*

*A thriving, self-reliant community offering opportunities for current and following generations while maintaining core values and attributes.*

# COUNCIL SERVICES

## **COUNCIL OFFICE**

4 Davies Street  
Whitemark TAS 7255

## **POSTAL ADDRESS**

PO Box 40  
Whitemark TAS 7255

## **OFFICE HOURS**

9.00 am – 4.30 pm

**Telephone:** (03) 6359 5001

**Facsimile:** (03) 6359 2211

**e-mail:** [office@flinders.tas.gov.au](mailto:office@flinders.tas.gov.au)

**ALL CORRESPONDENCE TO:** General Manager

## **AFTER HOURS EMERGENCY SERVICE**

**Mobile:** 0427 592 211

## **CHILD CARE CENTRE**

6 Davies Street, Whitemark TAS 7255

## **WORKS DEPOT**

21 Patrick Street, Whitemark TAS 7255

**Hours:** Weekdays 8.00am - 5.00pm

**Telephone:** (03) 6359 5020 / 5023    **Facsimile:** (03) 6359 2069

## **AIRPORT**

Palana Road, Whitemark TAS 7255

**Hours:** Weekdays 8.00am - 4.30pm

**Telephone:** (03) 6359 2144

**Facsimile:** (03) 6359 2145    **Mobile Ph:** 0428 592 144

**e-mail:** [airport@flinders.tas.gov.au](mailto:airport@flinders.tas.gov.au)

## **VISITOR INFORMATION CENTRE**

4 Davies Street, Whitemark TAS 7255

**Hours:** Monday to Friday 9.00am-4.30pm

**Telephone:** (03) 6359 5002

**Facsimile:** (03) 6359 2211    **e-mail:** [info@flinders.tas.gov.au](mailto:info@flinders.tas.gov.au)

# YOUR COUNCILLORS AND COMMUNITY REPRESENTATION

Flinders Council is represented by seven Councillors and is led by the Mayor and the Deputy Mayor. The Council is elected to represent the community and its aspirations and needs. The Council is authorised by the *Local Government Act 1993*, as amended, to make a broad range of decisions. The scope of the Council's responsibilities includes:

- the allocation of resources and the determination of funding priorities;
- policy determination and the establishment of corporate goals and objectives;
- reviewing and monitoring performance of the Council management structure and team;
- overall performance of the corporate body; and
- reporting to and liaising with the community.

The Council from 1<sup>st</sup> July 2010 to 30<sup>th</sup> June 2011 comprised the following members:

<b>Councillor</b>	<b>Address</b>	<b>Phone</b>
<i>Cr Carol Cox (Mayor)</i>	<i>32 Cooks Lane, Lady Barron</i>	<i>6359 3514</i>
<i>Cr Michael Grimshaw (Deputy Mayor)</i>	<i>209 Dutchman Rd, Lackrana</i>	<i>6359 6518</i>
<i>Cr Marc Cobham</i>	<i>105 Port Davie Rd, Emita</i>	<i>6359 8498</i>
<i>Cr Mary-Anne Roberts</i>	<i>504 Killiecrankie Rd, Killiecrankie</i>	<i>6359 8464</i>
<i>Cr Alan Stackhouse</i>	<i>403 Summers Road, Lackrana</i>	<i>6359 9755</i>
<i>Cr Margaret Wheatley (Resigned December 2010)</i>	<i>531 Killiecrankie Rd, Killiecrankie</i>	<i>6359 8560</i>
<i>Cr David Williams</i>	<i>31 Badger Cnr Rd, Badger Cnr</i>	<i>6359 3515</i>
<i>Cr Ronald Wise (Elected 22 February 2010)</i>	<i>Walker St, Whitemark</i>	<i>6359 2156</i>

## **Council Meetings**

Ordinary meetings of Council are held on the third Thursday of each month. Meetings commence at 1.00 pm and are open to the public. A list of Ordinary Meeting dates for the year ahead is available from Council offices after the December meeting each year.

## **Community Representation**

As at 30<sup>th</sup> June 2011 Council had representatives on the following regional and community organisations:

### **Special Committees**

- Furneaux Child Care Special Committee - Deputy Mayor M Grimshaw, J Watson, Office Manager K Beeton
- Furneaux Group Aviation Special Committee - Mayor C Cox, Cr A Stackhouse, Cr R Wise (replaced Cr A Stackhouse on the 25<sup>th</sup> March)
- Furneaux Group Shipping Special Committee - Mayor C Cox, Cr A Stackhouse, Deputy Mayor M Grimshaw
- Furneaux Hall and Recreation Ground Special Committee – Cr MA Roberts
- Lady Barron Hall & Recreational Special Committee - Cr D Williams

- Lady Barron Wastewater Special Committee - Mayor C Cox, Cr D Williams, Cr A Stackhouse
- Flinders Council NRM Special Committee - Cr M Cobham, NRM Officer M Sherriff
- Whitemark Municipal Hall Special Committee – Deputy Mayor M Grimshaw
- Port Davies Boat Ramp Special Committee – Cr A Stackhouse
- Youth Action Special Committee – Cr A Stackhouse, Youth Officer S Wheatley
- Furneaux Community Health Special Committee – Cr M Wheatley (resigned on the 16<sup>th</sup> December 2011), Cr MA Roberts (was appointed at the 20<sup>th</sup> January 2011 meeting)

### **Local Government Organisations**

- Australian Airport Owners' Association - General Manager R Harper, Aerodrome Operations Supervisor J Grace
- NTD Board - Mayor C Cox, Deputy Mayor M Grimshaw
- NTD Local Government Committee – Mayor C Cox, General Manager R Harper
- Local Government Association of Tasmania – Mayor C Cox, Deputy Mayor M Grimshaw, General Manager R Harper

### **Community Organisations**

- Aboriginal Liaison Representative (FIAAI) - Mayor C Cox, Cr D Williams
- Aboriginal Liaison Representative (Cape Barren) – Mayor C Cox, Cr M Cobham (Proxy)
- Flinders Island Tourism Association – Economic Development Officer A Saddler
- Flinders Island District High School Association - Cr A Stackhouse, Deputy Mayor M Grimshaw (Proxy)

### **Management Team**

- General Manager – Mr R Harper
- Corporate Services Consultant – Mr A Wilson
- Office Manager – Mrs K Beeton (retired on 1<sup>st</sup> March 2011)
- Corporate Services Manager – Mrs Kim Hossack (as of 7<sup>th</sup> February 2011)
- Works & Services Manager - Mr L Pitchford
- Works Coordinator – Mr B Barnewall
- Aerodrome Operations Supervisor - Mr J Grace

### **Other Council Committees**

- Risk Management Committee - Cr M Cobham, Cr D Williams (Proxy), OHS Co-ordinator S Walsh, General Manager R Harper, Works & Services Manager L Pitchford, Aerodrome Operations Supervisor J Grace
- “Clean Up Australia Day” Co-ordinator – Deputy Mayor M Wheatley, Cr M Cobham
- Staff Consultative Committee – Cr D Williams, Cr MA Roberts (Proxy) General Manager R Harper, Works & Services Manager L Pitchford
- Airport Emergency Committee – Aerodrome Operations Supervisor J Grace, General Manager R Harper
- Code of Conduct Panel – Deputy Mayor M Grimshaw, Cr M Cobham, Cr D Williams
- NRM North Association – Cr M Cobham, Cr D Williams (Proxy)

# COUNCILLOR MEETING ATTENDANCE REGISTER 2010-2011

Ordinary Meetings	Mayor Carol Cox	Deputy Mayor Michael Grimshaw	Cr Marc Cobham	Cr Mary-Anne Roberts	Cr Alan Stackhouse	Cr Margaret Wheatley	Cr David Williams	Cr Ronald Wise
15-Jul-10	✓	✓	x	x	✓	✓	✓	n/a
19-Aug-10	✓	✓	✓	✓	✓	✓	x	n/a
23-Sep-10	✓	✓	✓	✓	✓	✓	✓	n/a
21-Oct-10	✓	✓	x	✓	✓	✓	x	n/a
18-Nov-10	✓	✓	✓	✓	✓	✓	✓	n/a
16-Dec-10	✓	✓	✓	✓	✓	✓	✓	n/a
20-Jan-11	✓	✓	✓	✓	✓	resigned	✓	n/a
17-Feb-11	✓	✓	✓	✓	✓	resigned	✓	n/a
17-Mar-11	✓	✓	✓	✓	✓	resigned	✓	✓
21-Apr-11	✓	✓	x	✓	✓	resigned	✓	✓
19-May-11	✓	✓	✓	✓	✓	resigned	✓	✓
16-Jun-11	✓	✓	✓	✓	x	resigned	✓	✓
<b>Totals</b>	<b>12</b>	<b>12</b>	<b>9</b>	<b>11</b>	<b>11</b>	<b>6</b>	<b>10</b>	<b>4</b>

Special Meetings	Mayor Carol Cox	Deputy Mayor Michael Grimshaw	Cr Marc Cobham	Cr Mary-Anne Roberts	Cr Alan Stackhouse	Cr Margaret Wheatley	Cr David Williams	Cr Ronald Wise
25-Mar-10	✓	✓	✓	✓	✓	resigned	✓	✓
<b>Totals</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>n/a</b>	<b>1</b>	<b>1</b>

AGM	Mayor Carol Cox	Deputy Mayor Michael Grimshaw	Cr Marc Cobham	Cr Mary-Anne Roberts	Cr Alan Stackhouse	Cr Margaret Wheatley	Cr David Williams	Cr Ronald Wise
6-Dec-11	✓	✓	✓	✓	✓	✓	x	n/a
<b>Totals</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>n/a</b>

Margaret Wheatley resigned as a Councillor at the 16<sup>th</sup> December 2010 Ordinary Council Meeting. Ronald Wise attended his first meeting on the 17<sup>th</sup> March 2011.

## COUNCILLOR ALLOWANCES 2010-2011

<i>Name</i>	<i>Expenses</i>	<i>Allowances</i>	<i>Total</i>
Mayor Carol Cox	\$2,052.22	\$28,313.50	\$30,365.72
Deputy Mayor Michael Grimshaw	\$60.00	\$15,377.04	\$15,437.04
Cr Marc Cobham	\$908.84	\$7,481.04	\$8,389.88
Cr Mary-Anne Roberts	\$3,009.79	\$7,481.04	\$10,490.83
Cr Alan Stackhouse	\$333.85	\$7,481.04	\$7,814.89
Cr Margaret Wheatley	\$0.00	\$3,401.08	\$3,401.08
Cr David Williams	\$358.30	\$7,481.04	\$7,839.34
Cr Ronald Wise	\$0.00	\$2,636.33	\$2,636.33
<b>TOTAL</b>	<b>\$6,723.00</b>	<b>\$79,652.11</b>	<b>\$86,375.11</b>



# THE YEAR IN REVIEW

The following reports have been prepared in accordance with the requirements of the *Local Government Act 1993*. The matters reported are to a large extent prescribed in the Act. The reports relate to Council's Operational Plan, Strategic Plan and Partnership Agreements. These reports refer to the Financial Year ending 30<sup>th</sup> June 2011 and provide an overview of Council's operations and achievements during this period.

## MAYOR'S REPORT

Thank you to my fellow Councillors for their support and contribution to the communities of the Furneaux Group during the 2010-11 year. There were many developments and challenges, some were met and some continue on.

Margaret Wheatley resigned her position as an elected member in December of 2010 being replaced by Councillor Ronald Wise via a by-election. Margaret's contribution to Flinders Council, including her role as a past Deputy Mayor, will be remembered for her commitment to the community and particularly her interest in the health aspects for the community.

The General Manager, when the opportunity arose, took full consideration of the elected member's policy to revamp the office staffing that resulted in a shift of some personnel's positions and the introduction of two positions, whilst two other positions became redundant.

Council policy on this matter is as follows:

"It is Council's preference that where practical and economically feasible employment positions are located within the municipality notwithstanding the ability to resource share or contract in services"

The position of Office Manager was made redundant when Mrs Beeton retired and was then replaced with a Corporate Services Manager. This change brought financial management back into Council with Mrs Kim Hossack taking up the position and moving to Flinders. Financial Management had been outsourced to Brighton Council since early 2008 when Council contracted them to bring our financial systems into order. Councillors again appreciate having this expertise in the hands of a locally based staff member.

The position Building and Planning Officer was also removed and incorporated into a Development Services Officer position that allowed Council to employ an Environmental Health Officer (EHO) in house giving Council the opportunity to reduce Contract Services costs, phasing out the use of a visiting EHO officer. Planning is still overseen by a consultant planner and as previous Council facilitates building permit applications by using private company Protek to manage and oversee the flow of information and permits to and from the building surveyor.

The completion of the Flinders Arts and Entertainment Centre (FAEC) saw the relocation of Council Meetings to the Rose Garden Room freeing up the original meeting room for use as office space and the relocation of files into the offices from the exterior filing room.

It is pleasing to see the increasing use of the FAEC by the community and I thank the staff for sorting out the insurance issues that were restricting this and other Council facilities use by some community groups.

The move to provide Councillors with a computer notebook, Council email address, and internet connection has seen a huge reduction in the amount of paper being distributed to elected members and increased the ability to source information, having the policies, relevant Acts and regulations etc. stored on the laptops. I congratulate all the elected members for taking up the use of this technology that enabled them to cease using their private/work computers for Council related business including emails. A policy for the use of Council owned laptops is in place.

Councillors supported the sale of land for unpaid rates. Unfortunately the final lists of properties to be sold were all on Cape Barren Island (CBI), and the action raised the ire of the Aboriginal Land Council of Tasmania (ALCT). Whilst Council stood firm in its intention to recoup the outstanding rates, some time was allowed to determine if family members of deceased estates wanted to claim the titles and thus pay the outstanding rates. Four properties were finally sold and the money recouped over and above the value of the outstanding rates remains with Council awaiting claim by eligible persons.

In an effort to solve the differences and improve relations Council met with ALCT and Cape Barren Island Aboriginal Association Inc. (CBIAAI) members with Mr Greg Brown, Deputy Director of the Local Government Division of the Department of Premier and Cabinet (DPaC) acting as mediator. This proved to be a successful move with the understanding by each party of the wishes and thoughts of each being aired freely. I believe relations between the parties are much improved and although there are still outstanding issues to be sorted the parties are working towards the solutions, particularly with regard to waste management and planning. Council remains mindful that although ALCT was granted ownership of all the Crown Land on CBI, many freehold titles exist, and that the CBIAAI is the provider of many of the services to CBI residents, such as reticulated electricity and water.

Changes to Federal funding for childcare saw Council loose funding that was supporting "Duckpond", an occasional childcare centre open 3.5 days per week, 40 weeks of the year. As funding was available for long day care facilities, Council sought and found a company that was willing to continue providing childcare for the community. The Northern Children's Network now operate "Duckpond" as a long day care facility, 5 days a week, 48 weeks of the year. Council still supports childcare on Flinders through the provision facilities at minimal rent.

Elected members accepted the offer by the State Government for funding to enhance the use of solar hot water by the community and this saw 49 grants of \$1000 each distributed. Unused funding from the program was finally negotiated with the State Government to allow for the installation of solar panels at the FAEC, Works Depot and Council Offices. This will reduce Councils energy and operating costs now and well into the future. Thank you to the General Manager and staff for negotiating this outcome for Flinders.

A subcommittee of Councillors with the assistance of the NRM Officer developed a concept plan for the Killiecrankie Open Space areas, and although there are complicating issues with the development of these areas, funding for a gas BBQ as found in other key areas on Flinders, was allocated and this facility should be in place early in 2012.

Councillors supported the concept of a safe harbour in the vicinity of the current Slipway at Lady Barron and (subject to further exploratory work being undertaken in the preceding period by the Lady Barron Safe Harbour Group) will consider an allocation of funds in the 2011/2012 financial year for the undertaking of a feasibility study to assess the sites potential, establishment costs, ownership models, environmental impacts and economic and social benefits.

Once again a subcommittee of three Councillors organised and ran a very successful Australia Day celebration, this time at Yellow Beach.

Councillors initiated the purchase of a DVD for use in promoting Flinders as a destination. This was an opportunity taken to utilise the visit by Whirld Promotions to the Island during the Music in the Vines event.

I commend Councillors on the granting of a budget variation of approximately \$50,000 for the purchasing of a replacement Grader. This allowed staff to take advantage of an opportunity to purchase a suitable "used" grader. Although this bought the purchase of a replacement grader forward twelve months, the overall saving to Council was significant.

Councillors also supported the staff initiative of installing the purchase and trial of two Dog Tidy Dispensers for the distribution of Pooch Pouches for dog owners using Whitemark Beach.

