

# Flinders Council Annual Report 2017-2018







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# Strategic Objectives

## Flinders Council's Vision

To retain our lifestyle and unique landscapes through positive leadership that encourages innovation, population growth, asset attraction, partnerships, and improved health and wellbeing for our Community.

## Our Mission

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

## Our Core Values

Flinders Council has designed its strategies by carefully considering the match between the Municipality's current characteristics and the future ambitions, underlying values and desired characteristics identified by the Community over a number of years. From this, Council has refined its focus and how it can best deliver services and support to progress these needs and ambitions. Using a local/regional development approach, Council has sought to define how it can best focus and apply its resources to:

- ~ effectively deliver essential services and legislative obligations;
- ~ provide a framework of plans and policy that assists the Community to progress; and
- ~ play a beneficial problem solving and opportunity realisation role, as appropriate.

Each of Council's programs is designed to help us progress as a community and achieve important outcomes. Council has defined five program areas that, in combination, contribute to Flinders' preferred future. They are our Strategic Focus Areas.

## Our Strategic Focus Areas

Population Growth	Focusing on strategies, projects and policy initiatives that support the Community, economic development and investment attraction.
Infrastructure and Services	An 'Islands' specific approach to planning and delivery to ensure community and environmental values are maintained.
Access and Connectivity	Work with service providers and other relevant stakeholders to improve security, reliability and cost effectiveness.
Strategic, Efficient and Effective Organisation	Responding to risks and opportunities.
Liveability	Protect, improve and promote the health and wellbeing of the Islands' communities.





## Council Services

### **Council Office**

4 Davies Street Whitemark TASMANIA 7255

All Correspondence to the General Manager  
PO Box 40  
Whitemark TASMANIA 7255

### **Office Hours**

Monday to Friday 9.00am - 4.30pm  
P: (03) 6359 5001  
F: (03) 6359 2211  
E: [office@flinders.tas.gov.au](mailto:office@flinders.tas.gov.au)

### **After Hours Emergencies**

Works & Airport Manager  
M: 0427 592 069

### **Visitor Information Centre**

4 Davies Street Whitemark TASMANIA 7255  
Monday to Friday 9:00am-4:30pm  
P: (03) 6359 5002  
F: (03) 6359 2211

### **Airport**

Palana Road, Whitemark TASMANIA 7255  
Weekdays 8.00am - 4.30pm  
P: (03) 6359 2144  
F: (03) 6359 2145  
E: [airport@flinders.tas.gov.au](mailto:airport@flinders.tas.gov.au)

### **Works Depot**

21 Patrick Street, Whitemark TASMANIA 7255  
Monday to Friday 8.00am - 5.00pm  
P: (03) 6359 5020 / 5021  
F: (03) 6359 2069





# Flinders Council





## Overview

Flinders 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:

- ~ 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.

## Councillors

Flinders Council is represented by seven Councillors and is led by the Mayor and the Deputy Mayor. Each elected member also have delegated responsibilities for various Committees and organisations



**Cr Carol Cox**  
**Mayor**

Furneaux Community Health Special Committee  
 Furneaux Group Aviation Special Committee  
 Furneaux Group Shipping Special Committee  
 General Manager's Performance Review Committee  
 Municipal Emergency Management Committee  
 Local Government Association of Tasmania  
 Northern Tasmania Development Corporation



**Cr Mark Cobham**  
**Deputy Mayor**

Furneaux (Emita) Hall and Recreation Ground Special Committee  
 Furneaux Group Shipping Special Committee  
 Local Government Association of Tasmania



**Cr Chris Rhodes**

Ideas and Innovations Committee



**Cr Ken Stockton**

Furneaux Group Aviation Special Committee  
 General Manager's Performance Review Committee  
 Ideas and Innovations Committee



**Cr David Williams**

Lady Barron Hall and Recreational Special Committee



**Cr Peter Rhodes**

Furneaux Group Aviation Special Committee  
 Furneaux Group Shipping Special Committee  
 OTTER Customer Consultative Committee  
 Flinders Island District High School Association  
 Ideas and Innovations Committee



**Cr Gerald Willis**

Furneaux Community Health Special Committee  
 General Manager's Performance Review Committee  
 Flinders Island Tourism and Business Incorporated  
 TasWater Owners Representative  
 Ideas and Innovations Committee

## Councillor Meeting Participation

Ordinary Meetings of Council are usually 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 November meeting each year. Councillors also regularly attend a range of workshops in which, amongst other things, further explanatory information and training is conducted, a summary of which is recorded in the next Council Meeting Agenda following the workshop. No actual decisions are made at these workshops.

All councillors participate extensively in the performance of their duties. Where circumstances dictate, councillors who are not able to attend due to other commitments provide an apology, or if applicable, obtain leave of absence. The following snapshot of each elected member's participation in meetings where all councillors are entitled to attend is shown as follows:

Item	Council Meeting	Workshops	Special Meetings	Annual General Meeting	Total
	12 held	20 held	1 held	1 held	34 held
<b>Mayor Cr Carol Cox</b>	10	17	1	1	<b>29</b>
<b>Deputy Mayor Cr Mark Cobham</b>	12	16	1	1	<b>30</b>
<b>Cr Chris Rhodes</b>	11	7	1	1	<b>20</b>
<b>Cr Peter Rhodes</b>	11	14	1	1	<b>27</b>
<b>Cr Ken Stockton</b>	10	13	1	0	<b>24</b>
<b>Cr David Williams</b>	8	9	1	0	<b>18</b>
<b>Cr Gerald Willis</b>	11	17	1	1	<b>30</b>

## Councillor Allowances

In accordance with section 72(1)(cb) of the *Local Government Act 1993*, Council is required to report the total allowances and expenses paid to the mayor, deputy mayor and councillors. The 2017/18 summary is as follows:

Allowances	\$94,813
Expenses	\$6,416





# Management

Council performs a wide variety of functions as outlined in the following snapshot of functional operational areas.

## Mayor & Councillors

### General Manager\*

Community Economic Development	Corporate Services	Strategic Planning Development	Governance	Works Services Airport
Business   Economic Development   Tourism   Youth   Community   Arts   Events   Community Health	Finance   Rates   Debtors   Creditors   Human Resources   Customer Service   Staff Health & Wellbeing   WH&S   Halls	Building   Planning   Environmental Health   Special Projects	Governance   Support   Communications   Records Management   Funerals	Roads   Streets   Waste Management   Parks   Reserves   Airport   Buildings   Special Projects
Community Development Officers (2) Casual program delivery staff on as needs basis	Accountant  Finance Officer* Corp Services Officers (2) Finance   Customer Service   Governance   Customer Service Corp Services Officers (2) HR   Finance   IT   Communications Customer Services Officers (2)	Strategic Planner   Projects Officer  Development Services Coordinator   Projects Officer* Regulatory Services Officer	Executive Officer   Funeral Director	<b>Works &amp; Airport Manager*</b>  Works Supervisor*  Workshop Coordinator*  Works Officers (5)* Airport Reporting Officer* Works   Airport Reporting Officer Works   Airport Reporting Officer (Casuals)

During the year there were a number of changes to positions and roles as part of an organisational review. This transitioned into 2018/19. Several Works Officers are also trained as Airport Reporting Officers and assist on an as needs basis.

\* denotes full time position; balance part-time / casual.

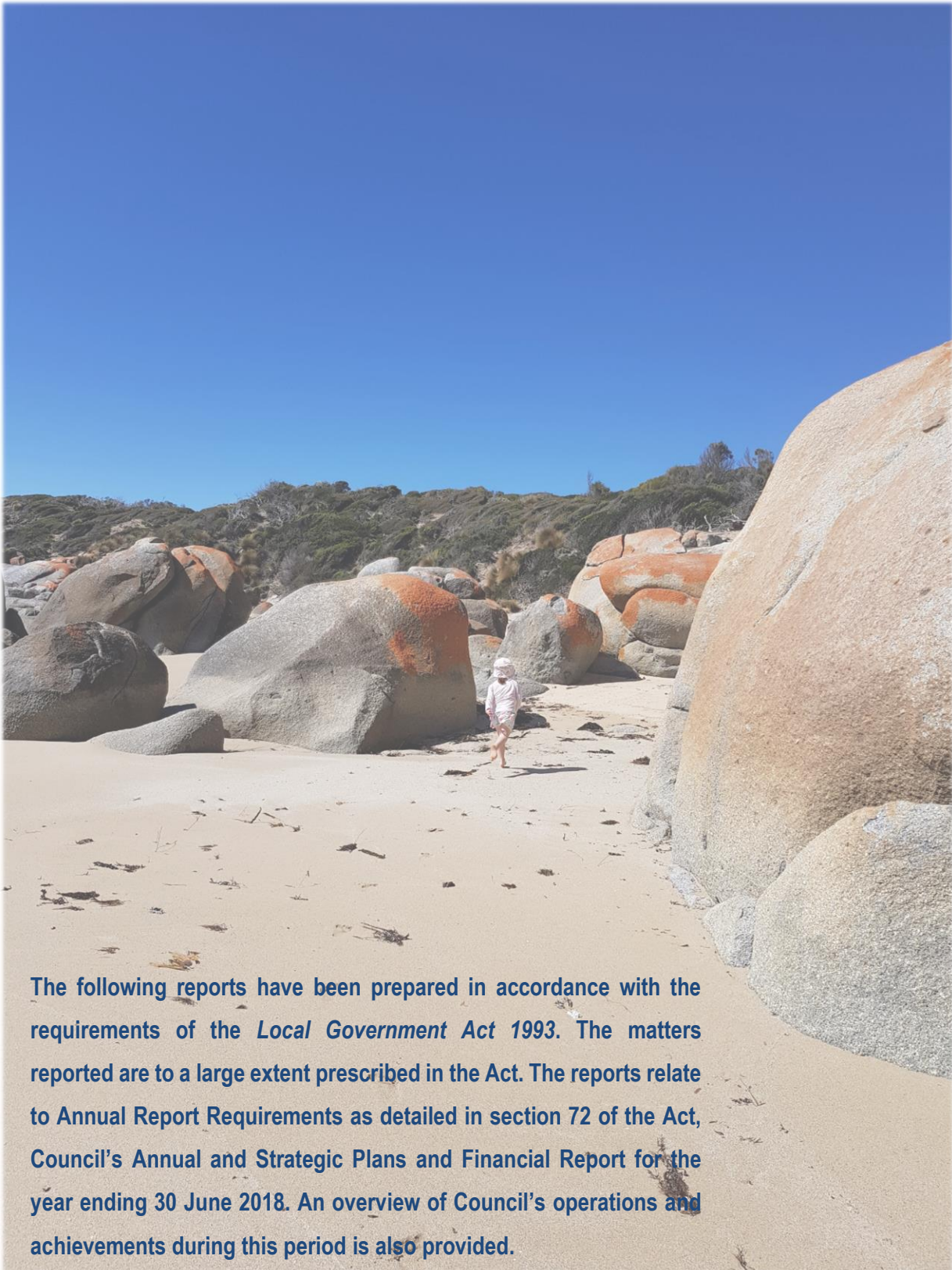
Council's functions are performed by a small collection of interactive staff in a range of full and part time roles.

Overall, all staff operate collegiately with the following Senior Management Team in place to guide Council's operation.

<b>Governance</b> General Manager Executive Officer	Bill Boehm Vicki Warden	<b>Corporate Services</b> Accountant	Heidi Marshall 14.05.18 – 30.06.18
<b>Community Economic Development</b> Team Leader Team Leader	Stacey Wheatley Daniel Pitcher	<b>Strategic Planning Development</b> Strategic Planner Development Services Coordinator	Robyn Cox Jacci Viney
<b>Works Services Airport</b> Works & Airport Manager	Brian Barnewall		



## 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 Annual Report Requirements as detailed in section 72 of the Act, Council's Annual and Strategic Plans and Financial Report for the year ending 30 June 2018. An overview of Council's operations and achievements during this period is also provided.



## Mayor's Report

I welcome you to read this brief report on the achievements and challenges faced by the Flinders Council during the 2017-18 financial year.

This report is but a snapshot of the myriad of Council activities occurring during the report period.

Council has long recognised the physical and financial challenges it faces in meeting the expectations of community, fulfilling its legislated obligations and in undertaking social and economic initiatives that will lead the municipality to economic and social sustainability and makes use of recurring and adhoc government grants to achieve its goals.

The project program for 2017-18 was led by the Telecomms upgrade to Flinders and Cape Barren Islands. The optic fibre backbone for Flinders has been laid and an upgrade to the radio link between Mt Tanner and the Tasmanian main land is underway. This \$10.6 million council project would not have been possible without the support of Telstra (\$1.8m), State Government (\$0.35m) and the Federal Government Building Better Regions grant program (\$7.8m). Residents, the school, medical services and businesses will all reap the benefit of this project and the improvements will open up opportunities previously limited by poor and unreliable connectivity.

About connectivity, Furneaux Freight, Sharp Airlines and Airlines of Tasmania have all continued to provide regular, affordable and reliable services to the islands, giving confidence to residents and businesses to invest. Thank you to the owners and staff of these companies; your professional and reliable provision of these services is essential to the economy and liveability of the islands.

Community infrastructure improvements continued culminating in almost all community infrastructure being modernised in recent years, much on the basis of community "drive" and grant support. A BBQ and Toilet were supplied for Cape



Barren Island, improvements continued at the Emita and Lady Barron Halls, with a large percentage of these improvements being undertaken with grant funds sourced by the community special committees supporting these venues. Funds were sourced to renew the Whitemark playground. The upgrade will occur early in the new financial year. The Whitemark to School walking/cycling track was sealed and the connection at the town end completed.

Community health and vitality remains a strong focus of council, supporting the strategic goal of an increased population to underpin increased social and financial sustainability. Community gyms have been trialed and formalised within Council's structure, with attendances proving to be high at Whitemark and regular at Lady Barron. School holiday programs continue, with cooperation between council, Flinders Island Aboriginal Association Inc. (FIAAI) and the school in presenting an exciting and varied program each holiday including this year partnering with Scotch Oakburn College to have a Whirlwind Screen Festival event- where participants learnt by experience the art of film making.







The summer school holiday program was again incorporated into the Furneaux Islands Festival, a Council organised event that celebrates community. The Festival has operated on a year to year basis as it has evolved from the decision some 5 years ago to move the Council's Australia Day event to a similar event celebrating community and living where we live on a day other than Australia Day.

In May 2018, Council, in wishing to see this event continue, wrote its intent in the Furneaux Islands Festival Policy which has the objective of delivering *"an event that highlights our history, culture and community spirit, increases local participation and creative expression, provides local economic benefit and stimulates tourism."*

As with previous festivals, FIAAI was a major partner in delivering the 2018 festival and Council looks forward to this joint presentation of the festival continuing.



Whilst Cape Barren Island is more difficult and expensive to access than just jumping in a car, Council deeply respects the contribution to the Military Services made by Cape Barren Island residents and provided a Councillor to lay a wreath at the ANZAC Dawn Service at The Corner as a mark of this respect, with excess plane seats offered for use by the RSL. This was especially important for the 2018 Dawn Service, it being the centenary of ANZAC and in November the centenary of the First World War Armistice.

In recognition of the municipality's high volunteering rate and the extremely positive input this has on the local communities, Council annually presents a Citizen of the Year Award.

The 2017 recipient is Mrs Pat Masters, a lady who has given assistance to many community groups, often volunteering for the not-so-popular roles of secretary and treasurer.

Council operates a Municipal Emergency Management Committee (MEMC) as a legislative requirement, having in place a Municipal Emergency Plan, Recovery Plan and Risk Register with the Municipal Emergency Management Coordinator and Deputy positions now filled by Council staff. I thank the many community members and emergency services volunteers who make up the supporting body of the MEMC for the time they have donated to attend meetings and training as preparation for an emergency.

The changeover of Council's rating system from being based on a property's Assessed Annual Value (AAV) to its Capital Value (CV) went smoothly and enabled some anomalies to be identified and rectified, with all tenancies now attracting an individual rate notice. In the changeover the "waste levy" was removed as was the previous minimum rate, replaced by a "Fixed Charge".

The handling of municipal hard waste has become a real issue for Council with landfills and the treatment/storage of hard waste becoming highly regulated by the Environment Protection Authority (EPA). To avoid extremely hefty fines, Council has to find a way to manage waste that fits with community expectations, EPA requirements and is financially viable.

A complying landfill cell on Flinders costs around \$130,000 and, unless waste volumes for the cell are reduced, will only last 3 - 4 years and that is providing cardboard is removed. Council's aim is to reduce the volumes of waste going into landfill by separating out recyclables and inert waste forms from the landfill content, thus extending the life of the cell. During this year, work has focused on finding an economical and practical way of being compliant in the handling and storage of waste.

A high value roads program was undertaken to take advantage of all the Roads to Recovery funding available, with the view that the roads





program for 2018-19 would be a reduced one. The rebuilding of the Runway 14/32 at a cost of \$3.6 - 4 million remains a high priority action for the council that will further deplete Council reserves and support is being sought from federal and state governments to complete this vital project.

Also on the Council's priority projects list is the Safe Harbour, a project that can stimulate the economy of Flinders Island. The second priority project outlines the wish to seal Palana Road, a road that has greatly increased use with the growing visitor economy on the Island. Council's lobbying for the fourth priority project to assist the Sports and RSL Club to become a sustainable entity was influential in the state government awarding the Club \$100,000 to develop a tennis/netball court to compliment the sporting venues already existing there. This outcome is advantageous to Council as it removes the requirement for Council to provide these facilities.