With the onset of legislation requiring the micro-chipping of dogs, Councillors approved a subsidy for the local vet to microchip dogs up until the 1st July 2011 and the purchase of a microchip reader.

Support was also given to the purchase of the 'SmartBurn' product to be provided to householders on a cost neutral basis.

That the aboriginal flag be flown outside the Council Offices alongside the Australian Flag was also initiated during this financial year.

Council supported the visit of the Lady Nelson sailing ship by offering two residents of the Flinders Municipality the opportunity to travel to Hobart with the vessel via a sponsored competition run by a subcommittee of Council.

Council endorsed the Northern Tasmania Development (NTD) Regional Funding Priorities document as an agreed list of priority infrastructure projects for the Northern Region to present to both State and Federal Governments for funding and support. This shortlist of projects includes recognition that improvement to the ports of Lady Barron and Bridport will have a regional benefit. The General Manager is to be commended in pursuing the inclusion of this transport link as a benefit to the region made up of the eight council areas.

I was privileged to host the Governor and Mrs Underwood on their visit to Flinders, and very proud to be able to introduce them to the children at the School who interacted so readily with them. We also toured the Furneaux Museum, which is a tribute to the volunteers who have created such a valuable asset rich in the history of the Islands, the Multi-Purpose Centre where they gained an understanding of how our acute medical issues were dealt

with and of the impending upgrade as well as again that feeling of community involvement. The final day involved a visit to a grazing property, the Unavale Vineyard, the Flinders Island Aboriginal Association Inc, the Lady Barron Wharf and the day ended with a BBQ lunch hosted by the Lions Club at Yellow Beach.

Council as owners of the Airport also responded to the increasing visits by passenger planes of capacity greater than 30 seats by arranging to move the Airport from a registered facility to a Certified Airport. This is in progress and has enabled Civil Aviation Safety Authority (CASA) to continue to allow these larger aircraft use of the airport.

This is only a small selection of programs initiated by Councillors and Staff in response to the needs of this community. These are in addition to the continuing items such as Community Grants, Gunn Bequest and Citizen of the Year (2010 recipients were Bev Murphy and Andrew Jackson). I thank the Staff and Councillors who have been proactive in meeting the identified needs of the communities and I look forward to many more of the initiatives of 2010-11 coming to fruition in the coming year.

In finishing, I thank all Councillors and Staff, both indoor and outdoor on the successful operation of Council throughout the 2010-11 year.

*Carol Cox*  
**Mayor**

# GENERAL MANAGER'S REPORT

I am pleased to present the Flinders Council Annual Report for 2010-2011. The Report outlines Council's achievements for the year, financial position, services provided and compliance with the statutory requirements of a Local Government organisation.

The past year has been one of further consolidation for Council at a financial level. Councillors and Staff continue to manage our small budget to achieve strong and sustainable results. The details are reported at length in the accompanying financial statements. The operational performance in light of the financial restraint shown was solid. It must be noted that the ability to deliver the full suite of services expected by elements of the community is constrained by Council's small revenue base and a desire to limit rate increases to minimise cost of living pressures on ratepayers.

The past year has been a very active one for Council on a number of fronts, in particular the development and delivery of long-term plans for the organisation and islands future.

During the year Council delivered a Strategic Plan which is directly linked to a new operational framework and performance reporting system to track Council's efforts in achieving its stated goals and objectives. To support the new Strategic Plan, a high level land use structure plan was also undertaken that identified opportunities and constraints to the islands development through an assessment of the residential, social, environmental and economic needs of the islands. A focus on community infrastructure and further development of economic growth opportunities has been highlighted as priorities for the Islands future. The Strategic and Operational Plans, the Structure Plan and the soon to be delivered new Planning Scheme are major reforms for both the organisation and the islands as a whole. Council maintains its commitment to creating the appropriate frameworks to stimulate considered and appropriate growth and development while ensuring the key characteristic of our unique community and environment are maintained and enhanced.

While reforms and new plans are important, the delivery and improvement of core services must continue to be embraced. The provision of quality roads, works and services and corporate governance have been maintained. Improvements in waste management, building and planning and corporate governance are vital to ensure the sustainable development of the Islands is well managed and supported. Council's attraction of Mrs Kim Hossack to the position of Corporate Services Manager and Ms Jacci Viney to Development Services and Environmental Health has gone a long way to ensuring these goals are met.

Communication with the community is a critical function of Council as an organisation. To assist this goal, a major redesign of our website occurred in the past year with a now more functional, informative and modern portal available to those who seek more detailed information on Council's operations and services. Executive Assistant, Megan Boyes managed the development of this new site and her hard work and dedication has been very much appreciated. The provision of information via the Island News continues to be supported and the volunteers that maintain our community newspaper are thanked for their continued efforts and support. The past year has seen major reform and a significant number of projects undertaken. In some respects it is disappointing that at times the details and benefits of this work are not fully understood or appreciated by sections of the



community. Council at times is unable to release information due to the confidential nature of commercial and legal negotiations and this is a normal and legislated part of any organisations business. Further work needs to be undertaken to consider how best to explain and deliver information and details on Councils operations in a more effective manner.

Community health is a core function of Council operations and the past year has seen a number of services and initiatives delivered to the benefit of the community. Council continues to seek funds to deliver expanded primary health care services. The Federal Government funded podiatry services provided by Council continue to be oversubscribed and the year ahead will see these services and others expanded through Council being recognised for its efforts and gaining a significant increase in funding from the Federal Government.

During the year the childcare centre was devolved to a non-government organisation, a move that delivered increased services to the community and a major cost saving to the Council. Council continues to support childcare through supply of the premises.

Our commitment to the youth of the islands has not diminished with Council Officer, Stacey Wheatley continuing to develop and implement innovative and well supported services.

Council has partnered with organisations such as GP North to assist in the delivery of the Healthy Islands Project (HIP). To date this project has been a great success and again the efforts of Stacey Wheatley and David Heap should be recognised.

Natural Resource Management (NRM) continues to be supported by Council and the ongoing efforts of our dedicated officer, Michael Sherriff saw Council agree to extend its partnership with NRM North to co-fund the position for a further three years.

Council administered a variety of grants during the year in areas such as tourism, community facility improvements, health and economic development and upgrades at the airport. Council's Economic Development Officer (EDO) has been a major contributor in attaining significant grants funding from both the Federal and State Governments to support growth and development of the islands as a whole. Sustained growth of business and investment in the islands is vital. The administration of the Bass Strait Islands projects by the EDO saw funding for solar hot water systems rolled out to the community. These funds offered direct assistance in offsetting living costs and also acted as a stimulus to local trades people charged with installing the systems. Council benefitted from the projects by securing its own funding for the installation of solar hot water and subsequently solar panels. This continues Council's effort to minimise its energy usage and operational costs.

The past year saw a new airline servicing the islands and the beginning of a further upgrade of Council's Airport. Use of the airport and visitor numbers continue to grow with the provision of larger planes and more frequent scheduling adding to the attraction and potential growth of tourism and visitation to the islands. This has not come without challenges to Council at a capital works and staff cost level. It is clear that the previous runway sealing undertaken some years ago was not engineered to a standard designed to cope with the traffic and landings now being received. Council has attained funds from the Federal and State Governments to rebuild the required sections of the runway to a higher

standard but will still be required to invest its own limited funds into the required upgrades for some years ahead. The past year has seen a concerted effort by Aerodrome Operations Supervisor, Jeff Grace to bring these works to fruition and I thank him for his tireless work and commitment. Once complete the works at the airport will position the asset for increases in visitation and use for many years to come.

Council was again well served by its works department. The continued provision of services at a cost effective and high standard comes down to the hard work of the crew and the experience of the management team of Les Pitchford and Brian Barnewall.

A further highlight of the year included the organisations improvements at a risk management and occupational health and safety level. Council's strategy to manage the resources of Council in such a manner that risk is recognised, minimised and managed has been rewarded, with the Tasmanian Risk Management Audit score improved by a total of 29% over the past three years, indicating a significant and measurable improvement. At the Civic Mutual Plus' Risk Management Conference, Flinders Council was presented with an Award for Excellence for this improvement. This was in recognition of achieving the most improved score in the 2008-2010 Civic Mutual Plus Risk Management Audit for Tasmania. This was a great achievement by Council and staff, considering the limited resources and funding provided to do so and I would like to thank all staff and make particular note of Shane Walsh and his efforts.

Council continued its program of up skilling and supporting local staff and attracting trained officers to senior management positions to support Councils operational needs. Council continues to successfully manage the succession process from an aged workforce to one that has the appropriate levels of new, trained and committed staff moving through to replace Councils long time servants as they retire. The past year saw the retirement of long time Council employees Mrs Kerry Beeton, Mrs Kim Murphy and Mr Tom Rhodes. All worked tirelessly and brought unique qualities to the Council and I wish them all the best in their retirement and new endeavours. The replacement and shifting of staff in light of these retirements has enabled Council to restructure its workforce and employ more skilled on island staff which has seen a reduction in contract services and resource sharing costs. This approach continues Councils efforts to support locally based employment where possible.

Council continues to actively engage with Northern Tasmania Development and the Local Government Association of Tasmania. State Government initiated local government reforms continue to be challenging for Council and the support of these representative groups assists greatly in staying abreast of current thinking and engaging in sectorial responses when required. The support of the northern region Councils over the past year has been appreciated and has assisted greatly in Flinders being able to access funding and staff support for the planning reform process that has been undertaken. The support of the northern Councils in elevating the Lady Barron Port Redevelopment to a project of regional significance will allow Council to actively lobby the Federal Government in the year ahead for a further allocation of funds for its redevelopment. The value of Flinders engaging with these groups is often a topic of discussion in the community. Quite simply, it is critical that Flinders embraces an inclusive approach working with its partners in the region if it is to attain a fair share of funding opportunities as they arise and to stay engaged with the sector at this time of wholesale reform. An isolationist approach will not ensure protection or



immunity from the changes and pressures the local government sector currently faces and the support and assistance of the organisations that represent the local government sector are critical to our ongoing sustainability.

Our communities are well served by a cohesive, collegiate and hard working group of committed Councillors. This willingness to work together is enhanced by a fine leadership team in Mayor Cox and Deputy Mayor Grimshaw. I would like to thank the Mayor and Councillors for their support of all staff throughout a very busy year. Your assistance and willingness to attend the workshops and meetings has been greatly appreciated.

To all staff at Council, thank you for your loyal support and outstanding achievements throughout the year.

*Raoul Harper*  
**General Manager**

# WORKS & SERVICES REPORT

2010 – 2011 saw the Works & Services Department focus on working towards completing all Key Performance Indicators (KPI's) for Roads Management, Waste Management and Town Maintenance divisions as outlined in the Flinders Council Annual Plan.

## Sealed Roads

Year 12 of the Council's sealing programme was completed with the sealing and resealing of:

- Resealed Bar Street and the Esplanade in Lady Barron,
- Patrick and Walker Street in Whitemark and a section of Lagoon Road,
- Primed and sealed a section of widening on Lady Barron Road, and
- Constant patching of sealed roads is necessary to keep the roads serviceable.

## Unsealed Roads

Some areas and works identified at budget time were completed earlier than scheduled with the support of an \$85,000 grant from the Government for roads affected by the previous wet winter; this allowed some saving to Council.

## Town Streets

Approximately 230 meters of footpath was constructed in Henwood Street, Lady Barron, this took the foot path up to the Lady Barron Store.

## Bridge Construction

Summer Camp Road Bridge was replaced with triple 1200mm culverts.

Thule Road Bridge over Chew Tobacco Creek was replaced with prestressed concrete beams.

## Depot & Plant

The Work and Services Department purchased a new Farm Deere 'Ride On' mower and a second-hand Cat 12 H Grader.

## Town Maintenance

Extensive repairs and maintenance was done to the Showground buildings.

Solar hot water systems were installed on two of the Council owned houses.

Repairs and maintenance to Lady Barron Hall included replacement of exit doors on the East and West sides, painted woodwork and barges, the old storage shed was removed plus some electrical work was undertaken.

## Waste Management

Continued development of the Whitemark tip has included the building of the site office which includes a toilet and shower. A 22,000 litre tank was installed on the recycling shed and has been plumbed to the office. The power has also been connected to the facility.

Continued re-organising at the tip and new areas for electrical waste and tyres has been developed.

Continued monitoring of the bores at the tip has shown no abnormalities. Transfer stations at Killiecrankie and Whitemark are still in place and we continue to have issues with the dumping of non-household waste in these bins. This adds significant costs to the operation of these facilities.

### **Lady Barron Main Road**

Council's maintenance contract 1163 for the Lady Barron Road expires in June 2012 and a new contract is currently being negotiated.

Some shoulder strengthening and sealing was completed this year along with the general maintenance activities that are completed under the contract.

### **Personnel**

Tom Rhodes resigned from his position on the works gang after seven years of service. I'd like to thank him for his conscientious and hard work while employed by Council and wish him all the best in his future endeavours. I would like to thank all staff for their efforts.

*Les Pitchford*

***Works & Services Manager***

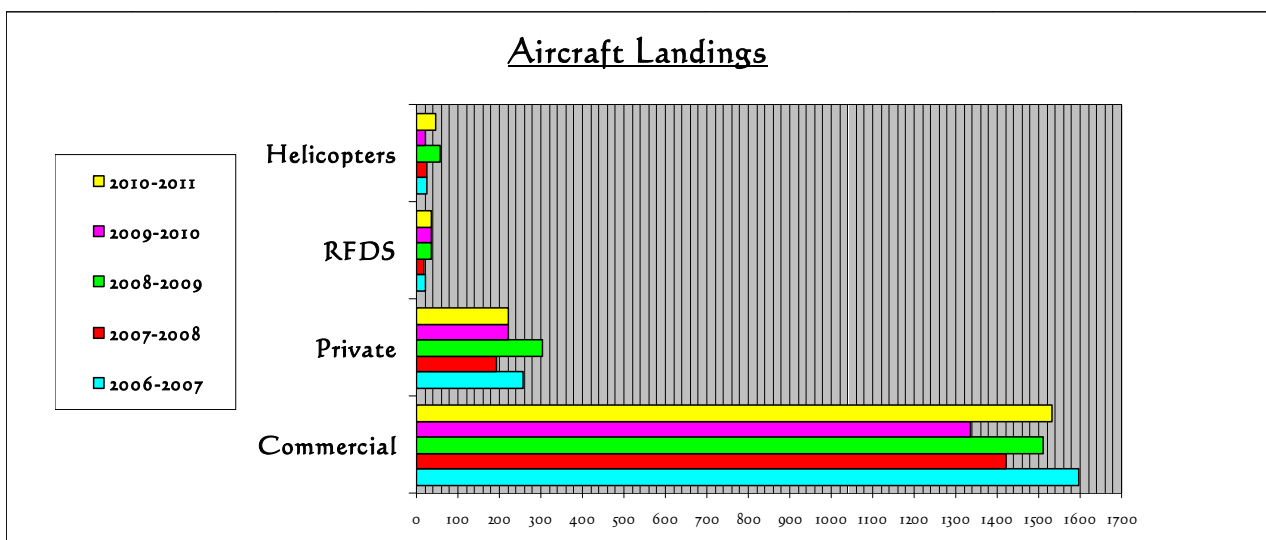
# AIRPORT REPORT

*Flinders Island Airport is a vital transportation link between Flinders Island, Tasmania and mainland Australia, providing facilities for regular public transport (RPT) services, tourism and private charter operations, emergency medical evacuations, freight, and general aviation.*



With the improved marketing of Flinders Island, an increase has been experienced in the number of large charter aircraft requesting landing permission at Flinders Island Airport during the 2010/2011 year.

This year the focus has again been on completing all KPI's as directed by the Annual Plan, with the airport achieving a high level of compliance, as evidenced by the audit reports and positive comments from dignitaries, community members and visitors.



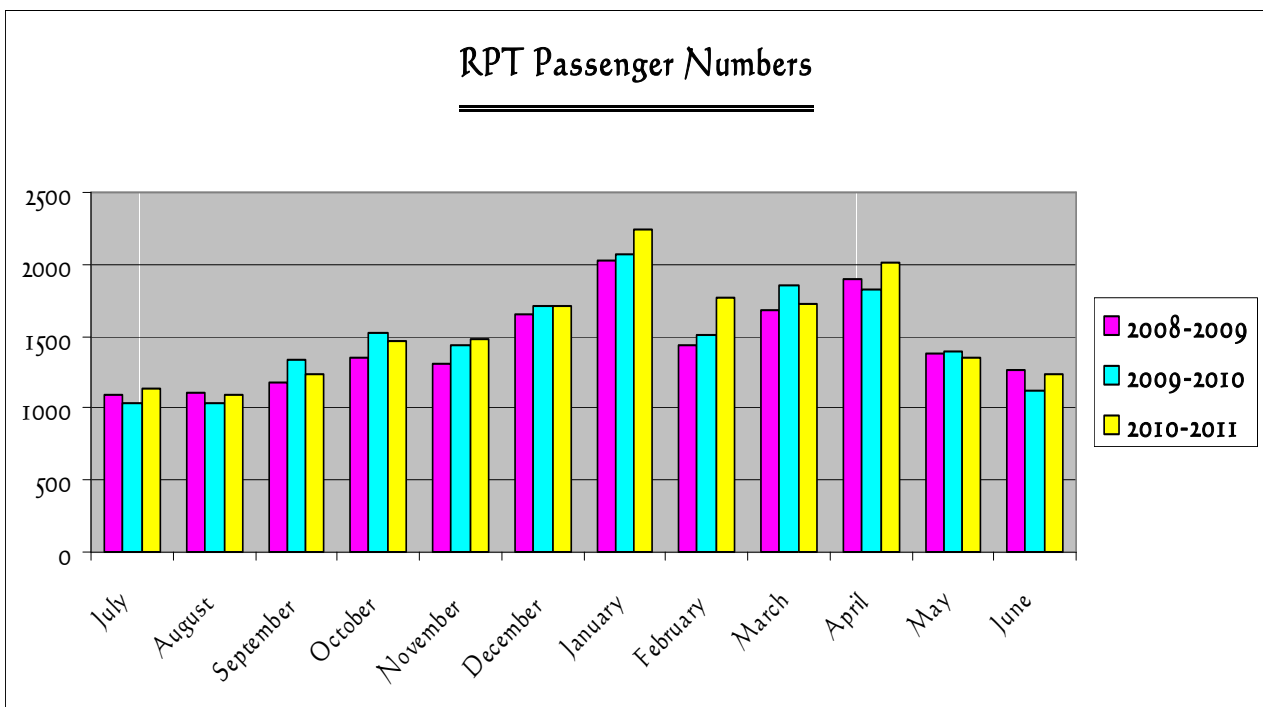
## Airlines

Sharp Airlines took over RPT operations from Airlines of Tasmania on the 4<sup>th</sup> October 2010. Servicing many destinations in South East Australia, Sharp Airlines, with their fleet of 19 seat capacity Metroliners, continue to provide a safe and reliable service. Sharp Airlines, with their on the ground staff, their production of a glossy in-flight magazine and their e-newsletter provide customers with discounted airfares, up-to-date company and destination information and face to face customer service.

## Passenger Movements

2010/2011 saw a further increase in RPT numbers from the previous year with total passenger movements reaching 18,460.

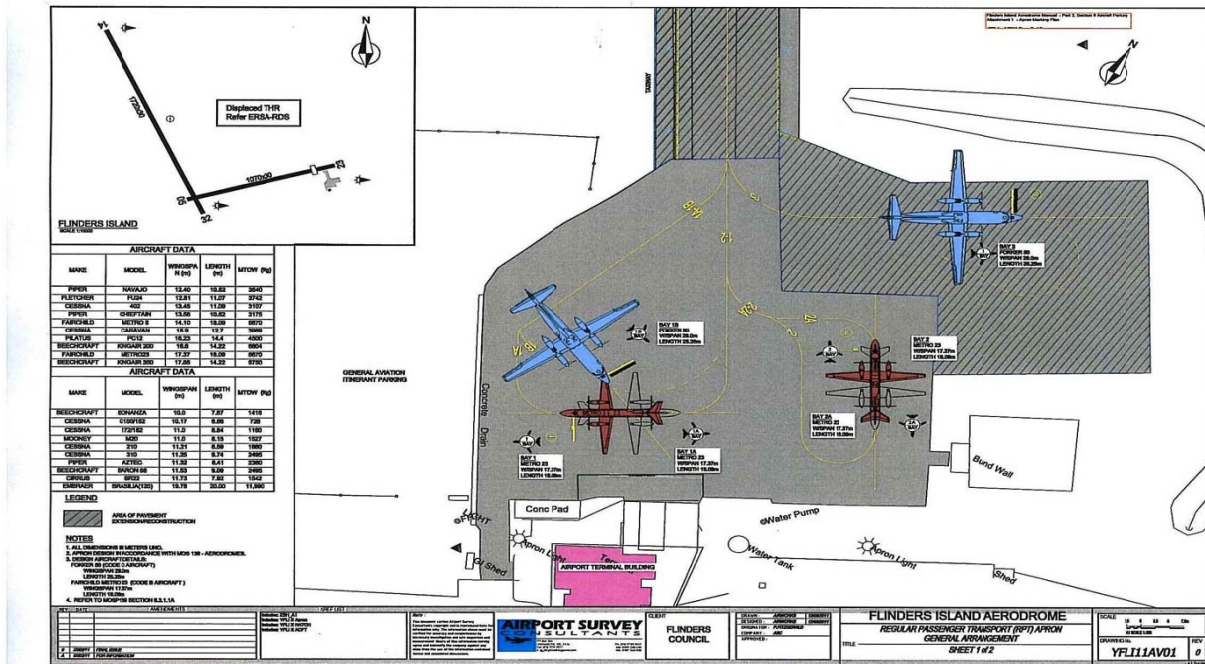
This represented a total increase of 617 on RPT numbers, with 7 out of the 12 months recording an increase from the previous financial year.



## Airport Infrastructure

Council was successful in receiving funds from the Remote Aerodrome Safety Program (RASP) in 2010 to erect a wallaby proof fence, upgrade the terminal building and reconstruct runway 14/32. The wallaby proof fence was completed in late December 2010 and has proven to be very successful in lowering the number of animals accessing the airside section of the airport.

Runway 14/32 experienced some serious failings in its base materials in a number of areas during the year and we were granted permission to use the remaining funds from the RASP grant to repair the pavement failures that were present. Due to the stocks of blue metal on the Island not meeting the specifications needed for the runway rebuild, materials were shipped to the island to allow for a high standard job to be undertaken.



Funds were also allocated to upgrading the taxiway and apron in front of the airport terminal building (see plan above). Due to the increased number of visits by Fokker 50 aircraft it was necessary to extend the parking apron to allow for multiple aircrafts to safely park at the same time.

2010 also saw the Airport faced with the extremely disruptive experience of birds on the airstrip. Professional Ornithologists made a visit to the Island and studied their movements over a few days and an attractant was discovered. With the removal of this, the situation has lessened but staff are now required to monitor the bird and animal movements on a daily basis with this information being recorded in a database for future reference. It has also now become a requirement to inspect the runway before all RPT and Royal Flying Doctors Service flights land and depart which has significantly increased staff costs.

A bird and animal hazard management plan for the airport and its vicinity was created and included as a separate section during the updating of the Airport Manual.

Through A1 Roadlines a Line Marking machine was purchased. This equipment is a major improvement on the old machine and will allow the completion of all markings on the runway, taxi way and car park to be undertaken internally.

**Terminal**

In 2010 Telstra recorded an income of only \$18 from their payphone located at the Airport. The provision of this service was unsustainable and it was removed from outside the terminal in May 2011. Due to extremely high purchasing costs and maintenance issues it was decided by Council not to replace the outdoor payphone.

Through an Federal Government grant, a heat pump was installed and the windows were also professionally tinted to allow better heating and cooling efficiency. Also through this grant, 22 solar panels were installed on top of the airport workshop to offset the power used and minimise operational costs.





Council has signed a 2 year lease with MJB (Tas) P/L (trading as Flinders Island Car Rentals) for counter space at the terminal.

To supply fresh potable water, a 23000 litre tank was installed adjacent to the terminal building.

### **Compliance**

Each year the Airport is required to undergo a series of audits and inspections to ensure compliance with aviation standards and regulations. Once again Flinders Island Airport successfully completed all Annual Safety inspections, Civil Aviation Safety Authority Audits, Obstacle Limitation Surveys, and electrical inspections to ensure it meets the requirements of a Registered Airport. Areas highlighted for attention from these inspections and audit reports have been actioned.

The airport was required to undergo a mandatory emergency exercise during 2010-2011 to discuss the updated Airport Emergency Plan. A Desk top exercise involving all emergency service providers was successfully completed.

### **Aims and Challenges for 2011/12**

A decision of Council has directed that the airport move from registered to a certified airport, which will in turn allow larger aircraft and an increase in passenger numbers.

With the expertise of Kneebush Planning, Council will establish and implement a Master Plan for the airport to guide development over the next 20 years. This will give Council and the community a direction in which to work towards and grow the airport into a viable asset. Details within the Master Plan include storage facilities, extra hangars as well as a light industrial area for future development.

Continue the improvement of both runways to allow them to accommodate larger aircraft.

Continue to work towards increasing the number of private and charter operators utilising our airport.

Install a further 6 pods (15 panels/pod) of solar panels within the airport grounds. This will enable the airport to further work towards becoming fully self-sufficient in the area of energy consumption and further minimise operational costs. At the present stage, the airport requires a high level of power for the lighting systems – it is envisaged that further efficiencies can be found by replacing the existing lighting with LED's.

*Jeffery Grace*

***Aerodrome Operations Supervisor***

# CORPORATE SERVICES REPORT

## GOVERNANCE

In accordance with current Legislative requirements, Flinders Council declares the following information within the Annual Report:-

### **Public Interest Disclosure Act 2002**

This report is made pursuant to Section 86 of the *Public Interest Disclosure Act 2002*. No public interest disclosures were made during the 2010-11 year.

### **Senior Positions**

In accordance with Section 72(1)(cd) of the *Local Government Act 1993*, the following table provides the remuneration for those positions designated by Council as Senior Positions. These amounts includes salary, employer contribution to superannuation, the value of the use of motor vehicle and the value of allowances and/or benefits provided to the employee.

Remuneration Band	Number of Positions
\$50,001 - \$80,000	4
\$100,001 - \$140,000	1

### **Donation of Land Statement**

Under Section 177 of the *Local Government Act 1993*, Council is required to report on any land donated by Council during the year. Council has not resolved to donate any land in accordance with the Act during the 2010-11 year.

### **Right to Information**

During the year Council received no requests for information under the *Right to Information Act 2009*.

### **Public Tenders**

The *Local Government (General) Regulations 2005* requires Council to report any contract for the supply or provision of goods and services valued at or above \$100,000 (excluding GST) during the financial year. Council did not call for tenders over this amount during 2010-11.



## Policies of Council

During the 2010-11 year Council reviewed and/or introduced thirty (30) policies as listed below:-

Council Policy Manual
Tasmanian Tidy Town Competition
Advertising Sign - Aerodrome
Flinders Island Aerodrome Charges
Provision of Electronic Services – Elected Members
Communication Between Councillors & Council Officers
Attendance at Conferences (Elected Members)
Staff Sun Protection
Smoke Free Environment
Council Houses - Maintenance
Pacific Oyster Marine Farming
Identification of Herbicide Sprayed Areas
Access Policy
Flying of Flags At Council Property
Special Committees of Council
Elected Members Allowances & Reimbursements
Roadside Vegetation Management
Private Tenancy
Visits - Cape Barren Island
Youth Policy
Leasing of Land for Aircraft at Flinders Island Aerodrome
Building Approvals
Flinders Personal Protective Equipment (PPE)
Public Open Space
Customer Service Charter
Sponsorship of Third Party Projects & Events
Occupational Health & Safety
Risk Management
Debt Collection
Aerodrome Upgrade

## FINANCIAL MANAGEMENT

Flinders Council aims to develop, maintain and continually review financial management systems that comply with Legislative requirements and the Australian Accounting Standards to ensure services are provided in a cost effective manner.

Council's total revenue during 2010-11 was just over \$4 million and expenditure was \$4.6 million, which resulted in an operating deficit of \$590,361 from ordinary activities. This deficit was \$700,600 less than budgeted which was mainly due to increased grant revenue being generated throughout the year.

An increase in capital infrastructure and assets not previously recognised, resulted in Council's final position ending in a net surplus of \$171,847.

The complete Financial Statements for the year ending 30<sup>th</sup> June 2011 is appended to this report. Included is the independent audit report provided by the Tasmanian Audit Office.

The following core areas of Council's operations under Financial Management are listed below with prudent information.

### **Grants & Donations**

Annually Council offers the opportunity for local groups & organisations to apply for grants under the Community Grants Program or the Gunn Bequest Grant Program for local sporting & recreational groups.

The following were recipients of a grant under Council's Community Grants Program for 2010-11:-

Flinders Island Branch of Tasmanian Regional Arts	\$2,000
Friends of the Patriarchs	\$1,885
Flinders Island Pony & Riding Club	\$1,515
Flinders Island Playgroup	\$1,000
Flinders Island Sing Australia Choir	\$525
Flinders Island Show Society	\$200

The following were recipients of a grant under Council's Gunn Bequest Program for 2010-11:-

Flinders Island Sports & RSL Club	\$1,000
Flinders Island Pony & Riding Club	\$734
Furneaux Fillies Netball Association	\$640

The following were recipients of a Donation from Council during 2010-11:-

Fitness on Flinders	\$1,000
Cody Woolley – Grade 12 Bursary	\$250
Dux Year 10 Flinders District School	\$250
Jimmy Xypteras Funeral (In lieu of Flowers)	\$200

Council also offers in kind support to many organisations or businesses within the Municipality. This varies from rental support for Northern Children's Network for the Child Care Centre; to the exemption of Council rates for Flinders Island Rural Health Teaching Accommodation at 16 Patrick Street, Whitemark and the provision of facilities for use by community groups at a cost recovery basis.

## **Rates & Property**

Council's property rateable base increased by three properties from 1160 (2009-10) to 1163 (2010-11) within the Municipality. An overall rate increase of 6.9% was applied to all properties which achieved total rate revenue of \$1,133,428 for the 2010-11 year.

The Municipality underwent a complete property revaluation in accordance with *Valuation of Land Act 2001*. The previous revaluation was completed back in 2005. All property owners were provided a Valuation Notice by the Valuer-General's Office dated 17<sup>th</sup> May 2011 and this new information is directly used for the purpose of raising rates.

## **Debtor & Creditor Control**

This area has undergone significant improvements throughout the year, especially reducing the amount of debt owed to Council at year end. With the introduction of an updated Debtor Collection Policy last financial year, clear guidelines are now in place for staff to action our collection process.

Likewise for the payment of our Creditors, at year end only \$6,599 was owed by Council.

## **337/132 Certificates**

Council received requests for and issued 39 x s.337 and 64 x s.132 Certificates during the 2010-11 year which was a steady increase from the previous year. This indicates the number of properties for which these certificates have been formally requested, but other properties may have changed hands without such certificates being requested.

## **HUMAN RESOURCES MANAGEMENT**

Council endeavours to manage their resources effectively and efficiently by ensuring that qualified employees are available to plan and implement both the short & long-term objectives of the Council.

### **Council Staff**

At the end of 2010-11, Council had 22 permanent employees, six (6) of whom were part-time, with the remainder being full-time employees. In addition Council had two (2) casual employees which gave a full-time equivalent of 24 staff in total. Casual staff were employed in the following Departments - Administration, Works & Services, Airport and Child Care throughout the year.

A significant change to staff resources resulted from the change of sponsorship of the Furneaux Child Centre on 30<sup>th</sup> September 2010. This resulted in one full-time and two casual employees ceasing employment with Council at that time.

During the year Council made a significant change within Corporate Services Department with the Officer Manager being replaced with a new full-time position of Corporate Services Manager. This position now provides senior financial & administrative support across the whole organisation.

### **Human Resource Training & Development**

The Council recognises that its people are its greatest asset and we pride ourselves on offering them the best training and career development opportunities.

Council's expenditure for training and professional development this financial year was in excess of \$33,000 for the whole organisation. Some employees undertook structured training and Council netted approximately \$9,000 from training subsidies. This indicates Council's long-term commitment to increasing skills & knowledge base for its staff.

## **RISK MANAGEMENT**

Council's strategy is to manage the resources of Council in such a manner that risk is recognised, minimised and managed within the organisation.

A more regimental approach with regard to minimising risk has been implemented and with regular meetings of the Risk Management and OH&S Group which has staff representatives from all Departments. This gives opportunity to raise issues from the workplace environment; complaints from the community; and open discussion on emerging concerns.

The Tasmanian Risk Management Audit score has improved by a total of 29% over the past three years indicating a significant and manageable improvement.

At the Civic Mutual Plus' Risk Management Conference, Flinders Council was presented with an Award for Excellence for this improvement. This was in recognition of achieving the most improved score in the 2008-2010 Civic Mutual Plus Risk Management Audit for Tasmania.

This was a great achievement by Council and staff, considering the limited resources and funding provided to do so.

## **VISITOR INFORMATION**

The Visitor Information Centre forms part of Council's overall customer services provided at our Whitemark Office. Local brochures on subjects such as accommodation, businesses, maps and activities are all showcased along with local knowledge being provided to visitors to our Municipality.