Flinders continues to work with other councils and island entities to share services and activities to limit the costs of providing services such as staff

training and planning and building services. Flinders Council is a member of the Shared Services Northern Councils Group, participating in activities that look to implement opportunities for shared initiatives at a regional and sub-regional level.

I thank the ratepayers for the privilege of leading this community for the past 11 years and thank the General Manager and staff for their professional support during this, the last year of my tenure. Councillors and staff have worked respectfully together over the year to provide a stable council working for the ratepayers and residents of the municipality.

To the Councillors, thank you; the islands are richer for our commitment to the ongoing improvement of Council and our committed support of community alongside sustainable growth and development.

**Carol Cox**  
Mayor





## General Manager's Report

Since commencing as General Manager in January 2017, I have continued to be delighted to be part of an excellent team of Councillors and staff who care greatly about the Community and try extremely hard to balance many divergent needs whilst operating on a small income base.

The Annual Report presents the extent to which strategies, as outlined in our Strategic Plan, have been addressed for the financial year. In a small but diverse organisation such as ours, the Strategic Plan is an important policy document that guides how best to apply limited resources to meet the expectations of our Community. Actions that deliver on these strategies are detailed in the Annual Plan that provides details of programs, and performance measures, while the Annual Budget determines how these operations will be financed.

There are many actions that have been undertaken during the year, reported elsewhere in the Annual Report, and I encourage all to view this summary.

Punching above our weight is the norm and we are pleased to be able to present an overall snapshot of some of these activities and achievements.

### Telecommunications Upgrade

At the second attempt, Council secured funding for a \$10.6m upgrade of Telstra's telecommunications network on Flinders and Cape Barren Islands to a 4GX standard.



Without Council's dogged pursuit and financial commitment of \$0.77m plus contributions of \$7.88m by the Australian Government through the



Building Better Regions Program, \$1.6m by Telstra and \$0.35m by the State Government; this improvement would likely never have occurred. The positive impact on existing and future residents cannot be underestimated

This project was not included in the initial 2017/18 budget as such a significant \$0.77m budget variation over 2 years was required.

### Community Economic Development

While infrastructure and investment are significant contributors to the Island's sustainability and future prosperity, it is the Community and people of the islands that are our greatest assets. Most local governments see this area of endeavor of community building their "*raison d'être*", and we are no different.

With minimal staff resources, a range of projects continue to be delivered including the following:

- ~ Establishing the Whitemark Community Gym, in part to assist in the delivery of an RFDS funded health program and consolidating operational management with the Lady Barron Fitness Facility.
- ~ Delivering the major Furneaux Islands Festival, in partnership with the Flinders Island Aboriginal Association Inc. (FIAAI) plus a range of School Holiday Programs.
- ~ Working in partnership and assisting various community groups including the Flinders Island Tourism and Business Inc. (FITBI), their Destination Action Plan and Food and Crayfish Festival subcommittees, and the Furneaux Community Arts.





### Flinders Municipal Disadvantage

The structural and financial operation of Flinders Council and the Furneaux Islands generally is significantly disadvantaged due to our remoteness, not being directly connected to mainland Tasmania, and make up of some 52 islands.

This is compounded by a very small population and rate base relative to our size. Intuitively, all residents know and understand this and adapt lifestyle and operations to suit. Governments also understand this and from time to time fund facilities, programs and subsidies that recognise their overarching “community service obligation,” much like that that exists between the Australian Mainland and other remote and less populated states such as Tasmania.

Council was able to secure funding assistance through the Australian Government’s Building Better Regions Program and is proceeding with an independent analysis through the Flinders Business Economic and Social Structural Review Project.

The aim of this study is to quantify relative lifestyle advantages which are essentially attractors to the Island as well as structural disadvantages that exist to a level that can be useful for Council, and local organisations, to objectively advance our case to governments in the future.

### Priority Projects

In September 2017 Council adopted a briefing document that consisted of the following list of key Priority Projects:

- 1 Construction of a Marine Access and Safe Harbour at Lady Barron;
- 2 Reconstruct and seal Palana Road then transfer ownership to the State Government extending the current state road to form the main transport backbone for Flinders Island;

- 3 Flinders Island Airport Runway Upgrade; and
- 4 Redevelopment of the Flinders Island Sports and RSL Club.

Submissions to State and Australian Governments followed and as a direct result, the State Government agreed to commit \$900k and letters of support towards a Better Regions Fund Application for the Safe Harbour Project plus \$100k to the Sports Club towards the construction of a tennis / netball court, as part of the first stage of the Club’s potential redevelopment.

### New Development Opportunities

Work to facilitate several new development opportunities was also undertaken.

Council staff continued to assist the Flinders Sports and RSL Club in facilitating their Masterplan and Business Case for the Flinders Island Sports and RSL Club Redevelopment. Further implementation is subject to grant funding.

Work investigating costal erosion and inundation and flooding in and around Whitemark generally commenced. Once completed a Structure Plan to guide development in Whitemark can be finalised. Council submitted a submission for Building Better Regions Funds for Construction of a Marine Access and Safe Harbour at Lady Barron. This project promises to be transformational for the development of the Island.



### Roads, Streets and Footpaths

Council’s roads, streets and footpath construction program included the following:

- ~ 9.0km gravel road resheeting;
- ~ 5.2km sealing and 1.9km edge resealing;
- ~ 1.8km sealed reconstruction;
- ~ Work on 11 bridge guard rail replacements;



- ~ Sealing of footpath / bike path from Whitemark to the School which was later accompanied by the introduction of 80km/hr speed restrictions; and
- ~ Commencement of a pedestrian crossing upgrade program in Whitemark.

### **Buildings & Facilities**

- ~ Finalise Lady Barron Hall upgrade; and
- ~ Tas Community fund application for Emita Hall Kitchen and septic works completed.

### **Township Amenity Parks & Reserves**

- ~ Commenced Cape Barren Island Toilet and BBQ works;
- ~ Continued with playscape works at the Emita Recreation Reserve;
- ~ Following a successful application to Tas Community Fund purchased materials to enable the upgrade of the Whitemark Playground; and
- ~ Finalised stage 1 of the Whitemark Foreshore Upgrade with installation of stems to the foreshore.



### **Waste Management**

Work continued on the transition for improved waste management arrangements. It was expected that an Expression of Interest process would be concluded, and an experienced contactor appointed to deliver a kerbside collection service and improved waste segregation at the Whitemark Landfill. Whilst this process was completed the final cost proved prohibitive.

Council completed a review of an in-house operation which in the first instance involves bailing waste and having a including a GCL lined putrescible cell at the Whitemark recycling streams

and environmentally compliant leachate collection systems for introduction in 2018/19.

### **Airport**

Council made application for funding under the Australian Government's Regional Aviation Access Programme (RAAP) for the upgrade of Council's long runway and installation of wallaby proof fencing at the Airport perimeter with the latter project being successful. Works commenced in June 2018.

Meanwhile steady progress has been made in delivering aspects identified in Council's Airport Masterplan with survey and lease sites for private and commercial hangers being established.

In June 2018, at the request of Sharp Airlines Council purchased the fuel facilities at the Airport for a nominal fee and commenced operations in 2018/19.

### **Planning Scheme**

The zones available in the Tasmanian Planning Scheme have been strategically allocated in the draft Local Provisions Schedule (LPS) and mapped as required. Work continues on the suite of supporting documentation that confirms the decision making and justifications as required under the Act. Public consultation at Lady Barron confirmed the general direction for the township based on the proposal to create a town centre around Holloway Park. The LPS is expected to be submitted in April 2019 whereupon the statutory process for adoption commences.

The underpinning investigations and analysis for the zoning, overlays and particular deviations from the Tasmanian Scheme have filled significant information gaps and identified areas where further data priorities exist. The investigations and analysis will allow future integration of information into other council operations and contribute to establishing a portfolio of strategic plans for example, for open space and climate adaption; strategies that are routinely available in other councils.

The implementation of the Local Provisions Schedule of the Tasmanian Planning Scheme will require significant review of the current processes





and systems for permit applications and this has commenced as a high priority focus area.

### **Rating**

Council received new property valuation data as part of a 6-year property valuation cycle in 2017/18. Following considerable review into fairness and equity considerations, Council adopted the Capital Value / Fixed Charge / Differential Rating System based on land use. This was introduced into the 2017/18 year and was generally positively received.

As part of this review Council improved its rates modelling and also undertook a benchmarking exercise to see how the level of rates compared with other Councils in the region and those of similar size ahead of the 2018/19 Budget.

### **Financial Management**

Perhaps the most important change of all was the significant amount of behind the scenes work undertaken by Finance Staff to overhaul and modernise Council's financial system with project-based management and presentation being introduced.

The full benefit of the changes will be felt in the 2018/19 Budget which will be developed to include a long-term financial outlook which will assist a new, incoming Council.

Given our very small rates base and additional burden of managing an Airport, financial sustainability will be an acute and ongoing challenge.

Whilst Council's financial statements provide a detailed picture, a more relevant snapshot has been included in the Financial Outcomes at a Glance Section of the Annual Report.

### **Audit Panel**

During the year Council modernised the operation of its independent Audit Panel with membership now being three independent members; Chairman Mark Scanlon and members Diana Droog and John Dick.

Since this time the Audit Panel has fulfilled its obligations, met in a timely fashion and provided sound reports to Council which have been and well received. Councillors, whilst being invited to attend meetings as observers, have been content to allow the Panel to meet and perform their role independently.

### **Summary**

I would like to thank all staff for their hard work and passion and especially their ongoing support throughout the year.

We transit into a new challenging operating environment in 2018/19 but are nearing a sound management position.

**Bill Boehm**  
**General Manager**





## Other Legislative Requirements

### Code of Conduct Complaints

No Code of Conduct complaints were received.

### Donation of Land

Under Section 177 of the *Local Government Act 1993*, Council is required to report on any land donated by Council during the year. Council did not resolve to donate any land in accordance with the Act during the 2017/18 year.

### Public Health

Council provides for all Environmental Health functions and employs an Environmental Health Officer. Utilisation of the Island's doctors also complemented resources allocated to immunisation functions.

The Public Health and Environmental Management programs address a range of functions under the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Burial & Cremation Act 2002*, *Litter Act 2007*, and the *Environmental Management & Pollution Control Act 1994*. These functions include:

- ~ Food Safety
- ~ Disease Prevention and Control
- ~ Public Health Education and Promotion
- ~ Public Health Risk Activities
- ~ Immunisations
- ~ Burials
- ~ Exhumations
- ~ On-Site Waste Disposal Systems
- ~ Unhealthy Premises
- ~ Warm Water Systems
- ~ Recreational and Bathing Water Quality
- ~ Public Health Nuisances
- ~ Air, Water and Soil Pollution
- ~ Public Health Emergency Management
- ~ Fire Hazard Abatement
- ~ Nuisances and Complaints

### Public Interest

Flinders Council is committed to the aims and objectives of the *Public Interest Disclosures Act 2002*. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct. It also recognises the value of transparency and accountability in its administrative

and management practices and supports the making of disclosures that reveal corrupt conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

Flinders Council procedures in relation to the *Public Interest Disclosures Act 2002* are available on Council's website at:

[www.flinders.tas.gov.au/public-interest-disclosure](http://www.flinders.tas.gov.au/public-interest-disclosure).

The following is a summary of Council's Public Interest Disclosure activity during 2017/18:

- ~ There were no disclosures made to Council;
- ~ There were no public interest disclosures investigated;
- ~ There were no disclosed matters referred to Council by the Ombudsman;
- ~ There were no disclosed matters referred by Council to the Ombudsman to investigate;
- ~ There were no investigations of disclosed matters taken over by the Ombudsman from Council;
- ~ There were no disclosed matters that Council decided not to investigate; and
- ~ There were no disclosed matters that were substantiated on investigation.

### Right to Information

During the year Council received one request for information under the *Right to Information Act 2009*.

### Key Management Personnel

In accordance with section 72(1)(cd) of the *Local Government Act 1993* Council is required to report the total annual remuneration, which includes salary, assessed benefits including motor vehicles, and superannuation, as applicable to employees who hold positions designated by Council as senior positions.

The 2017/18 Summary is as follows:

Remuneration Band	No Employees
\$0 - \$20,000	1
\$80,001 - \$100,000	2
\$100,001 - \$120,000	2
\$180,001 - \$200,000	1

This includes a number of part time and part year roles. Overall there has been a reduction in

numbers and total annual remuneration from the previous financial year.

### Competitive Neutrality Costs

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled in Note 10.4 of the Financial Report.

Council has determined, based upon materiality that the operation of the Flinders Island Airport and Private Works activities as defined above are considered significant business activities. Competitive neutrality costs include notional costs; i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities it has been assumed that opportunity costs of 3.0% been applied.



### Tenders & Contracts

The *Local Government (General) Regulations 2015* requires Council to report any contract for the supply or provision of goods and services valued either at above \$250,000 and at or above \$100,000 (excluding GST) during the financial year. The following are applicable:

Contractor Details	Contract Description	Contract Value (\$excl gst)	Contract Period
Telstra Corporation Limited trading as Telstra. Locked Bag 6502 Sydney NSW 2001	Telecommunications Upgrade of Telstra Network on Flinders and Cape Barren Islands.	\$9,000,000	18 months
Part of a specific grant funding project via the Australian Government through their Building Better Regions Program. Works included a Telstra in-kind contribution of \$1.6m towards the provision and installation of optic fibre cable. All of the resultant infrastructure assets are for Telstra infrastructure. As such the normal tendering requirements under the Act are not applicable.			
Sami Bitumen Technologies 3 Oban Court, Laverton North, Victoria	Supply & delivery of bitumen for Council's road sealing program.	\$198,741	2 weeks
Hiway Stabilizers Australia of 35A Bell St, Yarra Glen, Victoria	Supply and deliver stabilisation materials and operate stabilisation equipment for works on Council's road network and Lady Barron Road on behalf of the Department of State Growth.	\$187,934	2 weeks



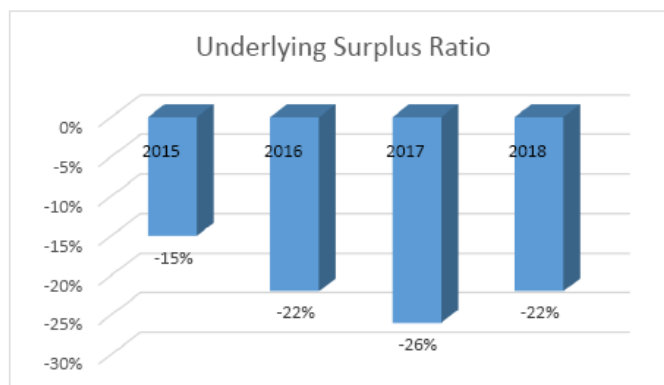
## Financial Outcomes at a Glance

Council's Financial Report details the full suite of Financial information that describe Council's operation. This audited report is presented in a format in accordance with the applicable accounting standards and is consistent with other local governments.

In order provide a more nuanced description the following overview is provided

### Overview of Financial Performance

<b>Statement of Comprehensive Income and Expenditure</b>			
<b>Operating result</b>	Budget 2018 000's	2018 Actual 000's	2017 Actual 000's
Council achieved a negative surplus of -22% /\$(665k) in the 2018 Financial year. This is a 62% /\$1009 improvement to budget. The improvement has been derived mainly from additional Grant Income of \$724k, reduction in Employment Costs of \$215k, reduction in Materials & Services \$75k and a lower depreciation charge of \$114k.	(1,774)	(665)	4,345



The underlying surplus Ratio compares Council's Operating Income as a percentage of its Operating Expenses. The negative ratio of 22% in 2018 indicates that Council generated insufficient revenue to fulfill its operating requirements, including depreciation charges. The ratio however has shown some improvement over prior year.