With the general public being much more conversant with the internet, visitors are utilising this source information prior to arriving on the island resulting in a noticeable reduction in the physical number of visitors to our Centre.

At the same time, the increase in email requests for visitor information has substantially grown than in previous years of operation.

## **FURNEAUX CHILD CARE CENTRE**

Due to the loss of Federal Government funding, Council on 30<sup>th</sup> September 2010, ceased operational responsibility of the Furneaux Child Care Centre (Duck Pond) and in doing so, appointed Northern Children's Network Inc. as the new sponsoring body of the Centre. This enabled the continuation of child care services for our local community.

As a result of this negotiated transition of sponsorship, Council was responsible for and provided the following commitments:-

- Pay all entitlements due to staff members on cessation of their employment with Council. This resulted in one full-time and two casual employees being terminated.

- All assets, including the existing building utilised by the service and the equipment, would form part of Council's commitment to the continuing support of child care within our community.
- A full commercial lease for 3 years would be applicable with no rental being payable during that time and no Council rates would be charged.

Northern Children's Network is currently working towards building ongoing and viable child care within the Municipality and wish to develop & expand their current services in the future.

*Kim Hossack*  
**Corporate Services Manager**

# FURNEAUX NATURAL RESOURCE MANAGEMENT REPORT

## **Furneaux Natural Resource Management (NRM)**

The provision of a locally based Furneaux NRM Facilitator is the result of a partnership between Flinders Council and NRM North. The activities of the Facilitator are overseen by a subcommittee of Council that contains representation from a range of stakeholder groups with strategic direction provided by both NRM North and Flinders Council. The main focus of the Facilitator is to effectively deliver NRM programmes and to provide the Community with way to access advice, funds and support for natural resource management activities.

### ***Council NRM Support***

- Groundwater monitoring – Project management of the groundwater monitoring system installation and ongoing maintenance of the database.
- Local Food Project. Some community meetings and one on one discussions about the outcomes of the report prepared by Josh Byrne and Associates regarding local food production.
- Roadside threatened plant register.
- Assistance with review of planning scheme.
- Rehabilitation of Summercamp Gravel Quarry, prepared a rehabilitation plan.
- Comment on NRM issues as requested by Council or General Manager.

### ***NRM Special Committee of Council***

The NRM committee conducted two meetings in during the reporting period. Chaired by Cr Marc Cobham, the committee provided guidance of community priority projects.

### ***Partnerships***

Assistance provided to community groups, Government Agencies and NGO's including Understorey Network, Tasmanian Land Conservancy, Threatened Species Unit (DPIPWE), Protected Areas on Private Lands Programme, Birds Tasmania, Private Forests Tasmania, Tasmanian Institute for Agricultural Research.

### ***Communications***

- Regular items in the Island News,
- Attended Landcare meetings,
- Radio interviews,
- Stall at the Flinders Island Show, and
- Regular articles and features written for NRM North newsletters and yearbook.

## 2010-11 Activities

Activity	Description	Outcomes
Sustainable agriculture initiatives	<p>Property Management Planning</p> <p>Ongoing works (not PMP)</p> <p>Workshops</p> <p>Action oriented learning</p>	<ul style="list-style-type: none"> <li>- Seven new landholders had property management plans created</li> <li>- The seven new landholders and seven existing clients were able to access \$78,000 to undertake onground works including revegetation and stock exclusion fencing around significant remnants, wetlands and waterways.</li> <li>- 74 kg of native tree seed was collected by a contractor for use in revegetation projects</li> <li>- Seven Landholders implemented onground works to enhance or protect high value natural assets.</li> <li>- 5 sustainable agriculture workshops/field days</li> <li>- Perennial pasture trials were established at four sites in conjunction with the Flinders Farm Productivity Group and the Tasmanian Institute for Agricultural Research</li> </ul>
Community engagement	<p>School</p> <p>Community workshops/volunteer events</p> <p>Museum Exhibition</p>	<ul style="list-style-type: none"> <li>- Guest speaker at Schools Science week activities and assisted with two science field trips</li> <li>- Regular assistance with School garden</li> <li>- Coordination of revegetation project on school farm</li> <li>- Participated in revegetation project with School and Parks at NE River</li> <li>- Two Shorebird awareness workshops with Birds Australia</li> <li>- Support for three planting days with Furneaux Landcare</li> <li>- Support throughout the year to Friends of Bass Strait Islands boxthorn removal programme</li> <li>- Curated exhibition at the Furneaux Museum with assistance from historical society that highlighted some environmental features. Approximately 1100 visitors passed through the Museum during the 4 month display.</li> </ul>
Community Group support	<p>Furneaux Landcare</p> <p>Friends of Bass Strait Islands</p>	<ul style="list-style-type: none"> <li>- Attended 2 meetings</li> <li>- Assisted with funding application and implementation of Fotheringate Creek restoration project</li> <li>- Provided support to Furneaux Landcare (funding application and labour) for repairs on the Roydon Island hut</li> <li>- Support for Furneaux Landcare and Friends of Bass Strait Islands in boxthorn control projects on outer</li> </ul>

	Flinders Island Farm Productivity Group	<p>Islands</p> <ul style="list-style-type: none"> <li>- Attended one meeting</li> <li>- Assistance for funding application (\$19,000) and implementation of perennial pasture trials. The four trial sites were established in conjunction with the Tasmanian Institute for Agricultural Research</li> </ul>
Information service	<p>Weed management advice</p> <p>Small holding management advice</p> <p>Project management</p>	<ul style="list-style-type: none"> <li>- Weed control advice provided to 8 community members</li> <li>- Visited 5 new landholders regarding land management</li> <li>- Funding application (\$12,100) and implementation of the 'Flinders Island Landholders Weed Skills Development Project'. A project that sought to further highlight asparagus weeds and equip landholders to effectively treat asparagus weeds</li> </ul>

*Michael Sherriff*  
**NRM Facilitator**



# ECONOMIC DEVELOPMENT REPORT

2010/11 has been a very significant year for economic development on Flinders Island, with the Economic Development Officer (EDO) securing over \$600,000 in funding for the region, managing the implementation of a number of important projects, upgrading community and Council infrastructure, and supporting the finalisation of a set of key strategic documents.

A highlight of 2010/11 was the ability to channel additional funds secured from the Australian and Tasmanian governments into the community, generating a direct economic benefit for the community through programs such as the Furneaux region solar rebate scheme. This scheme provided a direct rebate to community members who took up the offer and also created increased economic stimulus in the contracting area with an increase in installations of solar hot water systems.

Significant successful funding submissions prepared by the EDO include:

- \$148,000 from the Australian Government's RASP to upgrade airport runways;
- \$150,000 from the State Government's Bass Strait Island project for the development of renewable energy options;
- \$172,000 from the State Government to improve shipping facilities;
- \$30,000 from the Australian Government for improvements to the Flinders Island Airport;
- \$60,000 from the State Government for the implementation of solar arrays at the airport; and
- \$30,000 from the Australian Government for improvement to the Killiecrankie public open space.

In 2010/11 the EDO, working with relevant stakeholders, senior management and consultants, has successfully managed and/or supported the following activities from concept stage to implementation:

- Development of the Tourism Investment Ready Program;
- Increased solar energy generation at the Airport;
- Business planning activities for several private enterprises;
- Negotiation of funding arrangement between the State Government and the Flinders Island Tourism Association;
- Finalisation of the Flinders Island Nature Based Tourism Marketing Feasibility Study;
- Assistance with the Flinders Council Structure Plan; and
- Assistance with Flinders Council Strategic Plan.

Once again, access has been a continued area of focus, both sea and air. The EDO will continue to work with service providers in the transport sector to ensure that the promotion and growth of the region continues. Other major areas that will focus EDO activities in the coming financial year will

be investment attraction, renewable energy and community infrastructure, and continued efforts to maximise support from the Australian and State Governments for the economic development of the region.

The EDO will continue to lobby and represent Flinders Council's interests at every opportunity.

*Adam Saddler*  
**Economic Development Officer**

# YOUTH DEVELOPMENT REPORT

2010-2011 has been a productive year with some new activities being offered and the continuation and growth of existing programs. Friday night Youth Club and the School Holiday Program have been offered in partnership with Flinders Island Aboriginal Association Incorporated (FIAAI) Youth Engagement Officer. The Transition Program has continued with support from Flinders Island District High School (FIDHS) and FIAAI. The Surf Program has had a successful third season with our first junior lessons being offered, it is envisaged that the program will now be open to all of the community in the year ahead. Overall the youth programs are well established and well supported within the local community and Flinders Council.

## **YOUTH CLUB 2010-2011**

Youth Club is an after school activity offered on a Friday night; it consists of movies; games and activities; sport and recreation and social events.

Youth Club Activities 2010-2011

Activity	Quantity	Attendance
<b>Youth Club Activities including;</b> <ul style="list-style-type: none"> <li>• Movie Nights</li> <li>• Sport and Recreation</li> <li>• Games and Activities</li> <li>• Dinner</li> <li>• BBQ and beach days</li> <li>• Minute to Win It</li> <li>• Christmas Party</li> </ul>	11	203
<b>School Holiday Program including;</b> <ul style="list-style-type: none"> <li>• Mini Van Mission</li> <li>• Commando Challenge</li> <li>• Mocktail/Meal and Pool Night</li> </ul>	4	100
<b>TOTAL</b>	<b>15</b>	<b>303</b>

## **YOUTH WEEK 2011 (1<sup>st</sup> – 10<sup>th</sup> April)**

Youth workers from Council and FIAAI applied for a Youth Week Grant and received \$8,300, we took 17 young people to Launceston for the Multicultural Youth Festival Event. The weekend included a variety of activities and social opportunities to catch up with off island students. Highlights of the event were the live Youth Week celebrations and enabling our young people to experience a major youth event.

Activity	Attendance
Youth Week performances in the mall	29
Crazy Golf	23
Multicultural Youth Week Event	31
Go Karting	14
Meal and a Movie	30
<b>Total</b>	<b>127</b>

## **SUMMER PROGRAM 2010-2011**

The summer program is now into its fourth year; this program consists of surfing & snorkelling lessons and beach activities. The program would not have been such a success without in kind and financial support from Flinders Council, Aurora, Flinders Island Aboriginal Association Inc (FIAAI), Flinders Island District High School (FIDHS), Country Women's Association (CWA), Lions Club, Mick Grimshaw and GP North. Flinders Council now own 23 surfboards to suit a variety of age groups and abilities and a trailer has been built for the purpose of transporting the boards. In 2010-2011 we offered the first season of junior surf lessons for 7-11 years; this was due to a partnership with GP North and Flinders Council. It is envisaged that the next 2011-2012 season will see the program offered to all of community.

<b>Activity</b>	<b>Quantity</b>	<b>Attendance</b>
Surf School		
• Youth Club Surf School	3	56
• Junior Surf School (Partnership with GP North)	3	63
<b>Total</b>	<b>6</b>	<b>119</b>

## **HEALTH AND WELL BEING ACTIVITIES 2010-2011**

Listed below are a variety of activities that were done in conjunction with FIDHS and a number of organisations that help to promote the health and wellbeing of our young people.

<b>Activity</b>	<b>Quantity</b>	<b>Attendance</b>
Visit from Headspace and Sexual Health	1	12
Skills Institute Training – Registered Training Organisations to provide training in Barista Skills, Responsible service of Alcohol and Excellence in Customer Service	3	Each session was full with approx. 20 per group.
<b>Total</b>	<b>4</b>	<b>72</b>
<b>Other workshops/activities – these were offered as subjects/activities in partnership with FIDHS</b>		
• Metal Heads - mechanics short course	10	80
• After school clay workshops	8	48
• Sexual Health and Party Safe activities	6	72
• Field trip to the river with parks and wildlife	1	12
• Visit from Tour De France rider Wes Sulzberger	1	22
• Flag designs for local community group for the Celebrate Tasmania Day	2	65
		24
<b>APPROXIMATE TOTALS</b>	<b>27</b>	<b>311</b>

## **TRANSITION PROGRAM 2010-2011**

The Transition Program commenced in 2009; the primary focus was to develop life skills, build resilience, overcome fears, and develop social connections to create a supportive environment for the transition to further education/employment. The Transition Program is now offered as a subject at FIDHS, this has been strongly supported by the School's English teacher.

As a part of the program for 2010-2011 Youth Workers from FIAAI and Council took seven students to Launceston for a 3 day transition trip. Students got to spend time at both colleges and attend classes of interest. We visited accommodation options, Headspace, Centrelink, Service Tasmania

and other youth services. The trip provided an opportunity to catch up with other students to hear and discuss their first year experience at College. Newstead Campus provided us with free accommodation giving the students a firsthand experience of the new facility.

Four students also participated in the Youth Employment Showcase (YES). This provided them with an opportunity to network and gather information from a variety of Employment and Education Providers, Arts, Learning Tools, Health and Youth providers and Registered Training Organisations.

The program will continue to develop and we are looking forward to making it a sustainable and collaborative approach for the young people of Flinders Island.

Activity	Quantity	Attendance
Transition Class offered weekly at FIDHS	Weekly	12-14 per week
Transition Trip to Launceston	1	7
Youth Employment Showcase (YES)	1	4

## **GRANT APPLICATIONS/FUNDRAISING AND DONATIONS 2010-2011**

### **Grant Applications**

Grant	Project/Program	Progress	Amount
Telstra Foundation Grants	2 year transition program	Unsuccessful	<b>\$142.50</b>
Medibank Private	Summer surf program & Youth Club activities	Commendation	<b>\$0.00</b>
RACT grant	Transition Program	Unsuccessful	<b>\$2,000.00</b>
Community Capacity Building Grants	Youth Week activities 2011 – Building the Bridge to Bright Lights	Successful	<b>\$8,300.00</b>
Sport and Recreation Minor Grants Program	2010-2011 Summer Surf Program	Unsuccessful	<b>\$5,901.00</b>

### **Fundraising (GST Included)**

Event	Activity	Amount raised
Drink bottle sales	Walker Supermarket	\$253.00
Youth Club Contributions	Surf School, School Holiday Program, Youth Club	\$516.85
Cow Pat Lotto	Flinders Island Show	\$250.00
<b>Total</b>		<b>\$1,019.85</b>

### **Donations**

Donor	Donation	Amount
Aurora Energy	Safety Money donated to Youth Club	<b>\$3,300.00</b>
<b>Total</b>		<b>\$3,330.00</b>

## **PROFESSIONAL DEVELOPMENT 2010-2011**

The Officer attended professional development opportunities for 2010-2011 including;

- Mental Health for young people,
- First Aid,
- Kayaking Instructors Course (2 day course),
- Sexual Health Workshop, and
- Surf Bronze requalification.

Overall our programs have ensured our young people have access to opportunities for physical activity, entertainment, health and well-being and a support network that facilitates their growth. Our emphasis is placed upon ensuring each of our participants become active contributors to our local community and the knowledge gained assists them in their future endeavours.

*Stacey Wheatley*  
**Youth Development Officer**

# PUBLIC HEALTH REPORT

This has been a quiet year as far as public health is concerned. No new major epidemics, no life changing or earth shattering events.

School immunisation has gone on as usual with three sessions held in the school this year providing the regular immunisations funded by the council. The national figures of almost absent incidence of genital warts caused by Human Papillomavirus in the age group receiving immunisations shows that the HPV vaccination has been a very successful public health measure as far as control of cervical cancer is concerned.

Regular testing of patients for communicable diseases has been done as usual and no new unusual illnesses were reported this year by the labs. Sporadic cases of Rickettsial fever were suspected but only a couple could be proved. None for Ross River Fever. The rest of the country had an unusually high incidence of Whooping cough among adults especially and children occasionally but none tested positive on Flinders. No case of Measles was seen, though again the rest of the country has a few cases. We did have a particularly nasty flu infection doing the rounds but I believe most people who were immunised against flu, especially the oldies, were spared. The young working adults seem to have been particularly affected.

The new FIMPC building should be coming soon and plans drawn up look good. The new management at the Hospital has brought in more changes for the welfare of the Islanders have been much appreciated. The GP North aided programme run by David Heap and Dolly Wheatley (Healthy Islands Project (HIP)), has been a very welcome step and has impacted the health of the Island hugely by raising awareness of healthy living and eating. The Community Nursing is going great guns by keeping people safe in their homes. The meals on wheels community programme is a vital cog in all this. The "Secret Men's Business" run by the FIMPC is much appreciated by the population. The "wrinklies tour" every year is a great event. All these affect the general health of the Island a great deal though it may not directly appear so.

The Volunteer Ambulance always deserves a special mention and the Island would be truly lost without their selfless service.