<b>Income &amp; Expenditure by Division - Year End 30 June 2018</b>	Total 000's	Municip al 000's	Airport 000's
<b>INCOME</b>			
Income - Operational	7,690	7,388	302
Income - Capital Grants	573	529	44
	<b>8,263</b>	<b>7,917</b>	<b>346</b>
<b>EXPENDITURE</b>			
Employee Costs	(2,033)	(1,832)	(201)
Materials & Services	(1,860)	(1,546)	(314)
Impairment of Debts	(36)	(36)	
Depreciation & Amortisation ( Non- Monetary)	(1,491)	(1,297)	(194)
Finance Costs	(85)	(85)	
Other Expenses	(115)	(115)	
Other Expenses - Telstra Project	(3,650)	(3,650)	
	<b>(9,270)</b>	<b>(8,561)</b>	<b>(709)</b>
Net asset adjustments - mainly Revaluations	342	50	292
<b>Net result</b>	<b>(665)</b>	<b>(594)</b>	<b>(71)</b>

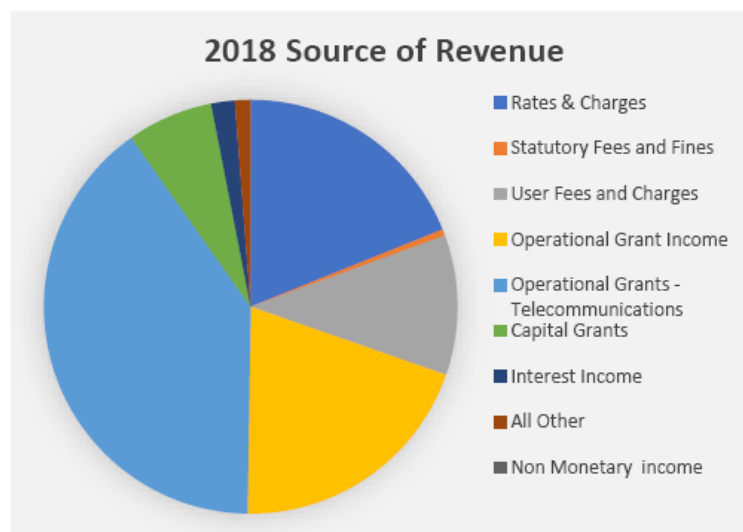




<b>Income</b>	<b>Budget 2018 000's</b>	<b>2018 Actual 000's</b>	<b>2017 Actual 000's</b>
<b>Rates and Charges</b> tracked well to budget, with only 1 %/ \$18k below the 2018 budget. 2018 Actual compared to last year is 4% / \$59K above 2017	1,632	1,614	1,555
<b>Statutory Fees and Fines</b> is 9%/\$4k below budget, however 2018 compared to prior year is 16%/ \$6k above 2017	47	43	37
<b>User Fees and Charges</b> is predominantly derived from Airport fees and charges (51%) and Private works (40%). The year end 2018 is 3%/\$33k below budget , but compared to prior year, it is 4% / \$39k above budget.	964	931	892
<b>Operational Grant Income</b> is significantly above budget by 74% / \$724k, and above last year by 27%/ \$622k. This was a major contributing factor to the improved operational result.	975	1,699	2,321
<b>Operational Grants - Telstra Project.</b> The Telstra Grant received of \$3409k was not included in the 2018 budget.	0	3,409	0
<b>Contributions - Cash</b>	0	3	0
<b>Interest income</b> exceeded budget by 43% / \$47k and in comparison to prior year , it is \$78%/ \$69k above 2017	110	157	88
<b>Other Income</b> was slightly below budget at 4%/ \$2k and also below prior year by 8%/ \$4k	50	48	52
<b>Investment Revenue from Water Corporation</b> of \$54k is on par with budget	54	54	54
<b>Capital Grants</b> is significantly above budget by 45% / \$179, however compared to prior year it is 23% /\$170k below budget.	394	573	743
<b>Contributions - non -monetary assets.</b> These relate to contributions derived from Land, and Public open spaces. There is Nil budgeted and received in 2018			(193)
<b>Net Gain/(Loss) on disposal of Property, infrastructure , plant &amp; equipment</b> has a total loss of of \$286k write down of assets disposed. These comprise \$170k of Infrastructure-Roads and \$98k of Plant and Equipment.	0	(268)	(13)
<b>Total Income from Continuing Operations</b>	<b>4,226</b>	<b>8,263</b>	<b>5,536</b>



Sources of Income	2015	2016	2017	2018
<b>Revenue Comparison</b>				
Rates & Charges	18%	31%	28%	20%
Statutory Fees and Fines	1%	1%	1%	1%
User Fees and Charges	9%	23%	16%	11%
Operational Grant Income	29%	20%	42%	21%
Operational Grants - Telecommunications	0%	0%	0%	41%
Capital Grants	13%	18%	13%	7%
Interest Income	3%	3%	2%	2%
All Other Income	3%	3%	2%	1%
Non-Monetary income	23%	1%	-4%	-3%

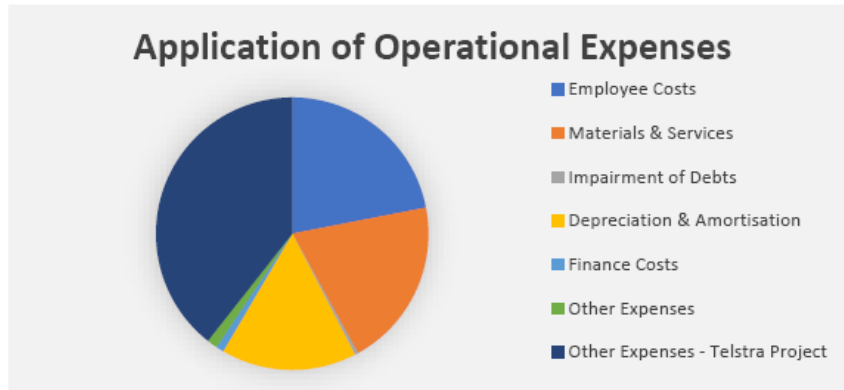


The Source of Revenue has shown a dramatic shift in 2018, whereby the majority of Income is derived from the Operational Grant for the Telstra project. The project will continue for a

<b>OPERATIONAL EXPENDITURE</b>	Budget 2018 000's	2018 Actual 000's	2017 Actual 000's
Employee Costs is below budget by \$215/10% in 2018 due to some employee roles being unfilled for a proportion of time during the year	(2,248)	(2,033)	(1,967)
Materials & Services is \$75k / 4% below budget in 2018 and only slightly above prior year	(1,935)	(1,860)	(1,819)
Impairment of Debts	0	(36)	(1)
Depreciation & Amortisation is below budget by \$115k / 7% and in line with prior year	(1,606)	(1,491)	(1,499)
Finance Costs are inline with Budget 2018 and is \$60k / 240% above prior	(87)	(85)	(25)
Other Expenses are \$9k / 7% below budget and \$16k / 12% below prior year	(124)	(115)	(131)
Other Expenses - Telstra Project was not included in the original budget 2018, but later included in the revised budget.	0	(3,650)	0
<b>Total Expenses from Continuing Operations</b>	<b>(6,000)</b>	<b>(9,270)</b>	<b>(5,442)</b>

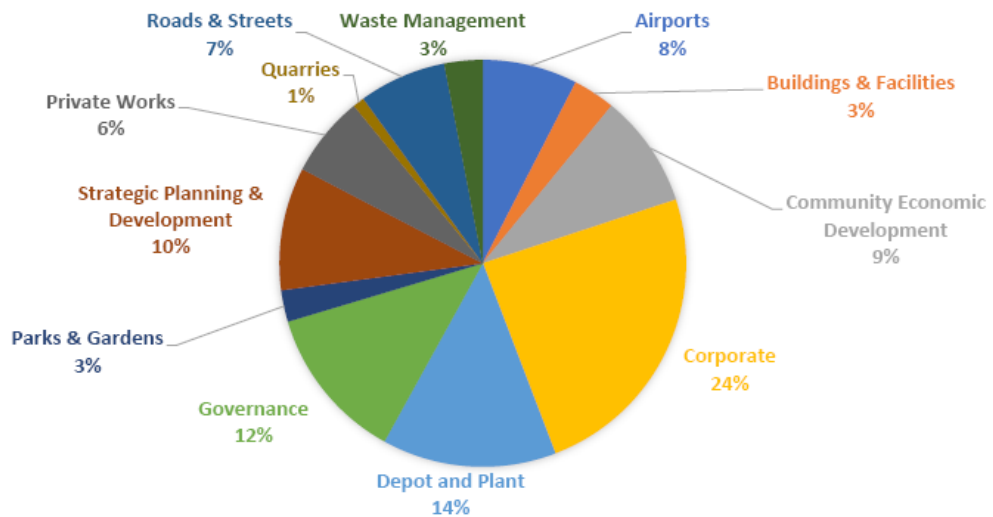


Application of Expenses	2015	2,016	2,017	2,018
Employee Costs	36%	38%	36%	22%
Materials & Services	33%	34%	33%	20%
Impairment of Debts	1%	0%	0%	0%
Depreciation & Amortisation ( Non- Monetary)	31%	26%	28%	16%
Finance Costs	0%	0%	0%	1%
Other Expenses	0%	2%	2%	1%
Other Expenses - Telstra Project	0%	0%	0%	39%



The largest proportion of expenditure in 2018 is related to the Telstra project. The project will continue to be of major dominance in 2019. 2020 onwards is expected to operate more in line with prior year ratios.

### Operational Expense Comparison by Function - excluding Telstra Project





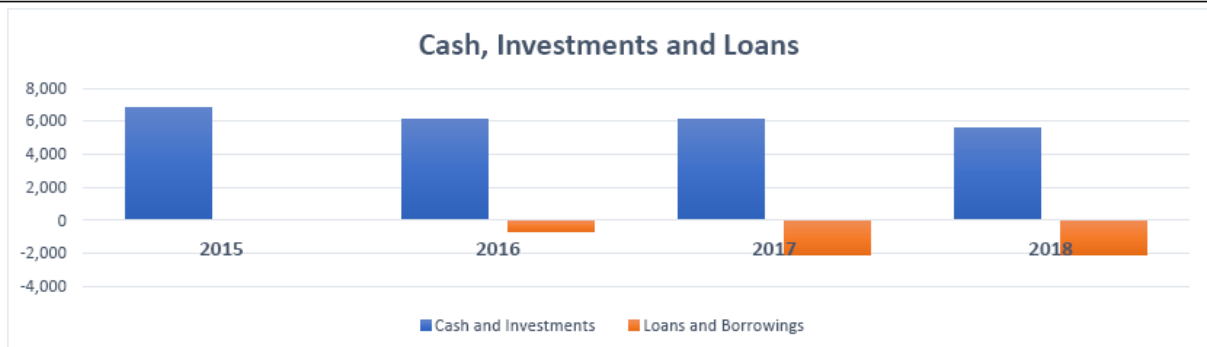
## Statement of Financial Position

### Statement of Financial Position Summary

	2015 000's	2016 000's	2017 000's	2018 000's
<b>Assets</b>				
Total Current Assets	7524	6675	6657	9643
Total non- current assets	48688	50044	55856	55280
	56212	56719	62513	64923
<b>Liabilities</b>				
Total Current Liabilities	-512	-718	-625	-3981
Total non- current liabilities		-1026	-2374	-2106
	-512	-1744	-2999	-6087
<b>Net Assets</b>	<b>55700</b>	<b>54975</b>	<b>59514</b>	<b>58836</b>
<b>Total Equity</b>	<b>55700</b>	<b>54975</b>	<b>59514</b>	<b>58836</b>

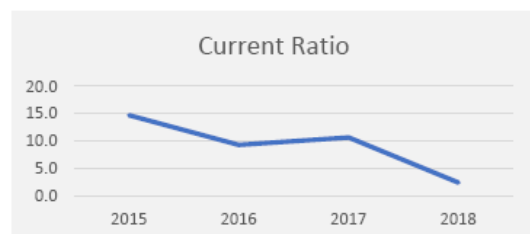
### Cash, Investments and Loans at 30 June year end

	2015 000's	2016 000's	2017 000's	2018 000's
Cash and cash equivalents	2192	5197	4164	3714
Financial Assets	4615	890	1911	1890
Cash and Investments	6807	6087	6075	5604
Loans and Borrowings	0	-683	-2094	-2057
<b>Net Liquidity</b>	<b>6807</b>	<b>5404</b>	<b>3981</b>	<b>3547</b>



### Working Capital

	2015 000's	2016 000's	2017 000's	2018 000's
Total Current Assets	7524	6675	6657	9643
Total Current Liabilities	512	718	625	3981
<b>Current Ratio</b>	<b>14.7</b>	<b>9.3</b>	<b>10.7</b>	<b>2.4</b>



Current ratio: Current assets/ current liabilities, indicates whether a company has enough short-term assets to cover its short-term debt. A good working capital ratio is considered anything between 1.2 and 2.0. The current trend showing a decline in working capital indicates that future strategies need to ensure sufficient liquid reserves are available to maintain the normal business operations.

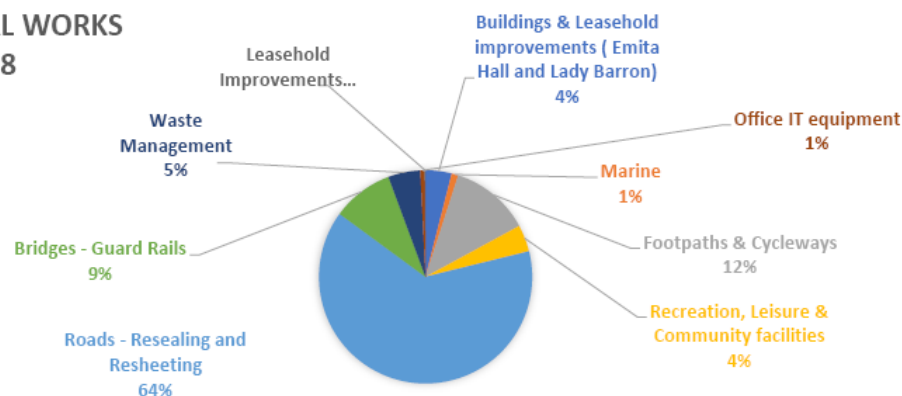




Property Infrastructure, Plant and Equipment	2015 000's	2016 000's	2017 000's	2018 000's
Balance at end of Financial year	45,435	46,678	52,428	51,801
Net Increase/ ( decrease) to prior Year		1,243	5,750	(627)
<b>Movement Analysed:</b>				
<b>Acquisition of Assets</b>		2,590	3,061	830
Revaluation increments /(decrements)			4,209	292
Less Depreciation & Amortisation		(1,431)	(1,491)	(1,481)
Other Asset adjustments on disposals		84	(29)	(268)
Net Increase/ ( decrease) to prior Year		1,243	5,750	(627)

**Capital Works - Financial Year 2018 \$830k** 0      0      0

### CAPITAL WORKS 2017/18



Financial Performance Ratios	2015 000's	2016 000's	2017 000's	2018 000's
Revenue Budget achievement	149%	94%	111%	196%
Expenditure Budget Achievement	81%	94%	99%	155%
Revenue Growth on prior year	55%	-39%	18%	49%
Expenditure Growth on prior year	-5%	16%	-1%	70%



## Progress on 2017-2018 Annual Plan Actions







# 1 Population Growth

Focusing on strategies projects and policy initiatives that support the community, economic development, innovation and investment attraction

Strategic Direction: 1.1 Increase the supply of affordable housing.	
Progress on Actions	Status
<b>1.1.1 Land use planning policy that provides an enabling environment for housing and investments.</b>	
<b>1.1.1.1 Draft an affordable housing discussion paper</b>	
Council will look to make affordable land and dwelling opportunities available through the planning scheme by diversifying some rural land and making rural residential land available at a range of sizes and localities.	<i>Complete</i>
<b>1.1.2 A strategy and action plan that identifies affordable housing options.</b>	
<b>1.1.2.1 In partnership with key stakeholders, investigate the barriers and enablers for affordable housing and develop options.</b>	
In conjunction with Flinders Island Tourism and Business Inc. (FITBI) prepared Project Brief for a Housing Needs analysis. Through the State Government 's Office of the Coordinator-General, a consultant has been engaged to undertake a housing needs review including an analysis of tourism accommodation effects. Awaiting a copy of the final report from the State Government.	<i>Ongoing</i>
<b>1.1.2.2 Identify incentives for building new housing and buying property to underwrite new developments.</b>	
Refer 1.1.2.1	<i>Ongoing</i>
<b>1.1.2.3 Retain and maintain existing Council housing at an appropriate standard as part of a sustainable recruitment and retention strategy and invest proceeds from previous housing sales into future housing requirements.</b>	
Appropriate maintenance works have been undertaken on an as needs basis. Maintenance schedule and capital works completed which informs the 2018/19 budget.	<i>Ongoing</i>





**Strategic Direction: 1.2 Increase "the working age" population.**

**Progress on Actions**

**Status**

**1.2.1 Services and activities for young people that also aim to attract and retain young families to the Islands.**

**1.2.1.1 Deliver the School Holiday Programs in partnership with the Flinders Island Aboriginal Association Inc. (FIAAI) and the school for the young people on Flinders and Cape Barren Islands.**

The Winter School Holiday Program was delivered in July in partnership with FIAAI and the Flinders Island District High School. A total of 191 participants attended the activities. The program consisted of AFL Football Clinics, Cavaliers Netball Clinics, Glow in the Dark Party and Movie Screenings. *Complete and ongoing*

The Spring School Holiday Program was delivered in October with a total of 117 participants and included the following activities - Whirlwind Film Festival: in partnership with Scotch Oakburn College; Show Time Art Activity; MC Philly: MC and Hip-Hop Artist workshops in partnership with FIAAI; and two rollerblading sessions.

The Summer School Holiday Program was delivered successfully, including a box pony build for the Emita Sports; and performing arts puppet-making workshops and performance at the Furneaux Islands Festival. Surf School lessons were delivered during the month of January to both visitors and locals. Total attendance was 150 participants.

For the Autumn School Holiday Program there were a total of 94 attendees over the five completed activities of Painting with Maria; Shape N Ride Mountain Biking; Beach Hike & BBQ and Roller Blading. A Murder Mystery Night was created and organised by students from the High School but was cancelled at the last minute due to lack of response.

Performing artist workshops were delivered at the School during the 4th and 9th of December by international artist Stefan Hisler, Tasmanian artist Felicity Horsley and local playwright Nathan Maynard. The artists worked with the students to create giant puppets and create a story which was performed at the Furneaux Islands Festival. This project was funded by Council and FIAAI with sponsorship from Momentum Energy, School, Furneaux Community Arts, Interstate Hotel, Sharp and Flinders Island Aviation. *Complete*

Council partnered with FIDHS to deliver a 10-week surfing program as part of the School's Options course.

**1.2.1.2 Promote events, activities and programs through best means available including, but not limited to, Island News, pamphlets and flyers, social media and Council's Community Calendar.**

Community Development staff worked with community groups, businesses and organisations to promote and support events, activities and programs. These included the Furneaux Islands Festival, Flinders Business, Economic and Social Review, Fert-ISLE Business Event delivered by Van Diemen Project Team, Ten Days on the Island events, Community Training Event by the Red Cross at the CWA Rooms, Flinders Flicks, Gun Club Super Shoot, Emita Sports, annual football and netball games, Flinders Island Golf Club Charity Golf Day, St John Ambulance First Aid & CPR, Surf Lifesaving Tasmania, MAST, Bronze Medallion, Jetski Licencing, Fighting Fit Program, Digital Ready and Flinders Island Mindfulness workshops. *Complete and ongoing*

Council have supported and promoted the opening of two community gyms in Lady Barron and Whitemark, and the more recent Emita Playscape Upgrade.

**1.2.2 An islands specific population growth strategy.**

**1.2.2.1 Develop population growth strategy.**

Developing a population growth strategy involves understanding all of the social, cultural and economic drivers that affect the Community. This can involve significant engagement and research but essentially is an industry or sector-led series of actions. Population growth per say may be the eventual outcome. Council plays largely a supportive role with knowledge at a sector level essential so that Council can then react with supportive policies and actions. Collection of meaningful data is also important. This approach is essentially an evolutionary one that will become the overall strategy. *Overarching Position*





<b>Strategic Direction: 1.2 Increase "the working age" population.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<b>1.2.3 Study the existing constraints to increasing the level of the locally based population.</b>	
<b>1.2.3.1 Liaise and work with Flinders Island Tourism and Business Inc. (FITBI) using strategic studies &amp; reports.</b>	
<p>Provided information on enterprise suitability mapping conducted by the Dept. of Primary Industries, Parks, Water and Environment (DPIPWE) in relation to the information provided and its limitations. A presentation to FITBI on the strategic direction of the new local part of the state-wide planning scheme will be part of the broader informal consultation for the Local Provisions Schedule. FITBI annual report 2017/18 will also be part of consultation for the Whitemark Structure Plan which will (likely) occur during July/August 2018.</p>	<i>Ongoing</i>
<b>1.2.4 A banking model that supports community aspirations.</b>	
<b>1.2.4.1 Aim to influence the lending practices of banks to align with those in Regional Australia.</b>	
<p>Some direct lobbying through Northern Tasmania Development Corporation identified a potential anomaly.</p>	<i>Ongoing</i>
<b>1.3 Value-add to local commodities.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<b>1.3.1 Opportunities for value-adding of local commodities are identified and promoted.</b>	
<b>1.3.1.1 Provide opportunities for the identification of value-adding to local commodities through Fert-Isle Flinders Forum.</b>	
<p>The Fert-Isle Flinders Forum was held on 27<sup>th</sup> &amp; 28<sup>th</sup> November 2017. Despite low local participation, positive outcomes arose by all attendees, with state and federal government representatives obtaining a good understanding of local business needs. Work towards providing opportunities to identify and promote value-adding to local commodities will be continuing.</p>	<i>Complete</i>
<b>1.3.2 Support the growth of local sustainable fishing and aquaculture enterprises.</b>	
<b>1.3.2.1 In conjunction with Flinders Island Tourism and Business Inc. (FITBI), consider opportunities as they arise to drive growth in fishing and aquaculture enterprises.</b>	
<p>A submission was made to all local Bass candidates in the 2018 State Elections highlighting this issue.</p>	<i>Ongoing</i>
<b>1.3.3 Promote Flinders Island as a high-quality food producing region with a clean, green image.</b>	
<b>1.3.3.1 Provide support for events and activities that promote Flinders Island produce.</b>	
<p>Events held over the Furneaux Islands Festival weekend highlighted local produce: the Visiting Chef program highlighted local produce at the Market and Festival Finale and the acoustic supper menu featured and highlighted local produce.</p> <p>Council supported the Food and Crayfish Festival held at the Flinders Island RSL and Sports Club. The event was open to all the Community and highlighted locally grown produce and food. Attendance was excellent with a relaxed and welcoming vibe and was a great start to the Festival.</p> <p>Council purchased prize baskets containing local produce to be awarded to players at the Flinders Island annual netball tournament with teams from King Island and Bridport.</p>	<i>Complete and ongoing</i>
<p>The Fert Isle Forum featured a business showcase bus tour of island producers for Forum participants. A taste and sell trade show was held at the Forum dinner.</p>	<i>Complete</i>
<b>1.3.3.2 Promote Flinders Island produce through the Furneaux Islands Festival.</b>	
<p>Council was successful in seeking grant funding from the Australia Day Great Ideas Grants Program 2018 to contribute towards bringing professional chefs to the Island to participate in to two events at the Furneaux Islands Festival. The chefs showcased local produce as well as mentored local youth interested in hospitality.</p>	<i>Complete</i>



<b>1.3 Value-add to local commodities.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<b>1.3.4 Productive and sustainable agricultural sector.</b>	
<b>1.3.4.1 Consider opportunities on request to assist the agricultural sector.</b>	
No requests for assistance have been received from the agricultural sector.	<i>Complete</i>
<b>1.3.5 A strong Flinders Island Brand that underpins growth and development of local commodities.</b>	
<b>1.3.5.1 Assist to facilitate the delivery of the Flinders Marketing Strategy 2016 - 2020.</b>	
Council paid Flinders Island Tourism & Business Inc (FITBI) \$44,000 for the 2017-2018 financial year for the implementation of the Branding and Marketing Strategy. The responsibility for the delivery of this project sits with FITBI.	<i>Ongoing</i>
<b>1.4 Foster and support entrepreneurial activity.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<b>1.4.1 Streamlined and customer focused development application and assessment processes, including pre-lodgement information and advisory services.</b>	
<b>1.4.1.1 Review of pre-lodgement information and advisory services.</b>	
New staff trained in administrative support around application and permit processes. Pre-lodgement advice provided to the community and those wishing to develop on the Island.	<i>Complete and ongoing</i>
<b>1.4.2 Build local entrepreneurial capability.</b>	
<b>1.4.2.1 Work with stakeholders to develop a partnership that links, supports and empowers community economic developments with other Flinders organisations.</b>	
Council partnered with Flinders Island Aboriginal Association Inc. (FIAAI) to deliver the fifth Furneaux Islands Festival in January 2018. Council staff regularly attend Flinders Island Tourism and Business Incorporated (FITBI) meetings and are continuously providing support to FITBI. The Flinders Business, Economic and Social Structure Review has begun. Several meetings have been held with stakeholders to encourage involvement and provide updates on the review. Council staff attended on-island meetings with Northern Management for National Parks and Wildlife Service.	<i>Complete and ongoing</i>
The Community Development Team supported the delivery of the Fert Isle Business Form by the Van Dieman Project, which offered Flinders businesses the opportunity to link up with State Government small business stakeholders such as State Growth and the Department of Employment who provided information about their programs & services.	<i>Complete</i>
<b>1.4.2.2 Work with Furneaux Community Arts to develop a partnership that links, supports and empowers community economic developments with other Flinders organisations.</b>	
Community Development Staff attended meetings of the Furneaux Community Arts and provided continuous support for 10 Days on the Island.	<i>Complete and ongoing</i>
<b>1.4.3 Promotion of the region's natural and cultural environment.</b>	
<b>1.4.3.1 Continued relationship with Flinders Island Tourism and Business Incorporated (FITBI) and Furneaux Community Arts.</b>	
Council continues to maintain a good working relationship with these two organisations with staff regularly attending meetings and assisting with various actions. In particular, recently supporting FITBI during the Food and Crayfish Festival.	<i>Complete and ongoing</i>



<b>1.4 Foster and support entrepreneurial activity.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<b>1.4.3.2 Consult with the Flinders and Cape Barren Island Aboriginal Associations and other relevant organisations to support tourism related projects that align with the Flinders Island Destination Action Plan.</b>	
Community Development is represented on the Destination Action Plan (DAP) implementation committee. Work to support Aboriginal tourism related projects is being supported and progressed through this DAP body.	Complete and ongoing
<b>1.4.4 Employment opportunities are enhanced through development of projects and initiatives with education service providers and employers.</b>	
<b>1.4.4.1 Be a willing and able partner to support education, training and employment initiatives.</b>	
Council hosted two work experience students from the Flinders Island District High School to work in the Works and Services Department and also the Community Development Team in September 2017.	Complete
Community Development staff supported and promoted St John to provide First Aid training, Surf Life Saving Tas to provide ASIDE (Bronze Medallion) training, and Jetski PWC licensing to the Community. There were also wellness seminars, mental health seminars and free CPR courses organised.	Complete and ongoing
In conjunction with Hydro Tasmania, a Zero-Harm Safety Seminar was organised for community members to attend and learn about the importance of safe workplaces and a zero-harm culture.	
The Community Development staff are represented on the Flinders Island Destination Action Plan (DAP) Committee which identified the need for vocational pathways education for employers, parents & students. An information session on vocational pathways for employers, students and parents was delivered in October 2018. A survey was sent to relevant "building industry" practitioners to gather information on Group Training Schemes to work towards an employer pack for tradesman on the Island.	
Our Australia Day Grants Program for 2018 included a mentoring program with our visiting chefs. Two local students worked closely with the chefs to gain skills and experience over the Furneaux Islands Festival weekend.	
Learner driver training for Flinders Island District High School students was organised for their transition trip to Launceston.	Complete
<b>1.4.5 Tourism and development is promoted through a focus on high quality food production, niche enterprises and clean, green image and sustainable farming practices associated with Flinders Island.</b>	
<b>1.4.5.1 Through association with Flinders Island Tourism and Business Inc., support the delivery of the Flinders Island Destination Action Plan (DAP) 2017-2020.</b>	
Community Development attended Destination Action Planning Committee meetings, including coordinating meetings, taking meeting notes, data collection and undertaking tasks as identified by the group.	Complete and ongoing
<b>1.4.5.2 Explore opportunities for Natural Resource Management (NRM) type activities as they arise.</b>	
Community Development continued to liaise with Parks and Wildlife as well as the Flinders Island District High School to investigate opportunities for natural resource management activities.	Complete and ongoing
<b>1.4.6 A place-based strategy developed around housing, living and niche non-grazing types of primary production and lifestyle development.</b>	
<b>1.4.6.1 Develop a place-based strategy as part of delivery of new planning scheme.</b>	
Zoning strategy tables are 80% complete and spatial overlays have commenced.	Ongoing







## 1.5 A Planning Scheme that facilitates population growth.

### Progress on Actions

### Status

#### 1.5.1 Planning Scheme provides facilitating environment for population growth.

##### 1.5.1.1 Facilitate clusters of economic activity, a range of lot sizes for residential use including multiple dwellings.

Strategy tables and zone conversion tables have been completed for 80% of localities and areas where rural living A, B, C and D can be applied have been identified.

*Complete and ongoing*

Local Provisions Schedules (LPS) - locality planning has incorporated clusters to facilitate economic activity. Specific Area Plan (SAP) schedules identify multiple housing areas in rural living zone.

Codifying the strategic intent by drafting the SAP as part of the Local Provisions Schedule and afterwards re-assessing the likely effectiveness of the SAP.

##### 1.5.1.2 Complete review of Regional Land Use Strategy.

A review of the Northern Regional Land Use Strategy (RLUS) is being conducted by consultant planners appointed on behalf of the 7 regional councils. Council is monitoring the results of the review to ensure that the RLUS reflects the policy that is important for Flinders Council.

*Ongoing*

##### 1.5.1.3 Review State Policies.

A review of the State's Agricultural Land Mapping project was conducted to inform zoning conversion decisions for rural land.

*Complete*

Work commenced on aligning the Flinders Land Use Strategy and the Local Provisions Schedule of the Flinders Planning Scheme and recording how zoning decisions are consistent with the three State Policies and the Commonwealth environmental requirements. Reviewed PAL Policy (Policy on Agricultural land) in line with mapping of agricultural land and conversion from Rural Zone in current scheme.

*Complete and ongoing*

Reviewing State Coastal Policy. This is a staged project: review has been completed but no further work with State Policies until the Supporting Information Report for the Local Provision Schedule (LPS) is prepared.

##### 1.5.1.4 Prepare documentation required for submission of scheme.

Zoning strategy and zone conversion tables for all localities other than Whitemark and Lady Barron and draft supporting information reports for same localities have been completed. Overall land use strategy, Code Lists and transitional provisions. Completed work on transitional provisions and draft overall land use strategies.

*Complete and ongoing*

##### 1.5.1.5 Scope of works for Whitemark Structure Plan defined and project implemented to facilitate a coordinated approach to best practice community economic development.

A flood study was conducted which will be analysed and used for the future direction of Whitemark.

*Complete*

##### 1.5.1.6 Scope of works for Lady Barron Structure Plan defined and project implemented to facilitate a coordinated approach to best practice community economic development.

In July, Council facilitated a community consultation session with Lady Barron landholders to discuss locality planning, master planning and zoning strategy for Lady Barron.

*Complete*



## 2 Infrastructure and Services

An Islands specific approach to planning and delivery to secure community and environmental values are maintained

2.1 Plan, deliver and operate community infrastructure to provide levels of service that align with community needs and demand.	
Progress on Actions	Status
<b>2.1.1 Recreational and community facilities upgraded as recommended by the Recreational and Community Facilities Assessment and Infrastructure Plan.</b>	
<b>2.1.1.1 Develop operational model for Lady Barron gym.</b>	
Council has implemented a buddy system for Lady Barron gym users which is working well. Processes and procedures will be reviewed on a regular basis.	<i>Complete</i>
<b>2.1.1.2 Implement and deliver master plan in line with the business case for the Flinders Sports and RSL Club site.</b>	
Council adopted in principle proposed actions to integrate this project with the Whitemark Structure Plan and Wave and Flood Study. Both these projects have been commissioned. Prepared project for inclusion into Council's Priority Projects list which has been presented to Tasmanian Government Treasurer and Upper House Federal MPs.	<i>Complete and ongoing</i>
Continued to assist Flinders Island Sports and RSL Cub with lobbying for financial support and grant submissions to develop the main community elements (club rooms, indoor swimming pool and other community facility options) which are not dependent on the outcomes of the Flood Study and Structure Plan.	
<b>2.1.1.3 Work in collaboration with MAST to secure grant funding for recreational boating facility upgrades.</b>	
A grant application was submitted to MAST in May 2017 for Badger Corner Boat Ramp but was unsuccessful. At the December 2017 Council Meeting Councillors resolved to actively pursue acquiring a Crown Land lease over the relevant section of land that will allow legal public access to the area, and to set aside, on a one to one basis, up to \$45,000 of the value of the proposed facility. An application for a co-funded grant via MAST's recreational boating fund was lodged and Council is awaiting advice on the application.	<i>Ongoing</i>
<b>2.1.1.4 Complete stage 1 of Whitemark Foreshore project.</b>	
The Whitemark Foreshore Project Stage 1 is now complete. The Exercite Area timber screen is built, along with a new timber seat. The foreshore trail has had new plants planted and solar lights installed. Timber steps were installed from the toilet block to the beach, and solar lighting at the BBQ area has been installed. Staff are investigating options for disabled access along the foreshore trail.	<i>Complete and ongoing</i>
<b>2.1.1.5 Whitemark Show Ground Maintenance requirements identified and completed to budget.</b>	
Maintenance at the Whitemark Showgrounds was performed as necessary. The roofing of the horse stable area was replaced, and the tea rooms upgraded.	<i>Complete and ongoing</i>
<b>2.1.1.6 Upgrade Whitemark Showground tearooms and toilets.</b>	
The showground tearooms kitchen area was enlarged, new floor coverings were installed and a new fridge, stove and rangehood were fitted.	<i>Complete</i>
Plumbing works on the old public toilets at the rear of the Trades Pavilion have been ongoing.	<i>Complete and ongoing</i>



**2.1 Plan, deliver and operate community infrastructure to provide levels of service that align with community needs and demand.**

<b>Progress on Actions</b>	<b>Status</b>
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**2.1.1.7 Complete the Emita Hall works in line with the Australian Government's Stronger Communities grant deed.**

The Emita Playscape project to install play equipment and a walking trail for a natural play environment for the younger generation was completed.	<i>Complete</i>
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An extension of this project at Emita is the Cubby Project, a collaboration between Flinders Island District High School, Flinders Council, community members, local tradesmen and designers. The Cubby was built with recycled materials where possible, cob and mud bricks. Landscaping will continue including rocks and planting to occur.	<i>Complete and ongoing</i>
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**2.1.1.8 Emita Hall and grounds maintenance and management requirements identified and completed to budget.**

A maintenance list has been developed and will be actioned according to priority. New cabinetry has been installed for storage of crockery, roller-blades and other equipment utilised for community events, school holiday programs and activities. Council will soon be trimming and removing some trees on site.	<i>Complete and ongoing</i>
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**2.1.1.9 Identify potential for future upgrades or works to grounds, buildings and cemeteries.**

Council was successful in applying for a Tas Community Fund grant to upgrade the Whitemark Playground which will provide the Community with a great new facility.	<i>Complete and ongoing</i>
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The application for the Tas Community Fund to extend and upgrade the Emita Hall kitchen and servery area was approved. This work is due to be completed next year.

Council was approved for an under-spend of \$5,986 from the Community Infrastructure Fund for the Lady Barron Replacement and Repaint project. The existing windows in the kitchen will be replaced.