We continue to have visiting specialists and allied health providers as last year. There is a fortnightly visit by the psychologist and that takes care of some of the mental health issues, but we could probably do well with more help on that front. Discussions seem to be underway and one can only hope.

Sue Ryden, the new Director of Nursing and Andy our new Nurse Unit Manager seem to be settling in well.

Dr Birender Singh  
**Flinders Island**

# DEVELOPMENT SERVICES REPORT

A staff restructure to the Development Services department of Council have seen some changes to the processing of development applications and the function of the department.

I joined the team at the beginning of 2011 and took on the position of Development Services Coordinator, overseeing the processes of Planning, Building and Environmental Health. As a qualified Environmental Health Officer, my forte is in the health area, however I have previous extensive experience in the field of building and planning administration.

Council continue to engage Brighton Council as our planning consultancy during the year. Preliminary ground work is done in house and Brighton provide for technical referencing against the *Flinders Planning Scheme 1994* and advise of conditions for permits and provide technical planning advice.

Flinders Council engages Protek Building Surveying Services to provide building surveyor services. A building surveyor is required to issue relevant documentation to Council's Permit Authority in order for building permits to be issued prior to work commencing. Council now send all documentation electronically to Protek Building Surveying and request a preliminary assessment of the documentation prior to the applicant making payment. This can save on additional costs and time for the applicant.

Council can also offer additional services in the way of engineering, site and soil evaluation and waste water design. Depending on the development, these things may be done via Council rather than applicants having to outsource consultants for the evaluation works.

## BUILDING APPROVALS

Council's consultant building surveyor is responsible for the inspection and issuing of completion and final certification.

Inspections for footings and framing continue to be conducted by Steve Kacir on behalf of the building surveyor. Joe Conti conducts occupancy, final and plumbing inspections on behalf of the Building Surveyor. Inspection appointments are made via Council who facilitate the meetings as well as collating the inspection reporting.

The *Building Act 2000* requires Council to carry out the role of permit authority and issue building and plumbing permits as well as completion certification.

The Building Code of Australia is reissued each year. Similarly, the Plumbing Code of Australia is also issued. This year the National Construction Code was released with the concept on integrating the two aforementioned Codes under one cover.

In this financial year 39 building applications were approved. Of these 12 were for new houses or housing additions. The remainder consisted of outbuildings, verandahs and sheds. The total value of building works approved during the period 2010/2011 totals \$1,866,809.00. These figures are consistent with trends of the past decade.



## PLANNING APPROVALS

Flinders Council continued to be an active participant in the Northern Tasmania Development (NTD) facilitated collaborative approach to State planning reform. The NTD approach incorporated the eight (8) councils in the north of the State to collectively draft a regional model on the back of the State directive to create consistency in planning across the State.

The process included taking the State template (PD1) which aims to form the basis of all planning schemes in the state and add regional content to the template through the NTD collaboration. Each Council may then add their own local content.

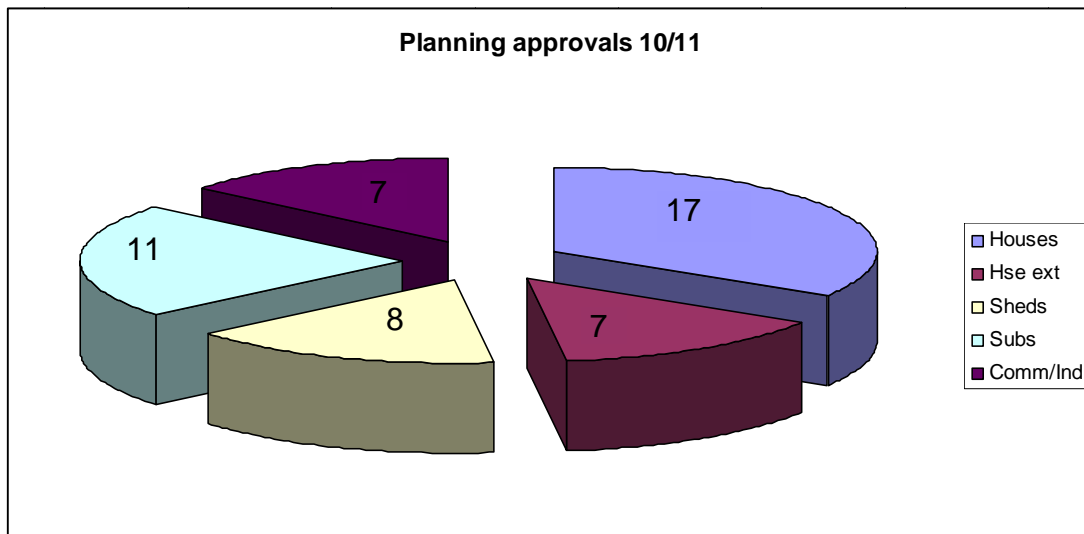
This laborious task also provided an opportunity for Council to replace the current Planning Scheme of 1994 and guide the future direction of land use for the Municipality. This could allow for Council to decide on what areas are deemed as sensitive and possibly not currently addressed by the planning scheme or what areas are available to be utilised to better support the island.

Pitt & Sherry consultants were engaged to prepare a Structure Plan. This document investigated the current status of Flinders Land Use Planning and sought direction on future land use. The draft plan was released for community comment in May. The results were collated in readiness for adoption by Council. This project continued into the next period.

As well as playing an integral part in the regional process, Council also commenced drafting a planning scheme specific to the Municipality that was based on the State model with the regional content included. Patterns of planning development, economic development, scenic and natural values protection and food security were issues taken into account during the drafting of the new scheme. The comments received from the community regarding the structure plan also formed up some of the local content. This project also continued into the next period.

The number of development (planning) applications approved for the period was 38. This is a slight increase from the last period which stood at 30.

The following graph shows the break-up of development:



Houses accounted for 17 of the application approved within the period while 8 sheds were also approved. House additions, alterations or extensions stood at 7 approvals for the period and 11 Subdivision applications were approved. Note: A boundary adjustment is treated as a subdivision for these purposes.

Commercial or industrial type applications were 7 of the approvals. It is an interesting note that a shearing shed or farming development would be treated as commercial as it would be consistent with a Rural Resource use.

*Jacci Viney*  
**Development Services Coordinator**

# ENVIRONMENTAL HEALTH SERVICES REPORT

## Food Surveillance

Council's statutory obligations under the *Food Act 2003* include identification and registration of all prescribed food premises within the municipality. This also includes participation of food handlers in food safety training courses such as Food Safe or other similar food training programs. Food handling seminars are proposed to be held at least once a year in the Flinders Art and Entertainment Centre or privately for small groups.

Council developed a policy during the period that all food premises would be inspected three times per year. Any food premises found not to comply with the Food Standards Code of Australia will receive an Improvement Notice under the Act. Failure to comply with an improvement notice may result in an infringement notice. One infringement notice was issued during the period.

There are currently 20 registered food premises on Flinders Island and one on Cape Barren Island.

## Temporary Food Premises

A Temporary Food Stall Guideline has been introduced to provide a level of consistency across Councils when dealing with issues such as minimum fit out and minimum food safety operational requirements for this type of food business. The guide should also ensure a safer food product and address some of the concerns that have been raised by operators and members of the public. Council has registered a number of temporary food premises at various functions held around the Island, and has introduced the standard to the operators of temporary food stalls.

Training of food handlers is a continuing program to ensure that new staff employed at food businesses are familiar with the legislative requirements and the food safety operating procedures.

## Water Quality

Continuing monitoring of potable water is conducted on a monthly basis this includes the supplies from Flinders Island District High School, Multi- Purpose Centre and the reticulated supplies of Whitemark and Lady Barron.

## Effluent and Wastewater Monitoring/Package Sewerage Treatment Plants

The two package sewerage treatment plants on the Island; Furneaux Tavern at Lady Barron and the Multi-Purpose Centre at Whitemark, continue to submit monthly samples for analysis to a NATA accredited laboratory in Launceston via Council.

Samples are analysed for compliance under the *Environmental Management and Pollution Act 1994*, in particular the Emission Limit Guidelines for Sewage Treatment Plants that Discharge Pollutants into Fresh and Marine Waters as required by the *State Policy on Water Quality Management 1997*.

## Immunisation

Council's immunisation program is referred to in the accompanying Public Health Report. Council continues to organise the program liaising with both the Medical Officer of Health and the Flinders Island District High School to ensure all targeted age groups are addressed.

## Places of Assembly

Place of assembly licences are required where ever there is a gathering of the public. If temporary structures or stages are proposed, a building surveyor may be required to issue a temporary occupancy permit for the event also. Place of assembly licenses take into account safety, amenity and sanitary issues. For larger events Council may require that a "wet area" be designated and that no glass wear is utilised for the consumption of alcohol. Similarly if the event is close to a built up

area the licence may include a condition that the event ends by a certain time. Information relating to place of assembly may be sought from Council.

All Council Halls have been licensed as Places of Assembly and the appropriate occupancy number approved on their Certificates.

Essential services reports for each premise have been issued by the Building Surveyor.

*Jacci Viney*  
**Development Services Coordinator**



**FLINDERS**  
COUNCIL

# FINANCIAL REPORT

FOR FINANCIAL YEAR ENDED

30th JUNE 2011

**FLINDERS COUNCIL**  
**STATEMENT BY THE GENERAL MANAGER**  
**30<sup>TH</sup> JUNE 2011**

The accompanying Statement of Accounts of the Flinders Council has been drawn up in accordance with the requirements of *the Local Government Act 1993*, the Australian Accounting Standards and to the best of my knowledge and belief, correctly reflects the operating result and the cash flow of the Council for the year ended 30<sup>th</sup> June 2011 and its financial position at that date.



Raoul Harper  
**General Manager**

Dated:- 14<sup>th</sup> September 2011





## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Flinders Council

Financial Report for the Year Ended 30 June 2011

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

### Auditor's Opinion

In my opinion Council's financial report:

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

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

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

### *Auditor's Responsibility*

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

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



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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in Council's financial report.

### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

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

### **TASMANIAN AUDIT OFFICE**



E R De Santi  
**DEPUTY AUDITOR-GENERAL**  
**Delegate of the Auditor-General**

HOBART  
28 September 2011

# FLINDERS COUNCIL

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
<b>INCOME</b>				
Commonwealth and State Government Grants	27	1,623,416	1,296,342	1,607,953
Rates and Charges		1,141,771	1,133,428	1,041,244
Interest		416,958	351,500	363,768
Gain/(Loss) on Sale of Assets		70,542	0	0
Other Revenue and Reimbursements	28	731,699	578,030	808,610
Distribution from Ben Lomond Water		28,717	0	24,252
<b>Total Income</b>		<b>4,013,103</b>	<b>3,359,300</b>	<b>3,845,827</b>
<b>EXPENSES</b>				
Employee Benefits	23	1,380,603	1,497,223	1,202,773
Materials and Supplies		171,730	1,261,188	172,769
Contract Services	24	572,519	483,560	495,092
Depreciation	25	1,420,508	1,402,989	1,411,866
Other Expenses	26	1,058,104	5,300	763,784
<b>Total Expenses</b>		<b>4,603,464</b>	<b>4,650,260</b>	<b>4,046,284</b>
<b>Surplus/(Deficit) before:</b>		<b>(590,361)</b>	<b>(1,290,960)</b>	<b>(200,457)</b>
Capital Infrastructure Grants	27	284,208	193,938	215,000
Assets Not Previously Recognised	36	478,000	0	0
<b>Surplus/(Deficit) before:</b>		<b>171,847</b>	<b>(1,097,022)</b>	<b>14,543</b>
Net Asset Revaluation Increment	20	1,928,289	0	4,555,375
Fair Value initial adjustment on Final Treasurer's Allocation Order	37	1,950,457	0	319,297
Fair Value adjustment on Available for Sale Assets	37	37,684	0	0
<b>Comprehensive Result</b>		<b>4,088,277</b>	<b>(1,097,022)</b>	<b>4,889,215</b>

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

# FLINDERS COUNCIL

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	2	1,776,783	1,176,476
Receivables	3	114,794	124,905
Inventories		88,832	84,687
Other Financial Assets	4	6,057,599	6,704,188
Accruals and Prepayments		65,080	43,988
<b>Total Current Assets</b>		<b>8,103,088</b>	<b>8,134,244</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	7-16	39,066,546	37,033,285
Work in Progress	17	1,195,277	1,101,858
Municipal Valuation	18	34,560	0
Investment Ben Lomond Water	37	3,450,981	1,462,840
Mineral Resources Bonds		59,000	12,000
<b>Total Non Current Assets</b>		<b>43,806,364</b>	<b>39,609,983</b>
<b>Total Assets</b>		<b>51,909,452</b>	<b>47,744,227</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5	32,783	203,054
Provisions	6	151,417	133,573
Revenue Received in Advance		159,368	11,017
Accrued Expenses		167,107	84,458
<b>Total Current Liabilities</b>		<b>510,675</b>	<b>432,102</b>
<b>Non Current Liabilities</b>			
Provisions	19	223,572	225,197
<b>Total Non Current Liabilities</b>		<b>223,572</b>	<b>225,197</b>
<b>Total Liabilities</b>		<b>734,247</b>	<b>657,299</b>
<b>NET ASSETS</b>		<b>51,175,205</b>	<b>47,086,928</b>
<b>Equity</b>			
Accumulated Surplus		39,022,102	36,581,661
Reserves	20	12,153,103	10,505,267
<b>TOTAL EQUITY</b>		<b>51,175,205</b>	<b>47,086,928</b>

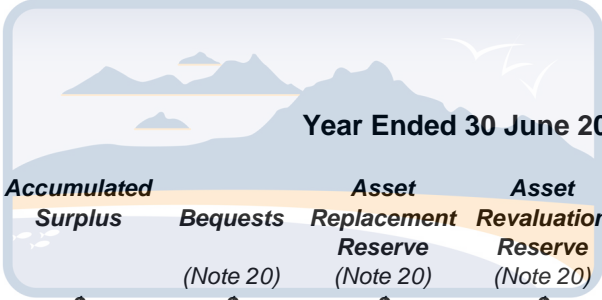
The above statement should be read in conjunction with the accompanying notes.

# FLINDERS COUNCIL

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2011

## Year Ended 30 June 2011

	Accumulated Surplus	Bequests (Note 20)	Asset Replacement Reserve (Note 20)	Asset Revaluation Reserve (Note 20)	Fair Value Reserve (Note 20)	Total
	\$	\$	\$	\$	\$	\$
Balance 1 July	36,900,958	104,189	4,279,560	5,802,221	0	47,086,928
Comprehensive result	2,122,304	0		1,928,289	37,684	4,088,277
Transfers to/(from) Reserves Gunn Bequest	(1,160)	1,160	0	0	0	0
Balance 30 June	39,022,102	105,349	4,279,560	7,730,510	37,684	51,175,205



Year Ended 30 June 2010

	Accumulated Surplus	Bequests (Note 20)	Asset Replacement Reserve (Note 20)	Asset Revaluation Reserve (Note 20)	Fair Value Reserve (Note 20)	Total
	\$	\$	\$	\$	\$	\$
Balance 1 July	36,569,968	101,339	4,279,560	1,246,846	0	42,197,713
Comprehensive Result	333,840	0	0	4,555,375	0	4,889,215
Transfers to/(from) Reserves Gunn Bequest	(2,850)	2,850	0	0	0	0
Balance 30 June	36,900,958	104,189	4,279,560	5,802,221	0	47,086,928

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**FLINDERS COUNCIL**  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
<b>Cash Flows From Operating Activities</b>			
Receipts			
Government Grants		1,665,515	1,607,953
Rates and Charges		1,185,494	1,068,479
Interest		395,866	344,212
Other Income		927,797	1,274,526
Payments			
Employee Costs		(1,401,910)	(1,128,038)
Materials		(765,894)	(199,475)
Contracts		(77,427)	(654,413)
Other Expenses		(1,104,065)	(811,676)
<b>Net Cash Provided by (Used in) Operating Activities</b>	33	<b>825,376</b>	<b>1,501,568</b>
<b>Cash Flows From Investing Activities</b>			
Payments			
Buildings		(222,518)	(227,142)
Plant and Equipment		(294,757)	(9,585)
Roads and Streets		(216,456)	(398,566)
Bridges		(282,968)	0
Furniture and Equipment		(22,143)	0
Work in Progress		(191,866)	(493,490)
Investments		0	(2,185,656)
Municipal Revaluation		(43,200)	0
Receipts			
Investments		646,589	0
Capital Grants		331,708	215,000
Sale of Assets		70,542	0
<b>Net Cash Provided by (Used in) Investing Activities</b>		<b>(225,069)</b>	<b>(3,099,439)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		600,307	(1,597,871)
Cash at the Beginning of the Financial Year		1,176,476	2,774,347
<b>Cash at the End of the Financial Year</b>	2	<b>1,776,783</b>	<b>1,176,476</b>

*The Statement of Cash Flows should be read in conjunction with the accompanying notes.*

# FLINDERS COUNCIL

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

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## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of Compliance and Basis of Accounting

This general purpose financial report has been prepared on the accrual and going concern bases in accordance with the Framework for the Preparation and Presentation of Financial Statements, applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). It is presented in Australian dollars. All values are rounded to the nearest dollar. The financial statements include only Flinders Council; Council has no subsidiaries.