**2.1.1.10 Investigate installation of shower into FAEC and Lady Barron Hall.**

No activity to report.	<i>No action</i>
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**2.1.1.11 Investigate remodelling of the kitchen in the FAEC.**

No activity to report.	<i>No action</i>
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**2.1.1.12 Plan and deliver toilet and BBQ infrastructure installation project for 2017-18 for Cape Barren Island and North East River.**

The Cape Barren Island infrastructure development project commenced. The toilet is to be located at the Golf Club while the BBQ is to be located on the foreshore near the township.	<i>Complete and ongoing</i>
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Council are continuing planning discussions with Parks and Wildlife Services (PWS) regarding the North East River project.

**2.1.1.13 Assist with Museum maintenance and upkeep.**

General maintenance and upkeep as required.	<i>Complete</i>
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**2.1 Plan, deliver and operate community infrastructure to provide levels of service that align with community needs and demand.**

**Progress on Actions** **Status**

**2.1.1.14 Secure funding for recreational facilities.**

Council secured a \$81,818 grant from the Tasmanian Community Fund (TCF) for an upgrade to the Whitemark Playground. Council will provide \$40,000.00 towards the upgrade. *Complete and ongoing*

Council staff, as part of the Flinders Island District High School Playground Committee, provide support and fundraising for new play equipment for the upper primary and secondary areas. *Complete and ongoing*

Staff worked on a Sport and Recreation Grant for equipment and resources for the Lady Barron Fitness Facility and assisted the Furneaux (Emita) Hall Special Committee with an application for the next round of the TCF.

The Community Infrastructure Fund – Lady Barron Hall Project from 2017 – new door installed, exterior painting complete and blinds installed. Council were approved for an under-spend of \$5,986 from the Community Infrastructure Fund for this project, and as a result new windows will be installed in the kitchen to improve ventilation, new fly screen door to the kitchen, new door to the storeroom and a new fly screen to the servery.

Staff were successful in a Tas Community Fund application for the proposed upgrade and extension to the Emita Hall. Works will commence early next year.

**2.1.2 An efficient and sustainable source of resource materials to support public and private works.**

**2.1.2.1 Develop and operate Lughrata Gravel Quarry and Cannes Hill Gravel Quarry in accordance with all relevant codes, standards, and permit conditions.**

The resheeting program on northern roads using Lughrata Gravel Quarry is ongoing. *Ongoing*

The new lease at Cannes Hill is now operational. *Complete*

**2.1.3 Public Open Space funds to support community recreation and access opportunities.**

**2.1.3.1 Public Open Space Policy to be re-written and adopted by Council.**

A draft open space policy has been drafted. No further activity until the Local Provisions Schedules and accompanying documentation have been drafted. *Ongoing*

**2.1.4 Asset Management Plan implemented.**

**2.1.4.1 Deliver services as per the Long Term Asset Management Plan 17/18.**

Council aims to meet plan requirements on time. Reseal and stabilisation projects completed. Resheeting of gravel roads is now taking place. *Ongoing*

**2.1.4.2 Roads, bridges and culverts are maintained and managed in line with budget allocations provided and AusSpan recommendations.**

Roads, culverts and bridges are maintained in line with budget allocations and Ausspan recommendations. Culverts have been cleared on all roads north of the airport. Gravel roads continue to be graded and bitumen roads patched. Bridge work, other than guard rail replacement, is undertaken in the drier months to enable ease of access. Bridge guard rail works have been completed for three bridges, with works planned for a further eight bridges. *Complete and ongoing*

**2.1.4.3 Reseal 5 kilometres of bitumen road.**

A tender process for the supply of bitumen closed in October 2017 and was awarded to Sami Bitumen. Approximately seven kilometres of road was resealed. *Complete*





**2.1 Plan, deliver and operate community infrastructure to provide levels of service that align with community needs and demand.**

**Progress on Actions** **Status**

**2.1.4.4 Continue monitoring of stabilised roads and investigate new methods.**

A deflectograph truck was used on Runway 14/32 and Coast Road to determine the strength of the stabilised areas and was able to compare that with the unstabilised runway and road. After consultation with Hiway Stabilisers, the stabilisation and sealing of over one kilometre of Memana Road completed. Staff will continue to monitor and investigate new methods. *Complete*

**2.1.4.5 Resheet the equivalent of 15 kilometres.**

Resheeting of the equivalent of 18 kilometres of road completed. *Complete*

**2.1.4.6 Undertake required works to Bridge Railings outlined in The Bridge Railing Risk Assessment and Replacement Schedule.**

New guard rails were fitted to four bridges being Chew Tobacco Creek on Thule Rd, Killiecrankie Creek on Killiecrankie Road and Patriarchs Creek on Memana Rd. Railings were purchased for a further seven bridges and will be fitted in the next financial year. *Complete*

**2.1.4.7 Review and upgrade Plant & Equipment in accordance with the Plant Capital Expenditure Plan 2014-2024.**

No new plant was purchased in the 2017/18 budget. Items removed from the 2017/18 budget were: *Complete*

- Grader - the unit has approximately 6,500 hrs use and should be good to keep for at least another year or two depending on works requirements;
- Loader - the unit has approximately 3,600 hrs use and should be good to keep for at least another year or two depending on works requirements; and
- Hook Lift Truck - the unit is used extensively with transfer station pickups and was overlooked for replacement due to, what was thought to be, a shift to bin collections in the near future.

**2.1.4.8 Identify priority areas and undertake cost benefit to determine a sealed road extension program.**

Finalise cost benefit analysis review for sealing 29 km of Palana Road. Determine a rationale for future sealed road extensions. *Ongoing*

**2.1.5 Crown owned land is obtained for Council/Community need.**

**2.1.5.1 Liaise with Crown Land Services to reach agreement on land transfers.**

The only property on the list currently is 4 Davies Street, Whitemark comprising Council's office building, Duck Pond, playground, State Library and half of the Flinders Arts and Entertainment Centre (FAEC). Council is only able to make application for one parcel of land at a time, so this project will continue until all are obtained. A legality around Council purchasing a Crown building arose with finalisation of a library lease and subsequent crown land ownership to be pursued. *Ongoing*

**2.1.6 Stormwater Management Plan developed.**

**2.1.6.1 Stormwater management plan for all townships completed and approved by Council.**

No further development on this project. Deferred to another budget period. *No Action*

**2.1.7 Lagoon Road Recreational Facility and stormwater management area established.**

**2.1.7.1 Develop a concept plan for Lagoon Road site in line with Whitemark Structure Plan in consultation with the local community and commence works.**

Consultation has begun on options for the site. Informed decisions will be made on the site in the next financial year. *Ongoing*



**Strategic Direction: 2.2 Explore alternative investment and operating models for core and critical island infrastructures and services.**

**Progress on Actions** **Status**

**2.2.1 Alternate operational structures for the delivery of infrastructure based services are explored.**

**2.2.1.1 Explore options for sealing Palana Road including advocating for State ownership of Palana Road.**

The Palana Road extension was included in Council's September 2017 Priority Projects List. A formal submission was sent to new Deputy Premier and Minister for Infrastructure. Council will continue to have further discussions with the CEO for Department of State Growth. *Ongoing*

**Strategic Direction 2.3 Minimise environmental and health risks from waste collection and disposal and maximise opportunities to reduce, reuse or recycle resources.**

**2.3.1 Waste Management Strategy Implemented.**

**2.3.1.1 Complete Preferred Contractor Engagement model to manage and operate municipal waste management services.**

A public tender was called for all components of the project with the aim to deliver the devised scope of works in part or full. All tenders received were non-conforming and did not provide for the developed scope of works to be executed. Council looked at a more "piece meal" approach and staff worked on procurement of necessary items and building alliances with Northern Tasmanian waste businesses and groups. The Early Contractor Involvement process had to be abandoned and Council reverted to working on an in-house model. Budget allocation for stage 1 will be considered in the 2018/19 Budget. *Ongoing*

**Strategic Direction: 2.4 Develop and implement solutions that mitigate environmental and health risks from wastewater treatment and disposal.**

**2.4.1 Upgraded onsite wastewater systems on all public amenities.**

**2.4.1.1 Upgrade and commission Flinders Arts and Entertainment Centre (FAEC) and Emita Hall onsite waste water systems.**

Work is progressing with the installation of Emita Hall system and finalisation of FAEC design elements. *Ongoing*

**2.4.2 A "pump out" based wastewater collection, transport, treatment and disposal system.**

**2.4.2.1 Continue investigations for development of a wastewater pump out, treatment and disposal system for Flinders Island.**

No activity to report due to budget constraints. *No action*

**Strategic Direction: 2.5 Work proactively with other infrastructure service providers.**

**2.5.1 Infrastructure services that are appropriate for Island conditions, sustainable and are accepted and valued by the local community.**

**2.5.1.1 As a contractor for the State Government undertake a major reseal project on the State Road.**

Approximately \$300,000 was spent on reconstruction and reseal of the State Road. *Complete*

**2.5.2 Increased penetration of renewable energy into the Island's energy systems.**

**2.5.2.1 Assist Hydro Tas to market, promote and showcase the new renewable energy system on Flinders Island (Official Opening)**

Council was pleased to see that the official opening of the new renewable energy system happened in December 2017. *Complete*



**Strategic Direction: 2.6 Protect and enhance high quality natural values and environmental assets.**

**Progress on Actions**

**Status**

**2.6.1 Parks and Wildlife Services (PWS) and Council cooperatively operate and maintain relevant facilities (toilets, camp grounds, picnic areas etc.).**

**2.6.1.1 Implement a Memorandum of Understanding (MoU) with the local PWS staff for the development, operation and maintenance of facilities and assets for which both parties have a joint interest.**

Discussions have commenced with local PWS staff as well as with the General Manager of PWS regarding a refined approach to sharing of resources. *Ongoing*

**2.6.3 Advocacy for higher levels of maintenance and funding for walking trails and associated assets.**

**2.6.3.1 Lobby the State Government for increased PWS funding to support the maintenance of existing walking trails and assets.**

A submission was made to all local Bass candidates in the 2018 state elections and to the new Deputy Premier and Minister for Infrastructure highlighting this issue. *Ongoing*

**2.6.4 Planning Scheme supports visual amenity and open space, contributing to recreation and tourism experiences.**

**2.6.4.1 Identify ways to protect natural assets in absence of applicable State Code.**

Identifying natural assets in all zoning strategies and zone conversion tables for each locality. *Ongoing*

The Northern Region Technical Reference Group has commissioned a consultant to conduct priority vegetation mapping for all councils in the northern region. This will be completed within the next reporting period and will form the basis of the overlay representing the extent of the Natural Assets Code.





### 3 Access and Connectivity

Work Focusing on strategies projects and policy initiatives that support the community, economic development, innovation and investment attraction

Strategic Direction: 3.1 Maintain or better the standard of sea access to the Islands.	
Progress on Actions	Status
<b>3.1.1 Advocacy for improved port and freighting operations.</b>	
<b>3.1.1.1 Furneaux Group Shipping Special Committee of Council advocates on behalf of the community.</b>	
Furneaux Group Shipping Special Committee meetings were held throughout the year.	<i>Complete and ongoing</i>
<b>3.1.2 Economic viability of developing an all-weather recreational and leisure vessel harbour investigated.</b>	
<b>3.1.2.1 Complete the business case for the Flinders Island marine access and safe harbour project.</b>	
A final report was adopted at the September Council Meeting. The project was included as Council's top priority project with a presentation and submission to the State Government Treasurer and Senators Bushby and Duniam. The business case has been completed, with action on the project to be taken next financial year.	<i>Complete and ongoing</i>
Strategic Direction: 3.2 Maintain air access to the Island and improve performance of the airport.	
Progress on Actions	Status
<b>3.2.1 Improved operation and financial performance of airport.</b>	
<b>3.2.1.1 Assist, where feasible, in the provision of hangar infrastructure for commercial and private aviators.</b>	
This project was reviewed along with others associated with the airport and was incorporated in the Airport Master Plan. Four general aviation (GA) hangars have been surveyed and draft lease agreements have been completed pending planning permission.	<i>Complete and ongoing</i>
A general review of airport fees and charges was completed.	<i>Complete</i>
<b>3.2.1.2 Carry out runway pavement repairs as required.</b>	
Four minor patches repaired that were all under 2mx2m. Other minor repairs to runway seal and one minor patch approximately 2m x 2m. Minor cold seal repairs to runway 14/32. Three small patches and some minor cold seal repairs to runway 14/32.	<i>Ongoing</i>
<b>3.2.1.3 Work collaboratively with Registered Passenger Transport (RPT) provider to ensure secure service levels are maintained.</b>	
Service levels were maintained. Regular meetings were held with RPT provider to discuss services, leases and fuel facility.	<i>Complete</i>
<b>3.2.1.4 Investigate options to maintain long term serviceability of the long runway.</b>	
All patching required by Aurecon and CASA for the continued use of the runway is complete.	<i>Complete</i>
Pitt & Sherry tested the long runway with a deflectograph truck to compare runway strength data between the various methods of runway patching that have taken place. After an evaluation and comparison of data by Aurecon, it was found that the Foam Bitumen Stabilisation will improve current Pavement Classification Number (Runway Strength) from PCN7 to a minimum of PCN10, based on Civil Aviation Safety Authority methods used for calculation.	<i>Complete and ongoing</i>





**Strategic Direction: 3.2 Maintain air access to the Island and improve performance of the airport.**

**Progress on Actions**

**Status**

**3.2.1.5 Investigate and compare fees, charges and the relevant rationale with other regional airports and develop a rationale applicable to Flinders.**

Discussions and consultation occurred with air operators, car hire operators and other stakeholders to define appropriate fees and charges model for Flinders Airport. Fees and Charges for the Flinders Island Airport for the 2018/19 financial year were approved in the last quarter.

*Complete*

**3.2.1.6 Investigate ways to make the airport more sustainable.**

Free WiFi has been installed in the terminal building, weather cameras have been installed on the runways and new service desks are planned to be installed. Planning for four general access (GA) hangars will commence soon due to good interest. The master plan is scheduled for a 5 yearly review and Council staff have recently aligned with other Airport groups to gain contacts in the industry to better understand opportunities that may be possible for our site. Investigations will continue into developing the Airport to provide additional revenue.

*Complete and ongoing*

**3.2.1.7 Review need for Furneaux Group Aviation Special Committee of Council in favour of focused stakeholder engagement with direct reports to Council**

Committee meetings were held on 9<sup>th</sup> January and 12<sup>th</sup> June 2018.

*Complete*

**Strategic Direction: 3.3 Improved telecommunications for the benefit of local community and economy.**

**3.3.1 Improved communications with telecommunication service providers in order to encourage new investment and improved services.**

**3.3.1.1 Collaborate and advocate for an upgrade plan for telecommunications.**

The Building Better Regions Funding application for the Telecommunications upgrade project was successful. Deed of undertaking with the Building Better Regions Fund Aus Industry has been completed.

*Complete*

**3.3.2 Major upgrades to telecommunication infrastructure and services on the Islands.**

**3.3.2.1 Lobby for Building Better Regions Fund application.**

Discussions with various Federal members of parliament undertaken. Building Better Regions Fund Telecommunication Project funding was successful.

*Complete*



## 4 Strategic Efficient and Effective Organisation

### Responding to risks and opportunities

Strategic Direction: 4.1 Remain actively engaged with internal and external stakeholders providing regional leadership.	
Progress on Actions	Status
<b>4.1.1 The Furneaux Islands' unique circumstances, isolated community and specific financial needs are understood by key external stakeholders.</b>	
<b>4.1.1.1 Investigate the disadvantages experienced by the Community from living within the Furneaux region and lobby for an amendment to the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) to include an intrastate component i.e. between 'mainland' Tasmania and the Furneaux Group.</b>	
A successful application to the Building Better Regions Fund under the Community Investments Stream resulted in FTI Consulting being engaged to undertake the Flinders Business and Social Structural Review. Work commenced with Ryan Talsma of FTI Consulting to facilitate various local inputs. Sought and obtained an extension on the funding agreement from BBR in case additional time required. Project expected to be completed by December 2018.	<i>Ongoing</i>
<b>4.1.1.2 Contribute to technical reference group work program of Northern Tasmania Development Corporation (NTDC).</b>	
Reviewed the current Regional Land Use Strategy (RLUS) and compiled notes on policies and actions that are i) consistent and ii) inconsistent with Flinders Land Use Strategy; identified which elements support Flinders strategic direction. The RLUS must be consistent with the State Planning Policies. The review was instigated by the State. Alignment of the planning scheme with the RLUS is absolutely crucial in the absence of relevant policy in the Council Strategy. Priority vegetation mapping conducted by consultants for the northern region. Review will provide policy hooks sufficient to justify strategic zoning changes nominated in the planning scheme. Technical reference group tasks complete; vegetation mapping complete and will be available during January - February 2018. Review of Regional Land Use Strategy complete.	<i>Ongoing</i>
<b>4.1.1.3 Maintain membership and actively engage with NTDC, Local Government Association (LGAT) and Tourism North Tasmania (TNT).</b>	
Meetings with Northern Tasmania Development Corporation (NTDC), Local Government Association (LGAT) and Tourism North Tasmania (TNT) undertaken. NTDC CEO participated in Flinders Business Economic Social Structural Review Project at a Flinders workshop. Council representation at the May 2018 NTDC update.	<i>Complete and ongoing</i>
<b>4.1.1.4 Review priority projects list by the end of September 2017.</b>	
Review completed and Priority Projects list adopted at the September Council Meeting. List comprises Lady Barron Safe Harbour, Palana Road sealing and transfer of ownership, Airport Runway upgrade and support for Flinders Island Sports and RSL Club Redevelopment.	<i>Complete and ongoing</i>
<b>4.1.1.5 Maintain representation and engagement with TasWater and the Office of Tasmania Regulator Consultative Committee (OCCC).</b>	
Representation and engagement with TasWater and the Office of Tasmania Regulator Consultative Committee (OCCC) maintained through regular meetings as represented by Cr Willis and Cr P Rhodes. Council also represented with respect to proposed TasWater takeover by the State Government.	<i>Complete and ongoing</i>



**Strategic Direction: 4.1**      **Remain actively engaged with internal and external stakeholders providing regional leadership.**

Progress on Actions	Status
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**4.1.2 Cooperative and coordinated delivery of Indigenous community services.**

**4.1.2.1 Proactively collaborate with key State Government departments, the Cape Barren Island Aboriginal Association (CBIAAI) and Flinders Island Aboriginal Association (FIAAI) to pursue joint funding proposals through the Indigenous Advancement Strategy.**

<p>Collaboration through General Manager with the CBIAAI CEO and support staff with main focus relating to the proposed construction of BBQ's on Cape Barren Island. Mayor met with FIAAI CEO with subsequent presentation to the September Council Workshop on Housing Issues.</p>	<i>Complete and ongoing</i>
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Council staff met with FIAAI on a range of complementary issues. Positive support letter from FIAAI received for Flinders Island Marine Access and Safe Harbour Proposal. FIAAI representatives attended the May Council Workshop.

**Strategic Direction: 4.2 Support processes, accountability and project delivery through transparent reporting.**

Progress on Actions	Status
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**4.2.1 Priorities, actions and achievements are planned and reported through an integrated governance and management framework.**

**4.2.1.1 Coordinate quarterly reporting to Council on financials and achievement of Annual Plan actions.**

**4.2.1.2 Provide quarterly reporting to Council on Council's financial investments.**

<p>Quarterly Report provided to November 2017 Council Meeting, February 2018 Audit Panel and Council Meeting, April 2018 Audit Panel and Council Meetings. Audit Panel examined Financial investment outcomes and policy and provided a report to the June Council Meeting.</p>	<i>Complete</i>
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**4.2.2 Efficient and coordinated delivery of projects across the organisation.**

**4.2.2.1 Utilise project management framework and associated procedures.**

<p>Project management framework and associated procedures utilised by staff and overseen by General Manager.</p>	<i>Complete and ongoing</i>
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**4.2.3 Administrative support provided to Council.**

**4.2.3.1 Deliver the Community Grants and Gunn Bequest funding program.**

<p>Five Community Grant applications were received and three Gunn Bequest applications. At the May Council Meeting, Council awarded the following Community Grants: \$2,000 to the Flinders Island Show Society towards 2018 Show expenses; \$860 to the Flinders Island Sub-Branch of RSL towards return charter flight to Cape Barren Island and breakfast for the 2019 ANZAC ceremony; \$750 to the Friends of Bass Strait Islands towards travel expenses for volunteers eradicating boxthorn from Roydon Island; \$500 to the Flinders Island Sports &amp; RSL Club toward a 2019 Australia Day Event; and the following Gunn Bequests: \$660 to the Flinders Island Women's Golf Club for a return charter flight to Cape Barren Island to attend the Cape Barren (Golf) Classic; \$950 to the Flinders Island Bowls Club toward seating for the bowling green.</p>	<i>Complete and ongoing</i>
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**Strategic Direction: 4.2 Support processes, accountability and project delivery through transparent reporting.**

**Progress on Actions**

**Status**

**4.2.3.2 Administer the Citizen of the Year Award program.**

The 2017 Citizen of the Year Award was presented to Mrs Pat Masters of Lady Barron. Applications for the 2018 Award were considered by Council at the September Closed Council Meeting and a recipient was chosen. The recipient will be presented with the award at the Flinders Island Show in October 2018.

*Complete*

**Strategic Direction: 4.3 Ensure Council meets its statutory obligations and manages corporate and community risk.**

**Progress on Actions**

**Status**

**4.3.1 All legislative and regulatory compliance related to Council activities met.**

**4.3.1.1 Ensure regulatory compliance for buildings and structures.**

Council has an obligation to address illegal works issues. Building inspections have been undertaken to ensure compliance.

*Complete and ongoing*

A maintenance audit of Council built assets was completed and a new role will carry out these measures into the future.

**4.3.3 Annual Plans and reports prepared in accordance with the *Local Government Act 1993*.**

**4.3.3.1 Prepare and deliver an Annual Plan and Annual Report.**

The 2017/18 Annual Plan was completed and adopted by Council at the July 2017 Council Meeting. The 2016/17 Annual Report was completed and produced in-house for the first time this year. It was made available for public consultation from 27 November to 8 December and adopted at the Council's AGM on 14 December 2017.

*Complete*

The first Draft of the 2018/19 Annual Plan was reviewed at the April Council Workshop. The Annual Plan will continue to develop alongside the 2018/19 Budget.

*Complete and ongoing*

**4.3.5 Flinders Council Audit Panel functions effectively and efficiently.**

**4.3.5.1 Develop Information Asset Register.**

No action to report.

*No action*

**4.3.5.2 Develop Records Management procedures and standards.**

No action to report.

*No action*

**4.3.5.3 Maintain IT schedule of computer software upgrades and hardware replacements.**

Council moved over to the 365 Office suite over the Christmas break and upgraded the data cabling throughout the office.

*Complete*

Ongoing discussions with Telstra continue regarding the agreement for Council's land lines (VOIP) and our BDSL service.

*Ongoing*

**4.3.6 Enterprise Agreement 2016-2019 that complies with Fair Work Act 2009.**

**4.3.6.1 Update and maintain Staff and Elected Members' Register of Gifts and Interests. Update and maintain a Related Party Disclosure Register for Councillors and Key Management Personnel.**

These registers are updated and maintained as new entries and/or changes to entries are received.

*Complete*





<b>Strategic Direction: 4.3 Ensure Council meets its statutory obligations and manages corporate and community risk.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<b>4.3.7 Furneaux Fire Area Management Committee functions efficiently and effectively.</b>	
<b>4.3.7.1 Update and maintain General Manager's Roll.</b>	
The Roll is updated and maintained as new entries and/or changed entries are received.	<i>Complete</i>
With the upcoming election in October, staff will soon embark on an enrolment campaign which is expected to generate additional entries/changes to the Roll.	<i>Ongoing</i>
<b>4.3.9 An integrated and strategic approach to financial and asset management.</b>	
<b>4.3.9.1 Policies reviewed in compliance with regulations and timeframes.</b>	
The following policies and procedures were reviewed and adopted: Rates and Charges; Credit Card; Related Party Disclosure; Council Policy Manual; and Investment.	<i>Complete and ongoing</i>
The following policies and procedures were reviewed and rescinded: Access; Hire of Municipal Halls; Food Safety; Remission or Rebate of Rates and Charges; Postponement of Rates and Charges; Quasi-Judicial; Special Committees of Council; Induction; Writing Off Bad Debts (at the time the Instrument of Delegation is reviewed); and Physical Locality Staffing (once it has been incorporated into the Recruitment Policy). Staff undertook an initial review of the Policy Manual after researching a best practice approach to Policy Manuals by Tasmanian local councils. The planned overall review process was discussed with Councillors at the March Council Workshop.	
A number of other policies were presented to the Flinders Council Audit Panel for consideration.	<i>Ongoing</i>
<b>4.3.9.2 Review and revise Instrument of Delegation as required.</b>	
The Instrument of Delegation was reviewed, updated and adopted at the August 2017 Council Meeting Letters were sent to staff notifying them of changes. The Instrument of Delegation will be reviewed in its entirety once the staffing restructure has been completed.	<i>Complete and ongoing</i>
<b>4.3.10 Flinders Planning Scheme</b>	
<b>4.3.10.1 Process and investigate public interest disclosures as required.</b>	
No requests were received.	<i>No action</i>
<b>4.3.11 Requirements of the Right to Information Act 2009 complied with by responding to applications for information disclosure.</b>	
<b>4.3.11.1 Assess and action applications for information disclosure as required.</b>	
No public applications were received.	<i>Not action</i>
<b>4.3.12 Annual budget estimates and reviews.</b>	
<b>4.3.12.1 Budget estimates and reviews delivered within required timeframes.</b>	
2017/18 Budget estimates and 2016/17 reviews delivered within required time frames. All associated actions completed.	<i>Complete</i>
Staff continue to review ways to add value to budget review processes. A preferred project -based budget mechanism was endorsed by Council's Audit Panel and presented at the February 2018 Council Workshop and implemented at the February 2018 Council Meeting.	<i>Complete and ongoing</i>
<b>4.3.13 Financial management processes comply with Tasmanian Audit Office requirements.</b>	
<b>4.3.13.1 Actively engage with the Tasmanian Audit Office and substantially comply with Audit process and recommendations.</b>	
Tasmanian Audit Office actively engage on a continuous basis and audit process and recommendations are complied with. Financials signed off and submitted on time. Mid-term onsite Auditor Review successfully completed. Auditor Work Plan noted by Audit Panel.	<i>Complete</i>



<b>Strategic Direction: 4.3 Ensure Council meets its statutory obligations and manages corporate and community risk.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<b>4.3.14 Input into the State Government "Sustainability Indicators" project provided.</b>	
<b>4.3.14.1 Provide the Tasmanian State Government with a response to the "Sustainability Indicators" process and project within required timeframes.</b>	
Sustainability indicators included in Council's Annual Financials.	<i>Complete</i>
<b>4.3.15 Flinders Council Audit Panel functions effectively and efficiently.</b>	
<b>4.3.15.1 Support the functions of the Flinders Council Audit Panel.</b>	
Following an extensive research an independent Audit Chair was sourced and formally appointed at the September Council Meeting. Audit Panel meetings were held in February, April and June 2018.	<i>Complete</i>
<b>4.3.18 Furneaux Fire Area Management Committee functions efficiently and effectively.</b>	
<b>4.3.18.1 Support the functions of the Furneaux Fire Area Management Committee.</b>	
Municipal Emergency Management Coordinator attends and facilitates meetings. Meetings were held in January and June 2018.	<i>Complete</i>
<b>4.3.19 Appropriate plans and available resources in place to where possible mitigate and respond to identified risks and incidents.</b>	
<b>4.3.19.1 In conjunction with other emergency response groups, have appropriate plans and available resources in place to where possible mitigate and respond to identified risks and incidents.</b>	
A new Emergency Management Coordinator was appointed. The Municipal Emergency Management Plan (MEMP) was reviewed in consultation with all stakeholders and is due to be adopted at the next meeting of the MEMC. Training was provided to the Community by Red Cross with support from Council. Aboriginal associations liaised with regarding "looking after our mob" emergency management planning and possible inclusion into MEMP. Future training scheduled for the new year. Regional manager has advised that Flinders is in a good position to deal with emergencies, and planning and training will continue. Bushfire hazard management and planning is a focal point of the Fire Management Area Council (FMAC). More work is planned for fire mitigation management at a town based level with the support of TasFire. Work continues to build relationships with TasFire via the FMAC and also to integrate this group somewhat with the MEMC.	<i>Ongoing</i>
<b>4.3.19.2 Provide support to Flinders Municipal Emergency Management Committee.</b>	
Staff attended and represented Council at Emergency Management Committee Meetings. Council nominated Jacci Viney to fill the Flinders Municipal Emergency Management Coordinator position and Kelly Blundstone the Deputy Coordinator position. Council will continue liaison with FMAC and aim to develop further mitigation plans in conjunction with TasFire and possibly via the Disaster Resilience Program if required.	<i>Complete</i>
<b>4.3.19.3 Review the Flinders Municipal Emergency Management Plan.</b>	
The MEMP has been reviewed and will be considered for adoption at the 18 June MEMC meeting. Subsequent review required in 5 years time.	<i>Complete</i>
<b>4.3.19.4 Provide assistance and support to the Recovery Coordinator to establish, promote and coordinate the Recovery Committee as subcommittee of the Municipal Emergency Management Committee.</b>	
Newly established Emergency Management Coordinator. Recovery response and positions taken into account re all training, communication and planning.	<i>Ongoing</i>



<b>Strategic Direction: 4.3 Ensure Council meets its statutory obligations and manages corporate and community risk.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<b>4.3.19.5 Identify, assist to facilitate and coordinate Emergency Management/Recovery related training when opportunities arise.</b>	
Training was provided by Red Cross in Oct 2017 and June 2018. Opportunities are taken up as available.	<i>Ongoing</i>
<b>4.3.20 Compliance of airport operations with requirements of CASA and other regulators.</b>	
<b>4.3.20.1 Ensure all technical, safety, obstacle limitation surveys (OLS) and lighting inspections are undertaken and all recommendations carried out in accordance with reports.</b>	
The Annual Technical Inspection, Lighting Inspection and Obstacle Limitation Survey were all completed. Compliance lasts 12 months.	<i>Completed</i>
<b>4.3.20.2 Update transport security program and carry out a security audit.</b>	
The Transport Security Program has been approved by the Office of Transport Security and a security audit has been completed. Staff are completing recommendations from the security audit.	<i>Ongoing</i>
<b>4.3.21 An integrated and strategic approach to financial and asset management.</b>	
<b>4.3.21.1 Maintain a long-term financial plan in accordance with the <i>Local Government Act 1993</i>.</b>	
Asset Valuations updated.	<i>Complete</i>
Staff worked in conjunction with the Audit Panel to develop a Long Term Financial Plan (LTFP) which will be considered by Council soon.	<i>Complete and ongoing</i>
<b>4.3.21.2 Maintain an Asset Management Plan in accordance with the <i>Local Government Act 1993</i>.</b>	
Staff worked in conjunction with the Audit Panel to prepare an updated Asset Management Plan for inclusion in a Long Term Financial Plan which will be considered by Council soon.	<i>Complete and ongoing</i>
<b>4.3.21.3 Maintain financial and asset management strategies in accordance with the <i>Local Government Act 1993</i>.</b>	
Asset Valuations updated., Staff worked in conjunction with the Audit Panel to review financial and asset strategies to improve understanding.	<i>Complete</i>
<b>4.3.21.4 Maintain an asset management policy in accordance with the <i>Local Government Act 1993</i>.</b>	
Policy maintained. Audit Panel included review of the Asset Management Policy into their Work Plan. Preliminary review of Draft Asset Management Policy undertaken at the June Panel Meeting.	<i>Complete and ongoing</i>
<b>4.3.22 Financial Statements include Financial and Asset Management Sustainability Indicators in accordance with the <i>Local Government Act 1993</i>.</b>	
<b>4.3.22.1 Include Financial and Asset Management Sustainability Indicators in the Annual Report.</b>	
Included audit information in Annual Report.	<i>Complete</i>
<b>4.3.23 Create annual rates invoice, supplementary valuations and annual adjustment factors processed.</b>	
<b>4.3.23.1 Process annual rate notices, supplementary valuations and annual adjustment factors.</b>	
Annual rate notices processed following revaluation and change in methodology, including supplementary valuations. Annual adjustment factors were not required. Supplementary valuations were processed as required during the year. 2017/18 annual rates notice released in August 2017. Supplementary valuations processed on an as required basis.	<i>Complete</i>



<b>Strategic Direction: 4.3 Ensure Council meets its statutory obligations and manages corporate and community risk.</b>	
<b>Progress on Actions</b>	<b>Status</b>
<p><b>4.3.23.2 Ensure rates' modelling accurately reflects Council's policy position in relation to the adopted rates methodology and that natural growth returns are accurately captured.</b></p> <p>Rates' modelling accurately reflects Council's policy position in relation to the adopted rates methodology with natural growth returns being accurately captured. Rates modelling for 2018/19 Budget has begun, including equity review of differential rates. Annual adjustment factors not applicable for 2018/19.</p>	<i>Complete</i>
<b>4.3.24 Roads to Recovery reporting requirements met.</b>	
<p><b>4.3.24.1 Submit quarterly reports to the Department of Infrastructure and Transport to comply with the Roads to Recovery Funding.</b></p> <p>Roads to Recovery Quarterly Reports completed. Program was amended and adopted by Council during the year to increase Roads to Recovery funding as previously Council had difficulty in spending the required own source revenue.</p>	<i>Complete and ongoing</i>
<b>4.3.25 Mineral Resource returns to Mineral Resource Tasmania.</b>	
<p><b>4.3.25.1 Submit quarterly Mineral Resource returns to Mineral Resource Tasmania.</b></p> <p>Return was submitted.</p>	<i>Ongoing</i>
<b>4.3.26 Superannuation and Taxation obligations met.</b>	
<p><b>4.3.26.1 Process Business Activity Statements, Superannuation contributions, Payroll Tax and Fringe Benefits Tax Returns.</b></p> <p>Business Activity Statements, Superannuation contributions, Payroll Tax and Fringe Benefits Tax Returns completed.</p>	<i>Complete</i>
<b>4.3.27 Annual Fire Levy returns submitted to the State Fire Commission.</b>	
<p><b>4.3.27.1 Submit annual Fire Levy returns to the State Fire Commission.</b></p> <p>Annual Fire Levy return completed.</p>	<i>Complete</i>
<b>4.3.28 Requirements of the <i>Public Health Act 1997</i> are met.</b>	
<p><b>4.3.28.1 Register private water suppliers in accordance with the Drinking Water Quality Guidelines (Public Health Act).</b></p> <p>Guidance was provided to Local Government Environmental Health Officers on this topic by State Health Officers who provided a progress update on the revision of the relevant guidelines and working group. Council is currently conforming and will continue to do as required once new guidelines are released. All private water suppliers registered. Registrations fall due on 1 August each year.</p>	<i>Complete and ongoing</i>
<p><b>4.3.28.2 Register warm water system providers in accordance with the legionella guidelines.</b></p> <p>Only one registration requirement on the Island which has been registered.</p>	<i>Complete</i>
<p><b>4.3.28.3 Deliver the annual recreational water sampling program.</b></p> <p>Annual recreational water sampling program delivered in the active period of December to March. Report presented to Department of Health and Human Services (DHHS).</p>	<i>Complete</i>