Except for certain assets which are valued at fair value in accordance with AASB 116 *Property, Plant and Equipment* as disclosed in the relevant notes, the report has been prepared in accordance with the historical cost convention.

This financial report is 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 (AASB), 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.

In the application of accounting standards and other authoritative pronouncements of the AASB management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the 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:

#### *Fair Value of Property, Plant & Equipment*

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in Notes 7-16.

#### *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 29.

# FLINDERS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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### *Employee Entitlements*

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in Note 23.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Unless otherwise stated, all accounting policies are consistent with those applied in the prior year.

### **b) The Local Government Reporting Entity**

All Funds through which Council controls resources to carry on its functions have been included in these statements.

In the process of reporting on Council as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated in full.

Amounts, if any, received as tender deposits and retention amounts controlled by Council are included in the amount disclosed as 'payables' within current liabilities.

Flinders Council has periodically received monies as an agent of the State Government. It also continues to hold monies paid by airport tenants and cleaning contractors for bonds and key deposits. It performs a custodial role in respect of these monies, which cannot be used for Council, and accordingly these amounts are excluded from the financial statements.

### **c) Income**

#### *Revenue*

Rates, grants, donations and other contributions (including developer contributions) are recognised as revenues when council obtains control over the assets and 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 assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt or upon notification that a grant has been secured.

Grants, donations and other contributions are brought to account as revenue at the earlier of their receipt or receipt of formal notification in writing from a recognised authority that a grant has been secured. When such amounts were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 27. This note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

User fees and charges are recognised as revenue when the service has been provided or when the payment is received, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.



# FLINDERS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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### *Receivables*

Receivables are carried at amortised cost. A provision for impairment is recognised when there is objective evidence that a debt may not be recovered.

### *Interest*

Interest is recognised progressively as it is earned.

### *Dividend Revenue*

Dividend revenue is recognised when Council's right to received payment is established or on receipt of the payment.

### *Sale of Property, Plant & Equipment, infrastructure*

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

## **d) Acquisition and Disposal of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use.

Non monetary assets received in the form of grants or donations are recognised as assets and revenues at their fair value at date of receipt, based on their written down replacement cost.

Fair value means the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction (if applicable), and an appropriate share of directly attributable variable and fixed overheads.

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

## **e) Impairment of Assets**

Assets with an indefinite useful life are not subject to depreciation but are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount unless the excess relates to a prior revaluation, in which case it is recognised against the revaluation reserve to the extent of that revaluation. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of Council such as roads, 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.

# FLINDERS COUNCIL

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

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## f) Revaluation of Non Current Assets

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

Land	Fair value
Buildings	Fair value
Infrastructure	Cost
Plant & equipment	Cost
Roads and Streets	Fair value
Bridges	Fair value
Drainage - Culverts	Cost
Water Supply and Pipes	Cost
Furniture and Equipment	Cost
Other Fixed Assets	Cost

At balance date Council reviewed the carrying value of asset classes measured at fair value to ensure that each asset materially approximated fair value. Where the carrying value materially differed from the fair value at balance date the class of assets was revalued by application of relevant indices. 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 revaluation reserve 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.

## g) Depreciation of Non Current Assets

Buildings, land improvements, infrastructure, plant and equipment and other assets having limited useful lives are systematically depreciated over their economic life to Council at a rate of depreciation that reflects the expiration of the service potential of the assets. Depreciation rates and methods are reviewed regularly. Depreciation is recognised on a straight line basis and is reviewed each reporting period. Rates of depreciation reflect the consumption of the service potential of these assets. Land is not a depreciable asset. Non current assets purchased for less than \$500 are fully depreciated in the year of purchase.

The current useful lives of depreciable assets are as follows:-

	<u>Years</u>
Land	Not depreciated
Buildings	50
Infrastructure	10-30
Plant and Equipment	10-15
Roads and Streets	51-57
Bridges	40-80
Drainage - Culverts	50-100
Furniture and Equipment	4-10

# FLINDERS COUNCIL

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

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## **h) Repairs and Maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold of \$500, the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

## **i) Employee Entitlements**

Employee benefits are calculated in accordance with AASB 119 *Employee Benefits*. On-costs relating to employee benefits, such as payroll tax and superannuation, are calculated and included in the classification as employee entitlements. Liabilities owed to employees are recognised at the remuneration rate that Council expects to pay when the obligation is settled.

### *(i) Wages and Salaries*

The liability for wages and salaries is recognised and included as the amount unpaid at balance date and includes appropriate oncosts such as superannuation.

### *(ii) Annual Leave*

The liability for annual leave is calculated on a pro rata basis in respect of services provided by the employees up to balance date and is measured at the amount expected to be paid including appropriate oncosts such as superannuation. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid.

### *(iii) Sick Leave*

No amount is shown for sick leave as experience indicates that on average sick leave taken for each reporting period is less than the entitlement accruing in that period. This experience is expected to recur in future reporting periods.

### *(iv) Long Service Leave*

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated cash outflows.

The amount vested in employees as at the reporting date (i.e. the amount for which Council has no unconditional right to defer settlement beyond 12 months) is recognised as a current liability in the Statement of Financial Position. The remainder of the liability is recognised as non-current. Oncosts relating to long service leave (superannuation and payroll tax) have been recognised as a part of the long service liability. To the extent that it is expected that settlement of leave will give rise to the payment of superannuation contributions, superannuation contributions are accrued as part of the provisions for leave.

### *(v) Superannuation*

The superannuation expense reported for the period represents the amount contributed by Flinders Council on behalf of its employees to the various funds that provide benefits to employees. Further details of these arrangements are set out in Note 29.

# FLINDERS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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### *(iv) Employee Numbers*

On a full time equivalent basis Council employed 24 employees at the end of the reporting period (22 permanent and 2 casual) (2010, 25 employees - 16 permanent and 9 casual).

### **j) Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows cash and cash equivalents include restricted cash and cash equivalents. They are comprised of cash on hand and short term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. Some of these deposits relate to particular reserves (the Gunn Bequest and the Airport).

### **k) Leases**

Lease payments for operating leases are required by Australian Accounting Standards to be recognised on a straight line basis, rather than expensed in the years in which they are incurred. Council has no finance leases.

### **l) Inventories**

Inventories consist of materials held in store for construction requirements and are carried at the lower of cost and net replacement value.

### **m) Net Fair Value of Financial Assets and Liabilities**

Council considers that the carrying amounts of its financial assets and liabilities approximate net fair value. Net fair values of monetary financial assets and liabilities (including trade debtors, trade creditors and accruals) are calculated using a nominal or cost basis (which approximates net market value).

### **n) Significant Terms and Conditions of Financial Assets and Liabilities**

Rate receivables are payable within one hundred & twenty (120) days of issue. Penalty interest is charged on all outstanding instalments not paid by the due date. Sundry receivables are due within thirty (30) days of issue. Should amounts remain unpaid after ninety (90) days collection proceedings may be instigated.

Trade creditors are generally settled within thirty (30) day trading terms or within specified terms if they happen to be earlier than thirty (30) days.

Prepayments and accruals are accounted for in accordance with generally accepted accounting principles.

### **o) Significant Business Activities**

For its significant business activities it is deemed to be the operation of the Flinders Island Airport. Council is required to provide details of the opportunity cost of capital and competitive neutrality costs. These are provided in Note 31.

Competitive neutrality costs are those net costs e.g. rates and income tax, which would be payable by an entity other than local government performing the same activities. Local government is currently exempt from such costs.

# FLINDERS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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The opportunity cost of capital is an estimate of the return or dividend that would be required by private investors were the net assets of the activity provided from that source. It has been deemed that a return of 10% is appropriate. Where appropriate tax equivalents have been calculated by applying a rate of 30% to the activity's notional accounting profit before abnormal items. Notional council rates are included using estimates based on actual rates and charges set by Council for the reporting period. Fringe benefit tax credits, stamp duty debits tax and financial institutions duty have been deemed immaterial and are not included.

### **p) Credit Risk**

Council has a policy of making specific provision where there is concern that full payment from particular debtors will not be made.

### **q) Materiality**

Information will be deemed to be material if its omission, non disclosure or misstatement would cause the financial statements to be misleading to users of the statements when making evaluations or decisions.

### **r) Taxation**

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

#### *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of goods and services tax (GST) except:-

i) where the amount of the GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset (in the Statement of Financial Position) or as part of an item of expense (in the Comprehensive Income Statement);

ii) for receivables and payables (in the Statement of Financial Position) which are recognised inclusive of GST; and

iii) cash flows from operating activities (in the Statement of Cash Flows) which are reported on a gross basis for operating activities. Cash flows from investing and financing activities are presented on a net basis.

### **s) Budget Information**

Estimated revenue and expense amounts in the Comprehensive Income Statement represent the amended budget figures. Underlying budget figures have not been audited.

### **t) Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### **u) Land Under Roads**

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. At 30 June 2011 Council had not received any new roads requiring recognition. Council does not recognise land under roads that it controlled prior to that period in its financial report.

# FLINDERS COUNCIL

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

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## v) Investment in Water Corporation

As of 1 July 2009, Council transferred assets, rights, liabilities and employees directly associated with water and sewerage functions to Ben Lomond Water. The net assets are now recognised as an investment in Ben Lomond Water by the Council and the value of this investment will be assessed annually. The investment is valued at fair value at balance date. Fair value is determined by using Council's ownership percentage against the water corporation's net asset value at balance date. Any unrealised gains and losses on holdings at balance date are recognised in the Statement of Comprehensive Income (refer to Note 37).

## w) Quarry Pit Reinstatement

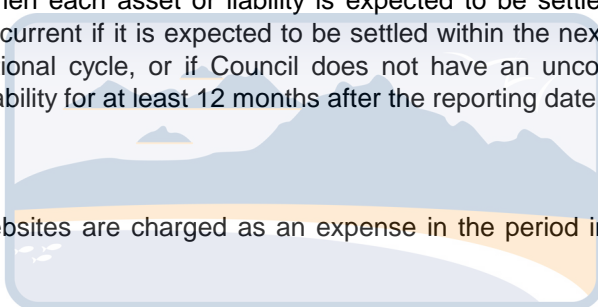
Provision has been made for the quarry pit reinstatement and restoration on an incremental basis during the course of the life of the quarry (refer to Note 19).

## x) 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.

## y) Web Site Costs

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



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## FLINDERS COUNCIL

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

### z) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to Council but are not yet effective.

They have not been adopted in preparation of the financial report at reporting date.

Standard / Interpretation	Summary	Applicable for Annual Reporting Periods Beginning or Ending On	Impact on Local Government Financial Statements
<p>AASB 9: Financial Instruments, AASB 2009–11 and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12]</p>	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> <li>* simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;</li> <li>* removing the tainting rules associated with held-to-maturity assets;</li> <li>* simplifying the requirements for embedded derivatives;</li> <li>* removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;</li> <li>* allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and</li> <li>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:               <ol style="list-style-type: none"> <li>a. the objective of the entity's business model for managing the financial assets; and</li> <li>b. the characteristics of the contractual cash flows.</li> </ol> </li> </ul>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.</p>
<p>AASB 124: Related Party Disclosures</p>	<p>This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.</p>	<p>Applicable for annual reporting periods commencing on or after 1 January 2011.</p>	<p>Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.</p>



# FLINDERS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Standard / Interpretation	Summary	Applicable for Annual Reporting Periods Beginning or Ending On	Impact on Local Government Financial Statements
AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepaays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council.
AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	Introduces reduced disclosure requirements for certain types of entities.	Applicable for annual reporting periods commencing on or after 1 January 2013.	This standard is not expected to have a financial impact.
AASB 2010-5 : Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010).	This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Report. There is no financial impact resulting from the application of this revised Standard.	Applicable for annual reporting periods commencing on or after 1 Jan 2011.	These amendments are not expected to impact Council.
AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7].	This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.	Applicable for annual reporting periods commencing on or after 1 July 2011.	These amendments are not expected to impact Council.
AASB 1053: Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. This Standard is not expected to impact Council. However, it may affect disclosures if reduced disclosure requirements apply.	Applicable for annual reporting periods commencing on or after 1 January 2013.	These amendments are not expected to impact Council.
AASB 1054: Australian Additional Disclosures	This Standard sets out the specific disclosures for entities that have adopted Australian Accounting Standards that are additional to the requirements under International Reporting Standards, including disclosures relating to the nature of the financial report, audit fees and the reconciliation of net operating cash flows to net result.	Applicable for annual reporting periods commencing on or after 1 Jan 2011.	This standard is not expected to have a financial impact.

# FLINDERS COUNCIL

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

	2011 \$	2010 \$
<b>2 Current Assets - Cash and Cash Equivalents</b>		
Cash at Bank and On Hand	1,258,584	624,219
Deposits at Call	518,199	552,257
	<u>1,776,783</u>	<u>1,176,476</u>

<b>3 Current Assets - Receivables</b>		
Rates Receivable	42,388	86,111
Sundry Debtors	74,645	39,994
GST Receivable	0	0
	<u>117,033</u>	<u>126,105</u>
Less Provision for Impairment	<u>(2,239)</u>	<u>(1,200)</u>
	<u>114,794</u>	<u>124,905</u>

## Aged Analysis

The ageing analysis of receivables is as follows:-

Current	6,077	392
1-30 days	42,428	20,494
31-60 days -- 40°	22,447	9,893
61-90 days (past due not impaired)	775	5,867
91+ days (past due not impaired)	45,306	89,459
	<u>117,033</u>	<u>126,105</u>

<b>4 Current Assets - Other Financial Assets</b>		
Term Deposits	<u>6,057,599</u>	<u>6,704,188</u>

<b>5 Current Liabilities - Payables</b>		
Accrued Wages	12,860	24,845
GST Payable	13,335	12,684
Creditors	6,588	165,525
	<u>32,783</u>	<u>203,054</u>

## Aged Analysis

The ageing analysis of payables is as follows:-

Current	0	31,078
0-30 days	6,588	103,017
31-60 days	0	31,430
61-90 days (past due not impaired)	0	0
91+ days (past due not impaired)	0	0
	<u>6,588</u>	<u>165,525</u>

<b>6 Current Liabilities - Provisions</b>		
Employee Benefits - Annual Leave		
Opening Balance	72,145	60,710
Leave accrued	86,371	95,921
Leave taken	93,173	84,486
Closing balance	<u>65,343</u>	<u>72,145</u>

# FLINDERS COUNCIL

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

Employee Benefits - Long Service Leave		
Opening Balance	61,428	65,429
Leave accrued	56,801	(4,001)
Leave taken	32,155	0
Closing balance	86,074	61,428
	151,417	133,573

## 7 Non Current Assets - Land

Fair Value 1 July	1,647,000	1,647,000
Additions - Assets not previously recognised	343,000	0
Revaluation Increment	485,500	0
Fair Value 30 June	2,475,500	1,647,000

Council's land was revalued at 30 June 2011 based on valuations by the Valuer General.

## 8 Non Current Assets Buildings

<b>Gross Carrying Amount</b>		
Fair Value 1 July	3,420,010	2,807,741
Additions	222,518	227,142
Additions - Assets not previously recognised	135,000	0
Revaluation Increment	(318,886)	385,127
Balance 30 June	3,458,642	3,420,010
<b>Accumulated Depreciation</b>		
Balance 1 July	181,880	102,973
Depreciation Expense for the Year	68,423	58,426
Revaluation Increment	(250,303)	20,481
Balance 30 June	0	181,880
<b>Net Fair Value 30 June</b>	<b>3,458,642</b>	<b>3,238,130</b>

Council's buildings were revalued at 30 June 2011 based on valuations by the Valuer General.