**Strategic Direction: 4.3 Ensure Council meets its statutory obligations and manages corporate and community risk.**

Progress on Actions	Status
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**4.3.28.4 Provide a structured inspection program for all environmental health related facilities and activities and provide support as required.**

Food Business Registrations renewed annually in August. Food inspections were carried out as required. Food Safety Seminars delivered. Routine inspections continue to be undertaken as well as new food business assistance and advice provided.	<i>Complete</i>
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**4.3.28.5 Carry out school-based Immunisation Programs.**

Meningococcal W vaccine was released as a subservient project to the program and has been well received to date. Reporting to Dept. of Health and Human Services still required once annual program complete. The first half of the Immunisation Program was undertaken at the school with assistance from the local doctor's surgery nurse and locum doctor. Council staff are responsible for reporting and record keeping	<i>Complete</i>
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**4.3.29 Requirements of the Dog Control Act 2000 are met.**

**4.3.29.1 Council substantially complies with the requirements of the Dog Control Act 2000.**

Primary requirements such as registration, microchipping, dogs at large and dog nuisances, were prioritised and upheld as much as possible.	<i>Complete and ongoing</i>
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Council moved to "tag for life" regime which saw registered dog owners receiving black tags without a date so that the dog maintains same registration number forever unless tag is lost. This system has proved to be a success which not only saves money on tag fees but also allows people to pay over the phone without having to collect a new tag each year.	<i>Complete</i>
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**4.3.30 Requirements of the Building Control Act 2000 are met.**

**4.3.30.1 Complete quarterly audits of Council's built assets to ensure compliance of Council buildings.**

Inspections and audits are completed quarterly, and any issues are reported regularly and discussed at Council's monthly occupational health and safety meetings.	<i>Complete and ongoing</i>
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**4.3.31 Requirements of the Environment Protection Agency (EPA) regulations are met with regard to asbestos.**

**4.3.31.1 Undertake regular assessments of asbestos transport operations and disposal to facilitate compliance with the Environmental Protection Agency guidelines and operating conditions.**

No activities undertaken to enable assessment.	<i>No action</i>
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**Strategic Direction: 4.4 Drive continuous improvement through a focus on customer service, community engagement, efficient systems and processes, innovation, capacity building and workforce development.**

**Progress on Actions**

**Status**

**4.4.1 A healthy and safe place to work.**

**4.4.1.1 Review Council's Safety System and processes. Continue staff consultation and training around Workplace Health and Safety. Organise Worksafe Tasmania Safety Advisors annual visit.**

Council's Safety Management System is reviewed and improved on a regular basis, as well as consulting regularly with staff to achieve a zero-harm workplace culture. *Complete and ongoing*

Staff attended several training opportunities including Zero Harm safety training (in collaboration with Hydro), First Aid training, ChemCert and Traffic Management Training. Healthy Business has been engaged as part of the Council's risk mitigation plan to provide Council staff with health and safety training as well as conduct individual staff health checks and carry out ergonomic assessments. Safety for Supervisors will be held for managers in July. *Complete*

Council's Contractor Management online system (vPMO) is now fully operational and staff are using it to engage and manage contractors. *Complete*

In November, Worksafe Tasmania Advisers came for their annual visit. They reviewed Council's safety management system and visited the Airport and Works Depot.

Monthly safety meetings with Works Depot and Airport staff are held to address a range of safety issues, risks and discuss any workplace health and safety matters. In July, staff completed an annual review of workplace Job Safety Analysis (JSA's). *Complete and ongoing*

Health and Safety Committee Meetings are held monthly to review safety risks within Council as well as the Community. The request for service register being monitored and addressed at the meetings.

**4.4.1.2 Implement Workplace Health and Wellbeing Program for 2017.**

Staff are working with Robyn McKinnon, Council's Employee Assistance Program (EAP), to have regular mental health and wellbeing monthly discussions at staff meetings. Internal promotion of mental health and wellbeing is achieved by motivational posters, sharing of recipes and opening up the communication channels for discussions around mental health. Maintaining a training partnership with Hydro Tasmania for other training opportunities. The Healthy Business Program that has been adopted is both risk mitigation and workplace health and wellbeing. They provide monthly health topic materials as well as providing one-on-one health consults quarterly. *Complete and ongoing*

David Nancarrow from OzHelp was engaged (in collaboration with Hydro) for in-house health and wellbeing programs for all Council staff. A team building workshop was completed by both indoor and outdoor staff. *Complete*

**4.4.2 Continuous improvement program.**

**4.4.2.1 Key business processes mapped and documented and continuously reviewed and improved.**

Minimal work has been completed on the improvement of key business processes. Due to minimal staff resources, there was only one internal audit completed for the year. *Ongoing*

**4.4.2.2 Provide professional development opportunities to Elected Members.**

Mayor attended the Local Government Association of Tasmania's Annual Conference. Conflict and Pecuniary Interest Training provided at April Council Workshop. Budget allocation in 2018/19 Budget sufficient for a newly elected recommended. *Complete*

**4.4.3 A skilled workforce that provides core strategic, planning and operational capability.**

**4.4.3.1 Continue to provide professional development opportunities to staff.**

Personality Profiling Training was provided to Office staff. Conflict Resolution Training undertaken for Works and Services and Office Staff. Council staff were able to attend an Australian Airports Association meeting, a payroll and taxation workshop, training in OH&S, Building & Plumbing & Event Management and the General Manager attended the General Managers' Workshop. *Complete and ongoing*



**Strategic Direction: 4.4 Drive continuous improvement through a focus on customer service, community engagement, efficient systems and processes, innovation, capacity building and workforce development.**

**Progress on Actions**

**Status**

**4.4.4 Compliance with the requirements of the Work Health and Safety Act 2012. A safe working environment where staff, volunteers and contractors understand safety issues, are supported and take individual responsibility for safety.**

**4.4.4.1 Review Volunteer Register and management processes.**

Council's Volunteer Register was reviewed, and an improved register has been implemented along with management practices and encouragement of volunteer inductions. *Complete*

**4.4.4.2 Continue monthly OHS Meetings with Works Depot and OHS Committee.**

Meetings continued, addressing on-going health and safety risks, hazards and issues within the Works and Services and Airport Departments. *Complete and ongoing*

**4.4.4.3 Review and update Council owned buildings, emergency evacuation plans and procedures in accordance with Tasmanian Fire Service.**

Fire and emergency evacuation plans have been completed for all hire-able council buildings such as the halls and buildings. They have all been approved by TasFire and have now been erected in the halls as well as added to the hire agreement paperwork; this includes the evacuation plan, site diagram and Warden equipment and a checklist to follow. *Complete*

**4.4.4.4 Review an asbestos register for Council owned buildings.**

A professional assessment was conducted of asbestos found in all Council owned buildings. An Asbestos Register was then developed which contains information and photos of asbestos found at each location. The registers are available from Council. Council will work towards the removal of any asbestos that is in poor condition. *Complete*

**4.4.4.5 Continue to review Risk Register on regular basis and consult with Staff and Councillors.**

The 2017 Risk Register has been reviewed and updated. Staff in each sector have been consulted and all risks have been addressed and modified. The Council's top risks for 2017/2018 has been established and treatment strategies have been agreed upon and have either been put in place or are in the beginning or ongoing stages. *Complete and ongoing*

**4.4.4.6 Implement Contractor Management System in VPMO.**

The vPMO contractor management system has been implemented and Council staff are learning how to use the system to ensure anyone providing any works or services to Council are in the system. This system is proving to be efficient and resourceful as it allows contractors to provide and update their own licence, insurance and business information online. Through user feedback, there are some identified system issues that staff are looking to improve to ensure it is working at full capacity. *Complete and ongoing*

**4.4.4.7 Annual Review Contractor Management Plan.**

The Contractor Management Plan was last reviewed in July 2017 and will be reviewed again in July 2018. *Complete*

**4.4.4.8 Review Induction Program.**

The online induction programs for new employees, volunteers and contractors on the Council's website are working well. Staff and contractors are using it without any issues. It has been identified that onsite inductions require further review, this will occur in late 2018. *Complete and ongoing*

**4.4.4.9 Business Continuity Plan tested.**

The 2017 Risk Register has been completed addressing risks to the Council that may affect business continuity. Emergency training completed by several staff members. IT upgrades to telecommunications within the office to ensure back up of information and a stronger online system. Staff are working on strategies to overcome risks and updating and reviewing the continuity plan to ensure solutions and plans are in place. *Complete and ongoing*



**Strategic Direction: 4.4 Drive continuous improvement through a focus on customer service, community engagement, efficient systems and processes, innovation, capacity building and workforce development.**

Progress on Actions	Status
<b>4.4.5 An effective and dynamic online presence (Council website).</b>	
<b>4.4.5.1 Complete a quarterly review of website content.</b>	
Content review completed on a regular basis.	<i>Complete and ongoing</i>
<b>4.4.5.2 Continue Council's presence on social media - specifically Facebook.</b>	
Promotion, alerts and good news stories are posted to Facebook as opportunities arise.	<i>Complete and ongoing</i>
<b>4.4.6 A central source of information for tourists and visitors to the Island.</b>	
<b>4.4.6.1 Capture number of enquiries and time spent providing visitor and potential resident information.</b>	
Enquiry numbers are recorded by staff and reported to Councillors on a monthly basis.	<i>Complete</i>
<b>4.4.7 New Residents Kits.</b>	
<b>4.4.7.1 Supply a New Residents' Information Kit.</b>	
The New Residents' Information Kit has been reviewed and updated and is available from the Council office and on Council's website.	<i>Complete</i>

**Strategic Direction: 4.5 Build financial and organisational resilience and maximise returns from Council's capital resources.**

Progress on Actions	Status
<b>4.5.1 Resources utilised to maximise financial and community returns.</b>	
<b>4.5.1.1 Continue to investigate and assess opportunities to increase revenues from Council's fleet, plant and equipment.</b>	
Council has undertaken a number of small private works jobs, including private works for Parks and Wildlife Service and a reseal of approximately 6km of road for the Dept. of State Growth.	<i>Complete</i>
Opportunities to provide service to the new Hydro Tas station works and further Telstra upgrades will be pursued.	<i>Ongoing</i>
<b>4.5.2 Sustainable organisation.</b>	
<b>4.5.2.1 Develop and identify an improved communication strategy.</b>	
Preliminary work identified the need to allocate a human resource to the task. A part time communications role has been added to the Organisational Review.	<i>Ongoing</i>
<b>4.5.2.2 Convert existing external storage room into office with linkage to existing building.</b>	
Architect engaged and preliminary concept plans prepared and reviewed. Refined budget cost to be established and consent from Council to allocate funds obtained.	<i>Ongoing</i>
<b>4.5.2.3 Relocate record storage area.</b>	
This action is dependent on 4.5.2.2 which has been put on hold until the next financial year.	<i>No action</i>
<b>4.5.2.4 Update a 10 year financial assessment to identify key funding and financing gap risks.</b>	





**Strategic Direction: 4.5 Build financial and organisational resilience and maximise returns from Council's capital resources.**

**Progress on Actions**

**Status**

In consultation with the Audit Panel, a project-based budget including changes to allocations of on-costs, plant and quarries was proposed for inclusion in the 2018/19 Budget. Rationale for development of a long-term cash management strategy and key funding and financing gap risks. Both these elements will need to be included in the Long Term Financial Plan (LTFP).

*Ongoing*





## 5 Liveability

Protect, improve and promote the safety, creativity, health and wellbeing of the island's communities

Strategic Direction: 5.1 Improve the health and wellbeing of the Island communities through leadership and co-ordination.	
Progress on Actions	Status
<b>5.1.1 Integrated delivery of health promotion activities.</b>	
<b>5.1.1.1 Engage with community and external stakeholders to support and deliver health and wellbeing initiatives to the Community.</b>	
<p>Staff successfully applied for an \$800 grant from the Women Get Active Program (GAP) to deliver a health and wellbeing program focused on both the Lady Barron and Whitemark Gyms. Investigate Sport and Recreation Grant to purchase new equipment for the Lady Barron and Whitemark Gyms.</p> <p>Staff have been working with the Lady Barron Hall Special Committee to continue usage and review the new Lady Barron Fitness Facility. Usage has increased since the facility opened, and inductions are continuing on an as needed basis.</p> <p>Staff working to coordinate a 5 week Fighting Fit program that will support users to set their own program with the guidance of a qualified instructor.</p> <p>The Special Committee of Council for the Whitemark Gym has been established and approved by Council. The key safe has been installed at external door. Insurance cover for implementation of buddy system secured. Gym inductions provided.</p> <p>Working with both gym committees to identify opportunities for fundraising and promotion of the facilities.</p>	<p><i>Complete and ongoing</i></p>
<b>5.1.1.2 Inform youth led health and wellbeing activities through the establishment and training of a Youth Advisory Group.</b>	
<p>There are limited staff resources in this area. In conjunction with Flinders Island District High School a school youth group has been developed, and the Community Development Team are planning to allocate resources for the upcoming transition program.</p>	<p><i>Ongoing</i></p>
<b>5.1.2 Rural Primary Health Service program funding is administered for delivery of health services to the Community.</b>	
<b>5.1.2.1 Facilitate and deliver the services associated with the Primary Health Tasmania Funding.</b>	
<p>Primary Health Tasmania funded program is administered by the Royal Flying Doctor Service (RFDS). The client base for this program is at full capacity with 91 people accessing the service up to June 2018, and referrals continue to be received. Staff have been prioritising visits to enable everyone to access the service.</p> <p>The Mental Health Worker role is at full capacity. The feedback from the Community has been very positive. Council is working to minimise risks within the role.</p> <p>The Physical/Rural Health Worker has had positive general feedback from the local GPs regarding the improved health of those attending the program.</p> <p>Staff have also been involved in community mental health awareness sessions, dementia awareness and care essentials training, health promotion and stakeholder meetings.</p> <p>Council asked for a review of the program with RFDS and the MPC to identify potential improvements in managing the program. It was decided that Council will no longer manage the program from the 1<sup>st</sup> of October. Council will remain a partner in the program and assist where needed.</p>	<p><i>Complete and ongoing</i></p>



**Strategic Direction: 5.2 Support cultural activities that foster social engagement and emotional wellbeing and provide opportunities for creative expression.**

**Progress on Actions**

**Status**

**5.2.1 Arts and cultural activities are encouraged and supported.**

**5.2.1.1 Work with and support community groups, businesses and organisations to foster and support cultural activities.**

Community Development staff worked with community groups, businesses and organisations to foster and support a number of cultural activities including the following: *Complete*

- Supported the Flinders Island Show by staff organising to waive marquee hire fees; assisted with transporting the play equipment from the school to the kids play area; organised the making of Show signs by the Community Shed as well as the painting of them via the school holiday program.
- Council sponsored two flights for Quick Sheer band members as well as support with printing promotional materials.
- Council provided financial support for Music in the Vines by sponsoring three flights provided for the event and administered Sharp Flyer promotion.
- Assisted in the conception and delivery of a night market as the Community Event for the Food and Crayfish Festival.
- Liaison with Flinders Island Aboriginal Association Inc.'s (FIAAI) Youth Engagement Officer to partner with School Holiday Program and start a youth group aimed at 12-25-year olds.
- Council sponsored and organised the public liability insurance for the Emita Sports Day, administered Sharp Flyer promotion and assisted with activities on the day.
- Worked with community members to set up for ANZAC Day in Whitemark and supplied booklets for the service on Cape Barren Island.
- Administrative support provided to the Running Festival and the collection of registrations.
- Assisted with providing a bus to FIAAI park for NAIDOC week celebrations.
- Staff submitted a successful grant application for the Emita Hall extension.

**5.2.2 Community events and activities are supported, encouraged and delivered.**

**5.2.2.1 Encourage the use of recreational and community facilities by supporting community organisations/ individuals to deliver community events and/or activities.**

Staff encouraged the use of recreational and community facilities by supporting community organisations / individuals to deliver community events such as: *Complete and ongoing*

- Provided support to the netball/football organisers to ensure facilities and required equipment i.e. tables were delivered, cleaned and ready for use.
- Support for the Furneaux (Emita) Hall Special Committee to deliver the Emita Sports Day in January.
- Staff assisted the Flinders Island District High School to utilise the Emita Hall and rollerblading equipment as an activity for their grade 5/6 school camp.
- Lady Barron Fitness Facility gym inductions continue on an as-need basis to encourage the use of the facility.
- The Whitemark Community Gym is now operating on the same model as the Lady Barron Gym. 150 members have been inducted to the Whitemark Community Gym.
- Coordinated a fundraiser for the Moto Cross Club which consisted of an adult Surf School, with all staff donating their time on the day.

**5.2.2.2 Develop a policy, manage, coordinate and deliver the Furneaux Islands Festival.**

Council partnered with the Flinders Island Aboriginal Association Inc. (FIAAI) to deliver the fifth Furneaux Islands Festival in January 2018. *Complete*

The planning committee, consisted of Council, FIAAI, Sandro Donati, Judy Jacques, Andrew Killengray & Samantha Gowthorpe. There were four successful events delivered over 3 days – Acoustic Supper, Market Day, Veranda Music and Community Day. Visiting performance artists collaborated with the Flinders Island District High School students making a story and giant puppets to be performed at the Festival.