## 9 Non Current Assets Airport Infrastructure

<b>Gross Carrying Amount</b>		
At Cost 1 July	2,101,803	2,101,803
Additions	0	0
Balance 30 June	2,101,803	2,101,803
<b>Accumulated Depreciation</b>		
Balance 1 July	925,562	816,256
Depreciation Expense for the Year	109,306	109,306
Balance 30 June	1,034,868	925,562
<b>Net Book Value 30 June</b>	<b>1,066,935</b>	<b>1,176,241</b>

## 10 Non Current Assets Plant and Equipment

<b>Gross Carrying Amount</b>		
At Cost 1 July	2,281,982	2,272,397

# FLINDERS COUNCIL

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

Additions	294,757	9,585
Disposals	(160,000)	0
Balance 30 June	<u>2,416,739</u>	<u>2,281,982</u>

## **Accumulated Depreciation**

Balance 1 July	1,163,171	993,708
Depreciation Expense for the Year	183,339	169,463
Disposals	(160,000)	0
Balance 30 June	<u>1,186,510</u>	<u>1,163,171</u>

<b>Net Book Value 30 June</b>	<b><u>1,230,229</u></b>	<b><u>1,118,811</u></b>
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## 11 Non Current Assets Roads and Streets

### **Gross Carrying Amount Flinders Island**

Fair Value 1 July Flinders Island (FI)	62,713,552	52,938,355
Additions FI	216,454	398,566
Revaluation Increment	3,572,576	9,376,631
Balance 30 June FI	<u>66,502,582</u>	<u>62,713,552</u>

### **Accumulated Depreciation Flinders Island**

Balance 1 July FI	36,399,124	30,001,353
Depreciation Expense for the Year FI	960,510	955,548
Revaluation Increment	2,275,407	5,442,223
Balance 30 June FI	<u>39,635,041</u>	<u>36,399,124</u>

### **Gross Carrying Amount Cape Barren Island**

Fair Value 1 July Cape Barren Island (CBI)	3,501,915	2,978,325
Additions CBI	0	0
Revaluation Increment	323,173	523,590
Balance 30 June	<u>3,825,088</u>	<u>3,501,915</u>

### **Accumulated Depreciation Cape Barren Island**

Balance 1 July CBI	2,967,844	2,471,988
Depreciation Expense for the Year CBI	15,718	52,118
Revaluation Increment	277,687	443,738
Balance 30 June CBI	<u>3,261,249</u>	<u>2,967,844</u>

<b>Net Fair Value 30 June</b>	<b><u>27,431,380</u></b>	<b><u>26,848,499</u></b>
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Council's Consulting Engineers (SKM) last reviewed road values as at 30 June 2006. Council has applied indexation to these values using Australia Bureau of Statistics construction indices. The values have been indexed using the indices applicable at 30 June 2011.

## 12 Non Current Assets Bridges

### **Gross Carrying Amount**

Fair Value 1 July	2,805,623	2,386,140
Additions	282,968	0

# FLINDERS COUNCIL

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

Revaluation Increment	327,338	419,483
Disposals	0	0
Balance 30 June	<u>3,415,929</u>	<u>2,805,623</u>

## **Accumulated Depreciation**

Balance 1 July	1,625,339	1,350,212
Depreciation Expense for the Year	35,672	32,114
Revaluation Increment	158,620	243,013
Disposals	0	0
Balance 30 June	<u>1,819,631</u>	<u>1,625,339</u>

## **Net Book Value 30 June**

<b>1,596,298</b>	<b>1,180,284</b>
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Council's Consulting Engineers (SKM) last reviewed bridge values as at 30 June 2006. Council has applied indexation to these values using Australia Bureau of Statistics construction indices. The values have been indexed using the indices applicable at 30 June 2011.

## 13 Non Current Assets Drainage

### **Gross Carrying Amount Flinders Island**

At Cost 1 July FI 40°	2,010,662	2,010,662
Additions FI	0	0
Balance 30 June FI	<u>2,010,662</u>	<u>2,010,662</u>

### **Accumulated Depreciation Flinders Island**

Balance 1 July FI	261,408	241,301
Depreciation Expense for the Year FI	20,107	20,107
Balance 30 June FI	<u>281,515</u>	<u>261,408</u>

### **Gross Carrying Amount Cape Barren Island**

At Cost 1 July CBI	41,806	41,806
Additions CBI	0	0
Balance 30 June CBI	<u>41,806</u>	<u>41,806</u>

### **Accumulated Depreciation Cape Barren Island**

Balance 1 July CBI	5,444	5,025
Depreciation Expense for the Year CBI	420	419
Balance 30 June CBI	<u>5,864</u>	<u>5,444</u>

## **Net Book Value 30 June**

<b>1,765,089</b>	<b>1,785,616</b>
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## 14 Non Current Assets Water Supply

### **Gross Carrying Amount**

At Cost 1 July	0	2,119,256
Additions	0	0
Disposals	0	(2,119,256)
Balance 30 June	<u>0</u>	<u>0</u>

# FLINDERS COUNCIL

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

## *Accumulated Depreciation*

Balance 1 July	0	975,713
Depreciation Expense for the Year	0	0
Disposals	0	(975,713)
Balance 30 June	0	0

## *Net Book Value 30 June*

**0**

## 15 Non Current Assets Furniture and Equipment

### *Gross Carrying Amount*

At Cost 1 July	297,636	297,636
Additions	22,143	0
Disposals	0	0
Balance 30 June	319,779	297,636

### *Accumulated Depreciation*

Balance 1 July	258,932	244,567
Depreciation Expense for the Year	18,374	14,365
Disposals	0	0
Balance 30 June	277,306	258,932

## *Net Book Value 30 June*

**42,473**

**38,704**

## 16 Total Property, Plant and Equipment

Property Plant and Equipment at Cost	6,890,789	9,539,512
Land, Buildings, Roads and Streets at Fair Value	79,677,741	71,282,477
Less Accumulated Depreciation	86,568,530	80,821,989
	47,501,984	43,788,704
	<b>39,066,546</b>	<b>37,033,285</b>

## 17 Non Current Assets Work in Progress

Assets in Progress	<b>1,195,277</b>	<b>1,101,858</b>
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## 18 Municipal Valuation

At Cost 1 July	43,200	0
Amortisation Expense for the Year	8,640	0
	<b>34,560</b>	<b>0</b>

## 19 Non Current Liabilities Provisions

Employee Benefits Long Service Leave		
Opening Balance	60,608	32,728
Leave accrued	(27,166)	27,880
Leave taken	0	0
Closing balance	<b>33,442</b>	<b>60,608</b>

## Provision for Quarry Pit Reinstatement

Opening Balance	164,589	159,378
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# FLINDERS COUNCIL

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

Amount accrued	25,541	5,211
Amount expended	0	0
Closing balance	190,130	164,589
	<b>223,572</b>	<b>225,197</b>

## 20 Reserves

Composition

Asset Replacement Reserves (refer below)	4,317,244	4,279,560
--	-----------	-----------

*A reserve to set aside funds to replace or upgrade various assets.*

Asset Revaluation Reserve	7,730,510	5,802,221
---------------------------	-----------	-----------

*A reserve to record revaluation increments relating to revaluations of tangible non current assets. Reversals of these increments may also be included here.*

Bequests	105,349	104,189
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*A reserve to set aside funds that have been bequeathed to Council and are not yet spent.*

<b>12,153,103</b>	<b>10,185,970</b>
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Asset Replacement Reserves (funds allocated to replace various assets)

Cash Reserve	3,686,060	3,686,060
--------------	-----------	-----------

*A reserve to set aside funds to replace or upgrade various assets.*

Airport Cash Reserve	527,500	527,500
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*A reserve to set aside funds to upgrade or replace airport assets.*

Whitemark Hall Renovation Reserve	16,000	16,000
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*A reserve to set aside funds to upgrade or replace the Whitemark Hall.*

Infrastructure Asset Reserve	50,000	50,000
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*A reserve to set aside funds to upgrade or replace infrastructure.*

Ben Lomond Water Investment Reserve	37,684	0
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*A reserve to set aside funds to recognise the investment in Ben Lomond Water*

<b>4,317,244</b>	<b>4,279,560</b>
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## 21 Commitments for Expenditure

(a) Capital Commitments

Whitemark Hall	0	20,110
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(b) Operating Lease Commitments



# FLINDERS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### *Photocopier Lease*

Future operating lease commitments not provided for in the financial statements and payable:-

Within on year	1,325	4,206
One year or later and no later than five years	0	1,325
	<b>1,325</b>	<b>5,531</b>

### (c) Other Commitments

Future commitments not provided for in the financial statements and payable:-

#### *Bass Strait Islands Energy Efficiency Project*

Within on year	83,334	41,666
One year or later and no later than five years	0	83,334

**83,334** **125,000**

## 22 Contingent Liabilities

At 30 June 2011 Council had a potential legal claim against it to the value of \$50,000. Council does have insurance coverage which would require a \$10,000 excess payment.

## 23 Employee Benefits

Wages and Salaries	1,027,575	942,721
Redundancies	36,414	0
Superannuation Expense	136,525	148,280
Annual and Long Service Leave	125,328	95,179
Other Employee Related Expenses	116,532	72,418
	1,442,374	1,258,598
Less Amounts Capitalised	61,771	55,825
	<b>1,380,603</b>	<b>1,202,773</b>

## 24 Contract Service

Payments were made in relation to the following functional activities:-

Corporate	129,207	133,857
Roads	98,392	44,634
Waste Management	17,311	4,330
Town Maintenance	32,780	17,929
Public Health, Safety and Environment	156,844	92,498
Community and Economic Development	90,657	168,192
Depot and Plant	16,595	9,953
Airport	30,733	23,699
	<b>572,519</b>	<b>495,092</b>

## 25 Depreciation

Depreciation was charged in respect of:-

Municipal Valuation	8,640	0
Buildings	68,423	58,426
Infrastructure	109,306	109,306
Plant and Equipment	183,339	169,462

# FLINDERS COUNCIL

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

Furniture and Equipment	18,374	14,365
Roads and Streets	976,230	1,007,667
Bridges	35,672	32,114
Drainage	20,524	20,526
	<b>1,420,508</b>	<b>1,411,866</b>

## 26 Other Expenses

### Other expenses includes:-

Advertising	15,035	15,421
Audit Fees	30,139	13,051
Bank Charges	7,326	17,249
Computer Consultancies	8,554	1,272
Computer Licences & Maintenance	18,392	9,393
Computer Hardware and Software	24,448	12,690
Computer Leases	24,051	24,051
Councillors' Travel and Allowances	85,725	85,166
Donations & Gifts	12,333	19,569
Electricity and Gas	24,645	25,227
Fire Service Levy	48,543	46,964
Freight -- 40°	11,382	10,822
Insurance Premiums	71,891	88,292
Land Tax	22,175	28,910
Legal Expenses	16,841	10,229
Licence Fees	9,867	11,033
Photocopier Expenses	11,058	12,038
Property Maintenance	8,083	412
Relocation Expenses	13,389	675
Subscriptions and Publications	39,449	13,839
Telephone	71,431	62,921
Travel	75,248	51,643
Other	408,099	202,917
	<b>1,058,104</b>	<b>763,784</b>

## 27 Government Grants

Grants were received in respect of the following:-

### Community and Economic Development

Child Care Centre	13,103	52,410
Natural Resources Management	89,241	40,000
Tourism and Economic Development	1,000	59,000
Youth	7,545	4,410
	<b>110,889</b>	<b>155,820</b>

### Water

Water and Sewer Transition	0	500
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### Roads and Bridges Management

Roads to Recovery Programme	110,000	193,937
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### Public Health and Safety

Dept of Rural and Aged Care Podiatry	34,857	34,342
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# FLINDERS COUNCIL

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

	<u>34,857</u>	<u>34,342</u>
<b>Financial Assistance Grant</b>	<u>1,176,749</u>	<u>1,092,057</u>
<b>Motor Tax Grant</b>	<u>190,921</u>	<u>131,297</u>
<b>Total Revenue Grants</b>	<u><b>1,623,416</b></u>	<u><b>1,607,953</b></u>
<b>Capital Grants</b>	284,208	215,000
<b>Total Government Grants</b>	<u><b>1,907,624</b></u>	<u><b>1,822,953</b></u>

Grants recognised as revenue during the reporting period were obtained on the condition that they be applied in the specific manner but yet to be totally expended in that manner as at the report date amounted to \$68,883 which was the purchasing of shipping containers (2010: \$94,000).

The Financial Assistance Grant includes \$297,687 (2010: \$280,903) received in advance in the current financial year.

## 28 Other Revenue and Reimbursements

Other revenue and reimbursements includes:-

Private Works	205,948	147,350
Airport Charges	207,640	187,749
DIER Contract	93,813	125,045
Other	224,298	348,466
	<u><b>731,699</b></u>	<u><b>808,610</b></u>

Government funds received in relation to Pensioner Rates Remissions of \$17,757 (2010: \$17,534) were treated as Rates Revenue in the Statement of Comprehension Income.

# FLINDERS COUNCIL

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

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## 29 Superannuation

The Flinders Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119, Council does not use defined benefit accounting for these contributions.

At the present time Council contributes 12.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

In the opinion of the Actuary, the Quadrant Defined Benefit Fund was adequately funded in that assets were sufficient to cover the vested benefits of all members at the review date and the actuarial value of accrued past service benefits. The next full triennial review will be undertaken after 31 October 2011 for 30 June 2011.

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

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

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

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

During the reporting period the amount of contributions paid to all superannuation schemes was \$136,525 (2010: \$148,280).

## FLINDERS COUNCIL

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

### 30 Functions / Activities of the Council

	Corporate Services	Roads	Water	Waste Management	Town Maintenance	Public Health Safety & Environment	Community & Economic Development	Depot & Plant	Airport	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2010/11 Actual</b>										
Expenses	1,302,042	1,562,399	0	108,025	179,644	301,560	395,746	363,082	390,966	4,603,464
%	28.28%	33.94%	0.00%	2.35%	3.90%	6.55%	8.60%	7.89%	8.49%	100.00%
Revenue										
Grants	576,152	901,518	0	0	2,000	54,857	283,097	0	90,000	1,907,625
Other	1,938,406	409	0	120,604	39,530	151,224	21,647	385,563	210,301	2,867,686
<b>Total</b>	<b>2,514,558</b>	<b>901,927</b>	<b>0</b>	<b>120,604</b>	<b>41,530</b>	<b>206,081</b>	<b>304,744</b>	<b>385,563</b>	<b>300,301</b>	<b>4,775,311</b>
%	52.66%	18.89%	0.00%	2.53%	0.87%	4.32%	6.38%	8.07%	6.29%	100.00%
<b>Increase/(Decrease) in Net Assets from Operations</b>	<b>1,212,516</b>	<b>(660,472)</b>	<b>0</b>	<b>12,579</b>	<b>-138,114</b>	<b>(95,479)</b>	<b>(91,002)</b>	<b>22,481</b>	<b>(90,665)</b>	<b>171,847</b>
<b>Assets</b>										
Works in Progress	0	0	0	0	983,292	0	0	0	211,985	1,195,277
Non Current	7,491,089	30,792,767	0	0	0	0	0	1,098,727	3,228,504	42,611,087
Current	8,014,255	0	0	0	0	0	0	88,833	0	8,103,088
	<b>15,505,344</b>	<b>30,792,767</b>	<b>0</b>	<b>0</b>	<b>983,292</b>	<b>0</b>	<b>0</b>	<b>1,187,560</b>	<b>3,440,489</b>	<b>51,909,452</b>

### 2009/10 Actual

Expenses	1,000,291	1,542,316	132	81,670	118,660	271,574	417,944	305,425	308,272	4,046,284
%	24.72%	38.12%	0.00%	2.02%	2.93%	6.71%	10.33%	7.55%	7.62%	100.00%
Revenue	40%									
Grants	706,980	808,925	0	0	100,000	34,342	155,820	0	0	1,806,067
Other	1,361,141	0	1,556	111,213	32,259	93,723	174,346	287,310	193,212	2,254,760
<b>Total</b>	<b>2,068,121</b>	<b>808,925</b>	<b>1,556</b>	<b>111,213</b>	<b>132,259</b>	<b>128,065</b>	<b>330,166</b>	<b>287,310</b>	<b>193,212</b>	<b>4,060,827</b>
%	50.93%	19.92%	0.04%	2.74%	3.26%	3.15%	8.13%	7.08%	4.76%	100.00%
<b>Increase/(Decrease) in Net Assets from Operations</b>	<b>1,067,830</b>	<b>(733,391)</b>	<b>1,424</b>	<b>29,543</b>	<b>13,599</b>	<b>(143,509)</b>	<b>(87,778)</b>	<b>(18,115)</b>	<b>(115,060)</b>	<b>14,543</b>
<b>Assets</b>										
Works in Progress	4,090	83,914	0	133,153	880,305	0	396	0	0	1,101,858
Non Current	4,471,767	29,814,399	0	0	0	0	0	994,249	3,227,711	38,508,126
Current	8,049,556	0	0	0	0	0	0	84,687	0	8,134,243
	<b>12,525,413</b>	<b>29,898,313</b>	<b>0</b>	<b>133,153</b>	<b>880,305</b>	<b>0</b>	<b>396</b>	<b>1,078,936</b>	<b>3,227,711</b>	<b>47,744,227</b>

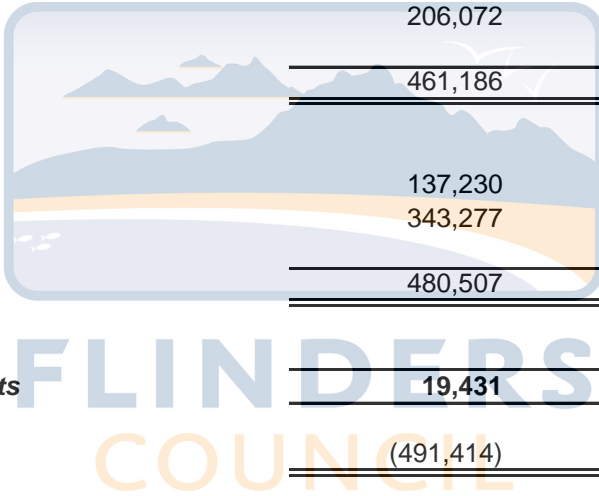
# FLINDERS COUNCIL

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

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## 31 Significant Business Activities

	Flinders Island Airport	
	2011 Actual \$	2010 Actual \$
<b>Revenue</b>		
Other	379,210	193,212
Grants	90,500	0
<b>Total Revenue</b>	<u>469,710</u>	<u>193,212</u>
<b>Expenses</b>		
Employee Costs	255,114	108,517
Materials and Contracts	206,072	90,449
<b>Total Expenses</b>	<u>461,186</u>	<u>198,966</u>
<b>Capital Costs</b>		
Depreciation	137,230	109,306
Opportunity Cost of Capital	343,277	322,771
<b>Total Capital Costs</b>	<u>480,507</u>	<u>432,077</u>
<b>Competitive Neutrality Costs</b>	<u>19,431</u>	<u>18,506</u>
	<u>(491,414)</u>	<u>(456,337)</u>



# FLINDERS COUNCIL

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

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## 32 FINANCIAL INSTRUMENTS

### a) Risk Exposures

#### *Credit Risk -*

The amount of any credit risk associated with financial assets is the carrying amount net of any provision for doubtful debts. Such a risk crystallises when one party to the transaction fails to discharge their obligations. Council's financial assets comprise receivables and cash and cash equivalents.

There is no significant concentration of credit risk with any single debtor or group of debtors. Amounts owing in relation to rates are secured by a charge over the land to which the debts relate. Debtors other than rate debtors are immaterial and the amount of debt written off in any one year is also minimal.

Council has no investments, only short term deposits with Tascorp, Westpac and credit unions; and an operating account with Westpac.

Council's credit risk is therefore immaterial. There has been no change in its exposure to or management of this risk since the previous reporting period.

#### *Market Risk -*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, those being currency risk, interest rate risk and other price risk. Council's exposure has not changed.

#### *Currency Risk -*

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Council has no exposure to currency risk.

#### *Interest Rate Risk -*

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council's financial instruments comprise cash and cash equivalents, receivables and payables. It has no interest bearing liabilities.

At balance date Council had the following mix of financial assets and liabilities exposed to interest rate risk:

	2011	2010
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	1,776,783	1,176,476
Other financial assets	6,057,599	6,704,188
<b>Net Exposure</b>	<u><u>7,834,382</u></u>	<u><u>7,880,664</u></u>

The following sensitivity analysis is based on interest rate risk exposures existing at balance date. It shows the effect of interest rate movements on the net result and equity.



# FLINDERS COUNCIL

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

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## 32 FINANCIAL INSTRUMENTS continued

	2011	2010
	\$	\$
<b>Net Result</b>		
+1%	63,809	56,114
-1%	(63,809)	(56,114)
<b>Equity</b>		
+1%	63,809	56,114
-1%	(63,809)	(56,114)

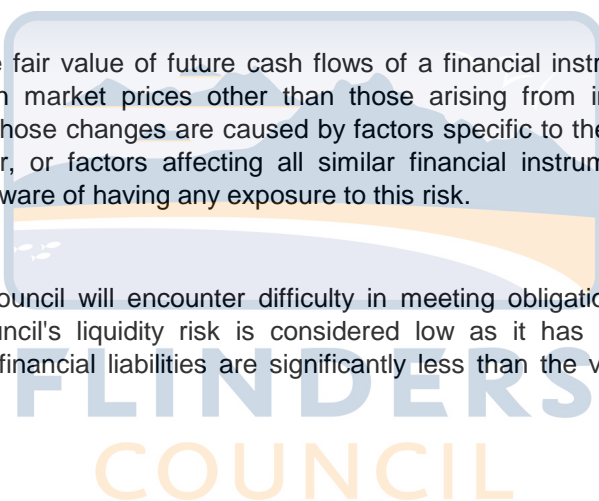
The movements in net result and equity are due to higher/lower interest rates relating to cash and cash equivalents and to other financial assets. Council has no borrowings.

### *Other Price Risk -*

This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Council is not aware of having any exposure to this risk.

### *Liquidity Risk -*

This is the risk that Council will encounter difficulty in meeting obligations associated with financial liabilities. Council's liquidity risk is considered low as it has no interest bearing liabilities and its other financial liabilities are significantly less than the value of its financial assets.



# FLINDERS COUNCIL

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

## 32 FINANCIAL INSTRUMENTS continued

### b) Interest Rate Risk Exposure

Council's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments as at balance date is:-

	Effective or weighted average interest rate %	Variable interest rate \$	Fixed Interest Rate Maturity			Non interest bearing \$	Total \$
			<1 Yr \$	1 -5 yrs \$	> 5 yrs \$		
<b>2011</b>							
<b>Financial Assets</b>							
Cash op'g account	-	1,776,783	0	0	0	0	1,776,783
Investments	5.93	0	6,057,599	0	0	0	6,057,599
Receivables Rates	10.00	42,388	0	0	0	0	42,388
Receivables Other	-	0	0	0	0	72,406	72,406
Accrued Income	-	0	0	0	0	65,080	65,080
<b>Total</b>		<b>1,819,171</b>	<b>6,057,599</b>	<b>0</b>	<b>0</b>	<b>137,486</b>	<b>8,014,256</b>
<b>Financial Liabilities</b>							
Creditors	-	0	0	0	0	192,151	192,151
Accrued Expenses	-	0	0	0	0	167,107	167,107
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>359,258</b>	<b>359,258</b>

Council's exposure to interest rate risk on financial instruments as at 30 June 2010 was:

	Effective or weighted average interest rate %	Variable interest rate \$	Fixed Interest Rate Maturity			Non interest bearing \$	Total \$
			<1 Yr \$	1 -5 yrs \$	> 5 yrs \$		
<b>2010</b>							
<b>Financial Assets</b>							
Cash op'g account	-	1,176,476	0	0	0	0	1,176,476
Investments	5.87	0	6,704,188	0	0	0	6,704,188
Receivables Rates	10.00	86,111	0	0	0	0	86,111
Receivables Other	-	0	0	0	0	38,794	38,794
Accrued Income	-	0	0	0	0	43,988	43,988
<b>Total</b>		<b>1,262,587</b>	<b>6,704,188</b>	<b>0</b>	<b>0</b>	<b>82,782</b>	<b>8,049,557</b>
<b>Financial Liabilities</b>							
Creditors	-	0	0	0	0	214,071	214,071
Accrued Expenses	-	0	0	0	0	84,458	84,458
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>298,529</b>	<b>298,529</b>

# FLINDERS COUNCIL

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

## 32 FINANCIAL INSTRUMENTS continued

### c) Net Fair Value

The carrying amount of Council's receivables, payables, cash and short term deposits is a reasonable approximation of fair value.

The net fair value of Council's financial assets and liabilities is as follows:-

	Actual 2011 \$		Actual 2010 \$	
	Carrying amount	Aggregate net fair value	Carrying amount	Aggregate net fair value
<b>Financial assets</b>				
Cash and cash equivalents	1,776,783	1,776,783	1,176,476	1,176,476
Other financial assets	6,057,599	6,057,599	6,704,188	6,704,188
Receivables	114,794	114,794	124,905	124,905
	<u>7,949,176</u>	<u>7,949,176</u>	<u>8,005,569</u>	<u>8,005,569</u>
<b>Financial liabilities</b>				
Payables	32,783	32,783	203,054	203,054
Interest bearing liabilities	0	0	0	0
	<u>32,783</u>	<u>32,783</u>	<u>203,054</u>	<u>203,054</u>

Aggregate net fair value is calculated using a discount rate equal to the average of mid rates of Commonwealth Government securities maturing on or near 30 June each year for the next 10 years. As these rates are applied to borrowings they have no effect in these financial statements.

### d) Accounting Policies

Accounting policies relating to financial assets and financial liabilities are disclosed in note 1.

### e) Terms and Conditions

There are no terms and conditions associated with financial assets or financial liabilities which may significantly affect the amount, timing and certainty of future cash flows.

### f) Fair Value Hierarchy

Council's investment in Ben Lomond Water is measured at fair value, and is classified as a Level 3. Its classification has not changed. This investment is not subject to credit or market risks.

The table below analyses financial instruments carried at fair value valuation by valuation method. The different levels have been detailed as follows:-

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. Prices) or indirectly (ie. Derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data.

Fair values at 30 June -	2011 \$	2010 \$
Level 1	0	0
Level 2	0	0
Level 3	3,450,982	1,462,840

There were no transfers between Level 1 and 2 during the year.



# FLINDERS COUNCIL

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

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## 35 Subsequent Events

There have been no material events or circumstances that have occurred since 30 June 2011 that require disclosure or adjustment to the balances.

## 36 Assets Not Previously Recognised

During the process of revaluing land and buildings, Council identified a number of properties that were not recorded under their Assets Register. Consequently these assets have been recognised as revenue in 2010-11.

## 37 Investment Ben Lomond Water

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

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

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 statements.

There is no active market for the investment and so it is valued at Council's share of total equity as at each balance date. Changes in the fair value are recognised through the Comprehensive Income Statement to a Fair Value Reserve each year.

Council has an ownership interest of 0.7% in Ben Lomond Water based on the Final Treasurer's Allocation Order in 2011. Council's initial ownership interest based on the Treasurer's initial draft order was 0.3%. The difference between the draft and final orders has been treated as an adjusting entry on initial transfer. Council does not have significant influence to allow it to use the equity method to account for this interest.

	2011	2010
	\$	\$
<b>Opening Balance 1 July 2010</b>	1,462,840	1,143,543
Fair Value initial adjustment on Final Treasurer's Allocation Order	1,950,457	319,297
Fair Value adjustment on Available for Sale Assets	37,684	0
<b>Closing Balance 30 June 2011</b>	<b>3,450,981</b>	<b>1,462,840</b>

## Appendix A

### **STRUCTURE OF ANNUAL REPORT**

The structure of Council's Annual Report follows the formal requirements laid down under the Local Government Act 1993. Section 72 of the Act provides that:

1. A council must prepare an annual report containing all of the following:
  - a) a summary of the annual plan for the preceding financial year;
    - i) a statement of its goals and objectives in relation to public health for the preceding financial year;
  - b) a statement of the Council's activities and its performance in respect of goals and objectives set for the preceding financial year;
  - c) the financial statements for the preceding financial year;
    - i) a statement of the activities and performance of the council in relation to any activity undertaken pursuant to section 21 as compared with its objectives for the preceding financial year.
    - ii) a statement of the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors;
    - iii) a statement detailing the attendance of each councillor at meetings of the council or any council committee during the preceding financial year;
    - iv) a statement in accordance with subsection (4) relating to the total annual remuneration paid to employees of the council who hold positions designated by the council as being senior positions;
  - d) a copy of the audit opinion for the preceding financial year;
    - i) a statement specifying details of any land donated by the council under section 177, including the name of the recipient, the reason for the donation and the value of the land;
  - e) any other prescribed matter.
2. A statement under subsection (1)(ab) is to:
  - a) state the extent to which the council has carried out its functions under the Public Health Act 1997 and the Food Act 2003; and
  - b) state the resources allocated to public health; and
  - c) state the extent to which its goals, objectives, policies and programmes in relation to public health met the needs of persons within its municipal area; and
  - d) include details of the completion of any strategies.
3. The General Manager is to:
  - a) submit 2 copies of the report to the Director of the Local Government Office and one copy of the report to the Director of Public Health; and
  - b) make available copies of the report for public inspection; and
  - c) make available copies of the report free of charge or on payment of a prescribed fee; and
  - d) advertise the availability of the report in a daily newspaper circulating in the municipal area.
4. A council must invite the community to make submissions on its report for discussion at its annual general meeting.

## Flinders Council Annual Report 2010 - 2011

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5. A statement under subsection (1)(cd) is to list the number of employees in groups according to the total annual remuneration as specified in subsection (5) where each group has a maximum of \$20,000 between the highest and lowest total annual remuneration.
6. The total annual remuneration of an employee means the total of the following for the financial year:
  - a) the salary payable to the employee;
  - b) the amount of employer contribution to the employee's superannuation;
  - c) the value of the use of any motor vehicle provided to the employee;
  - d) the value of any other allowances or benefits paid or payable to, or provided for the benefit of, the employee.



**Appendix B**

**MEETING PROCEDURES FOR THE  
ANNUAL GENERAL MEETING**

Every Council in the State is required to hold an Annual General Meeting before 15<sup>th</sup> December in each year. A Council must give 14 days notice of the meeting by advertisement in a daily newspaper and advertise on at least two occasions.

A Council must have a quorum of Elected Members present at the meeting. Should this not occur, the meeting must be reconvened within a period of 14 days. Should any resolutions be put at the meeting, only electors of the municipality are entitled to vote, i.e. persons whose names appear on Council's and the General Manager's Electoral Roll.

The General Manager is to keep minutes of the Annual General Meeting and all resolutions passed at the meeting are to appear on the agenda for the next meeting of Council.

**Meeting Procedures**

The format of the Annual General Meeting is left to the Council. However the following features should be incorporated into the agenda:

- The General Manager is to make available to the public free of charge a copy of the agenda to make submissions, at least 4 days before the scheduled meeting. Local Government (Meeting Procedures) Regulations 2005 – Part 2
- A resolution is passed by a majority of votes taken by a show of hands (Schedule 4 LGA).

The following meeting procedure is recommended for the conduct of Annual General Meetings:-

1. Notice of dates and times of meetings to be as prescribed.
2. Chairperson
  - a. The Mayor, or in his or her absence, the Deputy Mayor, is to preside at the Annual General Meeting.
  - b. If both the Mayor and the Deputy Mayor are not present at an Annual General Meeting, the Councillors present are to elect one of their number to preside at that Meeting.
3. The Meeting may only transact business where a quorum of Elected Members is present.
4. Order of Business
  - a. Welcome
  - b. Apologies
  - c. Presentation of the Annual Report
  - d. Consideration of community submissions on Council's Annual Report.  
An overall time limit of 30 minutes is allowed for this segment of the meeting and a time limit of five minutes is allowed to electors to deliver his/her submission.
  - e. Other Business  
An overall time limit of 30 minutes is to be allowed for this segment of the meeting. Questions may be either answered at the meeting, or where research is required, the matter will be listed on the agenda of the next Ordinary Meeting of Council.

## **Conduct of Debate**

1. Persons present at the meeting should stand when addressing the Chair.
2. All motions put to the meeting must be moved and seconded before discussion can take place.
3. A person is not to speak to a motion for more than five minutes at any one time
4. Persons should only speak once to a motion, with the mover having the right of reply.
5. The method of voting at Annual General Meetings is by show of hands, ie by counting the electors present who are entitled to vote and who choose to vote.

## **Motions to Amend**

The following rules apply to motions to amend original motions:

1. An amendment to a motion is not to be considered while a previous motion to amend is before the meeting, i.e. following debate the amendment must be dealt with as the next order of business.
2. Whether or not an amended motion is resolved in negative or affirmative, only one further amendment is to be accepted.

## **Other Matters**

It should be noted that resolutions passed at Annual General Meetings are not binding on the Council. However, Council has an obligation to consider those resolutions at its next meeting.

Please deliver your submission to the Council Offices, or mail it to:

The General Manager

Flinders Council

PO Box 40

Whitemark, Flinders Island, 7255

to arrive no later than 5.00pm, Friday 3<sup>rd</sup> December 2010. Where possible, please refer to the page number of the Annual Report and your presentation should focus on the main points you wish to make.

# Flinders Council Annual Report 2010 -2011

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Name

Address

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**Tick which applies:**

*I DO NOT wish to make a personal submission at the meeting but ask that this written submission be considered.*

*I wish to talk to the main points in my written submission at the meeting*

Signature

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*I am registered as an elector in the Flinders Municipality.*