The draft policy for the Furneaux Islands Festival has been completed and submitted to Council.



**Strategic Direction: 5.2 Support cultural activities that foster social engagement and emotional wellbeing and provide opportunities for creative expression.**

**Progress on Actions**

**Status**

Consideration of musical line up and performers for 2019 has commenced, and there are discussions around the creation of a Festival Committee. *Ongoing*

**5.2.2.4 Provide and maintain a Funeral Service for the Flinders Island Community that meets public and occupational health and safety standards.**

A microphone stand, and a speaker stand were purchased to improve the sound at outdoor funerals. The Funeral Director undertook training at Finney Funerals in Launceston. New grave grass was purchased. *Complete*







**Strategic Direction: 5.3 Land use planning conserves natural and cultural values and addresses natural hazards and climate adaption.**

<b>Progress on Actions</b>	<b>Status</b>
<b>5.3.1 Municipal climate change strategy.</b>	
<b>5.3.1.1 Finalise a climate adaption strategy for the Municipality.</b>	
No action to report.	<i>No action</i>
<b>5.3.2 Hazard management and climate adaption integrated into specific area plans.</b>	
<b>5.3.2.1 Draft Specific Area Plans for coastal hazards.</b>	
Staff are liaising with Planning Policy Unit regarding a whole of island Specific Area Plan to address coastal issues. Work is still ongoing.	<i>Ongoing</i>
<b>5.3.3 Biosecurity risks identified and a program to address those risks developed.</b>	
<b>5.3.3.1 Liaise with Biosecurity Tasmania to achieve positive outcomes for the community.</b>	
Collaboration with BiosecurityTas (BT) continues in regard to a number of issues including, but not limited to: veterinary services, weed management, pest and disease control, incoming threats and quarantine. Council maintained its support throughout the fruit fly incursion period to assist where possible. The matter of securing a vet for the islands is still an important issue which continues to progress.	<i>Ongoing</i>
<b>5.3.4 Planning scheme enhances liveability and protects distinctive local characteristics.</b>	
<b>5.3.4.1 Integrate protection of natural assets in zoning decisions.</b>	
Considered natural values in preparation of locality strategy tables and zoning conversion tables for each locality.	<i>Completed</i>
The application of the Natural Assets Code, mapping for the application of the overlay and implications in the zones to which it applies.	
Zoning decisions have been completed for 5 localities and natural assets protection is a key consideration given the paradox of protecting natural assets where clearance for fire requirements, disturbance of natural landform, access, services etc. attached to development will incrementally destroy such assets.	
Have researched bush fire hazard requirements in the context of the zones proposed for the Island and the impact of the zone standards and the applied bush fire code on natural assets. Have researched the Forest Practices Act requirements for land use planning and development and liaised with various Forest Practices Officers to better understand the synapses between the two areas. Have considered the building envelopes envisaged in the State Planning Policies and Codes and the impact on clearance of vegetation. Have reviewed the areas of Threatened Vegetation communities and the zones and codes applied to these areas. The modelling for the Natural Assets Code (commissioned by the State) currently has some 'glitches'.	<i>Completed and ongoing</i>
<b>5.3.4.2 Draft Local Heritage Lists for Local Provisions Schedule Codes.</b>	
Staff liaised with Planning Policy Unit of Department of Justice to determine an efficient way to prepare a list.	<i>Ongoing</i>



# Financial Report

For the Year Ended 30 June 2018



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

	Note	Budget 2018 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
<b>Income from continuing operations</b>				
<b>Recurrent income</b>				
Rates and charges	2.1	1,632	1,614	1,555
Statutory fees and fines	2.2	47	43	37
User fees	2.3	964	931	892
Grants	2.4	975	5,108	2,321
Contributions - cash	2.5	-	3	-
Interest	2.6	110	157	88
Other income	2.7	50	48	52
Investment revenue from water corporation	2.9, 4.1	54	54	54
		<b>3,832</b>	<b>7,958</b>	<b>4,999</b>
<b>Capital income</b>				
Capital grants received specifically for new or upgraded assets	2.4	394	573	743
Contributions - non-monetary assets	2.5	-	-	(193)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	-	(268)	(13)
		<b>394</b>	<b>305</b>	<b>537</b>
<b>Total income from continuing operations</b>		<b>4,226</b>	<b>8,263</b>	<b>5,536</b>
<b>Expenses from continuing operations</b>				
Employee benefits	3.1	(2,248)	(2,033)	(1,967)
Materials and services	3.2	(1,935)	(1,860)	(1,819)
Impairment of debts	3.3	-	(36)	(1)
Depreciation and amortisation	3.4	(1,606)	(1,491)	(1,499)
Finance costs	3.5	(87)	(85)	(25)
Other expenses	3.6	(124)	(3,765)	(131)
<b>Total expenses from continuing operations</b>		<b>(6,000)</b>	<b>(9,270)</b>	<b>(5,442)</b>
<b>Result from continuing operations</b>		<b>(1,774)</b>	<b>(1,007)</b>	<b>94</b>
<b>Result from discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net result for the year</b>		<b>(1,774)</b>	<b>(1,007)</b>	<b>94</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net asset revaluation increment/(decrement)	9.1	-	292	4,209
		<b>-</b>	<b>292</b>	<b>4,209</b>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Fair value adjustments for financial assets at fair value			7	21
Financial assets available for sale reserve				
— Fair Value adjustment on Available for Sale Assets	9.1	-	43	22
		<b>-</b>	<b>50</b>	<b>43</b>
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>342</b>	<b>4,252</b>
<b>Total Comprehensive result</b>		<b>(1,774)</b>	<b>(665)</b>	<b>4,345</b>

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

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

	Note	2018 \$'000	2017 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	3,714	4,165
Trade and other receivables	5.2	3,951	442
Financial assets	5.3	1,890	1,911
Inventories	5.4	70	132
Other assets	6.1	18	8
<b>Total current assets</b>		<b>9,643</b>	<b>6,658</b>
<b>Non-current assets</b>			
Investment in water corporation	4.1	3,372	3,329
Property, plant and equipment and infrastructure	6.2	51,801	52,428
Intangible assets	6.3	43	40
Other assets	6.1	64	59
<b>Total non-current assets</b>		<b>55,280</b>	<b>55,856</b>
<b>Total assets</b>		<b>64,923</b>	<b>62,514</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7.1	3,377	268
Trust funds and deposits	7.2	80	67
Provisions	7.3	315	254
Interest-bearing loans and borrowings	8.1	209	37
<b>Total current liabilities</b>		<b>3,981</b>	<b>626</b>
<b>Non-current liabilities</b>			
Provisions	7.3	258	317
Interest-bearing loans and borrowings	8.1	1,848	2,057
<b>Total non-current liabilities</b>		<b>2,106</b>	<b>2,374</b>
<b>Total liabilities</b>		<b>6,087</b>	<b>3,000</b>
<b>Net Assets</b>		<b>58,836</b>	<b>59,514</b>
<b>Equity</b>			
Accumulated surplus		41,642	42,661
Reserves	9.1	17,001	16,660
<b>Total Equity</b>		<b>58,643</b>	<b>59,321</b>

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

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

	Note	Total 2018 \$'000	Accumulated Surplus 2018 \$'000	Asset Revaluation Reserve 2018 \$'000	Fair Value Reserve 2018 \$'000	Other Reserves 2018 \$'000
Balance at beginning of the financial year		59,321	42,661	12,929	(64)	3,795
Adjustment due to compliance with revised accounting standard		-	-	-	-	-
Adjustment on change in accounting policy		-	-	-	-	-
Surplus / (deficit) for the year		(1,007)	(1,007)		-	
Other Comprehensive Income:					-	
Fair value adjustments for financial assets at fair value		7	-	-	7	-
Financial assets available for sale reserve						
— Fair Value adjustment on Available for Sale Assets	4.1	43	-	-	43	-
Net asset revaluation increment/(decrement)	9.1	292	-	292	-	-
Transfers between reserves		-	(12)	-	-	12
<b>Balance at end of the financial year</b>		<b>58,656</b>	<b>41,642</b>	<b>13,221</b>	<b>(14)</b>	<b>3,807</b>

	Total 2017 \$'000	Accumulated Surplus 2017 \$'000	Asset Revaluation Reserve 2017 \$'000	Fair Value Reserve 2017 \$'000	Other Reserves 2017 \$'000
Balance at beginning of the financial year	54,975	41,974	8,720	(107)	4,388
Adjustment due to compliance with revised accounting standard	-	-	-	-	-
Adjustment on change in accounting policy	-	-	-	-	-
Surplus / (deficit) for the year	94	94		-	
Other Comprehensive Income:				-	
Fair value adjustments for financial assets at fair value	21	-	-	21	-
Financial assets available for sale reserve					
— Fair Value adjustment on Available for Sale Assets	4.1	22	-	22	-
Net asset revaluation increment/(decrement)	9.1	4,209	-	4,209	-
Transfers between reserves	-	593	-	-	(593)
<b>Balance at end of the financial year</b>	<b>59,321</b>	<b>42,661</b>	<b>12,929</b>	<b>(64)</b>	<b>3,795</b>

The above statement should be read with the accompanying notes.

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

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		1,661	1,583
Statutory fees and fines		43	37
User charges and other fines (inclusive of GST)		1,143	911
Grants (inclusive of GST)		1,699	2,333
Interest		145	88
Investment revenue from water corporation		54	54
Other receipts (inclusive of GST)		51	52
Net GST refund/payment		168	84
Payments to suppliers (inclusive of GST)		(2,362)	(2,165)
Payments to employees (including redundancies)		(2,028)	(1,923)
Finance costs		(663)	(22)
Other payments		(79)	(131)
<b>Net cash provided by (used in) operating activities</b>	9.2	<b>(168)</b>	<b>901</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(843)	(3,061)
Proceeds from sale of property, infrastructure, plant and equipment		-	3
Capital grants (inclusive of GST)		583	761
Payments for investment property		(13)	(48)
Payments for other financial assets		28	-
Proceeds from sale of other financial assets		-	-
<b>Net cash provided by (used in) investing activities</b>		<b>(245)</b>	<b>(2,345)</b>
<b>Cash flows from financing activities</b>			
Transfers to financial assets		-	(1,000)
Proceeds from interest bearing loans and borrowings		-	1,447
Repayment of interest bearing loans and borrowings		(37)	(36)
<b>Net cash provided by (used in) financing activities</b>	8.1	<b>(37)</b>	<b>411</b>
Net increase (decrease) in cash and cash equivalents		(450)	(1,033)
Cash and cash equivalents at the beginning of the financial year		4,164	5,197
<b>Cash and cash equivalents at the end of the financial year</b>	9.3	<b>3,714</b>	<b>4,164</b>
Restrictions on cash assets	5.1	653	638
Financing arrangements	9.4	13	13

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



## Note 1 Overview

### 1.1 Reporting entity

- (a) The Flinders Council was established on 26 February 1908 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 4 Davies S, Whitemark, Tasmania.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
  - to represent and promote the interests of the community;
  - provide for the peace, order and good government in the municipality.

### 1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 6.2.

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 10.

### 1.3 Use of judgements and estimates

#### *Judgements and Assumptions*

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

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

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

#### *Employee entitlements*

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

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

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

#### *Investment in water corporation*

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 4.1.

#### *Quarry Rehabilitation*

Assumptions and judgements are utilised in determining the provision are discussed in note 7.3

#### *Landfill / Tip Rehabilitation*

Assumptions and judgements are utilised in determining the provision are discussed in note 7.3.

1.4 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
Government and administration						
2017-18	610	1,547	2,157	1,602	555	19,347
2016-17	918	1,521	2,439	1,762	677	19,664
Roads, streets and bridges						
2017-18	1,395	-	1,395	465	930	35,007
2016-17	1,763	501	2,264	1,377	887	35,867
Waste management						
2017-18	-	-	-	128	(128)	558
2016-17	-	185	185	112	73	530
Environmental health, building & planning services						
2017-18	-	61	61	322	(261)	-
2016-17	-	62	62	371	(309)	-
Town maintenance						
2017-18	82	43	125	380	(255)	159
2016-17	147	58	205	269	(64)	-
Depot & plant						
2017-18	-	(268)	(268)	746	(1,014)	1,676
2016-17	-	2	2	716	(714)	2,115
Airport						
2017-18	44	302	346	669	(323)	4,422
2016-17	26	333	359	492	(133)	4,337
Community & economic development						
2017-18	110	7	117	445	(328)	-
2016-17	210	3	213	343	(130)	-
Other - not attributable						
2017-18	3,440	890	4,330	3,613	717	3,754
2016-17	-	-	-	-	-	-
<b>Total</b>						
<b>2017-18</b>	<b>5,681</b>	<b>2,582</b>	<b>8,263</b>	<b>8,370</b>	<b>(107)</b>	<b>64,923</b>
<b>2016-17</b>	<b>3,064</b>	<b>2,665</b>	<b>5,729</b>	<b>5,442</b>	<b>287</b>	<b>62,513</b>

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

	2018	2017
Current assets	9,643	6,658
Non-current assets	55,280	55,856
	<u>64,923</u>	<u>62,514</u>

(c) Governance and administration

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

*Roads, streets and bridges*

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

*Waste Management*

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

*Environmental health, building & planning services*

Environmental health includes disease control food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries. Environmental management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment. Building includes the development and maintenance of building construction standards. Planning includes the administration of the town planning scheme, subdivisions and urban and rural renewal programs.

*Town maintenance*

Operation and maintenance of all recreational and sporting facilities (including community halls & playgrounds). Operation and maintenance of Council owned buildings, public land and facilities to a standard expected within the local community.

*Depot & plant*

Operation and maintenance of all plant times, equipment, machinery, council workshop and supplies.

*Airport*

Operation and maintenance of the Flinders Island Airport with all required aviaional standards and procedures.

*Community & economic development*

Operation and support of health services, performing arts & culture, youth services and the presentation of community events. Economic Development which provides the implementation of a process and marketing support by which strategies and plans can be developed so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

*Other - not attributable*

Rates and charges and work not attributed elsewhere.

	2018 \$'000	2017 \$'000
<b>Note 2.1 Revenue</b>		
<b>Note 2.1 Rates and charges</b>		
From 1 July 2018 Council changed to Capital Value as the basis of valuation for all properties within the municipality, prior to this Council used Assessed Annual Valuation. The Assessed Annual Value of a property is its rental capacity value for each given year.		
The valuation base used to calculate general rates for 2017-18 was \$368.81 million (2016-17 \$14.61 million). In 2017-18 Council changed to Capital Value rating, with the rate in the Capital Value dollar being \$0.35830, in prior years Council used Assessed Annual Value and the rate in the Assessed Annual Value dollar was \$0.09659808 in 2016-17.		
General rates	1,534	1,292
Fire Levy	65	60
Waste Management	-	185
Rates and charges in advance	15	18
<b>Total rates and charges</b>	<u>1,614</u>	<u>1,555</u>

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

**Accounting policy**

**Rates and charges income**

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

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

**Note 2.2 Statutory fees and fines**

Infringements and costs	-	-
Town planning fees	28	21
Land information certificates	12	12
Permits	3	4
<b>Total statutory fees and fines</b>	<u>43</u>	<u>37</u>

**Accounting policy**

**Statutory fee and fine income**

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

**Note 2.3 User fees**

Community facilities hire fees	4	2
Dog registration fees	1	6
Environmental fees	5	5
Building services fees	16	20
Airport fees and charges	303	314
DOSG contract	156	117
Private works	416	386
Cemetery fees	24	34
Other fees and charges	1	3
Dog registration fees received in advance	5	5
<b>Total user fees</b>	<u>931</u>	<u>892</u>

**Accounting policy**

**User fee income**

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



	2018 \$'000	2017 \$'000
<b>Note 2.4 Grants</b>		
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Federally funded grants	5,202	2,476
State funded grants	479	588
Total	<u>5,681</u>	<u>3,064</u>
<b>Grants - Recurrent</b>		
Commonwealth Government Financial Assistance Grants - General Purpose	297	608
Commonwealth Government Financial Assistance Grants - Roads	354	692
Commonwealth Government Financial Assistance Grants - (received in advance)	681	668
Community Health	107	119
Transport	257	231
Telecommunications	3,409	-
Other	3	3
<b>Total recurrent grants</b>	<u>5,108</u>	<u>2,321</u>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2017-18 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2017-18 \$681,199 (2016-17 by \$667,861). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in 2016-17 by \$667,861.

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

Commonwealth Government - roads to recovery	417	482
Airport	44	27
Marine safety & access	30	-
Lady Barron Hall	-	184
Other	82	50
<b>Total capital grants</b>	<u>573</u>	<u>743</u>

**Conditions on grants**

Non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period	###	19	39
Less: expended during the current period from revenues recognised in previous reporting periods		(19)	(39)
		<u>-</u>	<u>-</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Community health		-	19
Community Facilities		88	-
		<u>88</u>	<u>19</u>
<b>Unexpended at the close of this reporting period</b>		<u>88</u>	<u>19</u>
Net increase (decrease) in non-reciprocal grant revenues for the year:		<u>69</u>	<u>(20)</u>

**Accounting policy**

**Grant income - operating and capital**

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

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

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

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

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

	2018 \$'000	2017 \$'000
<b>Note 2.5 Contributions</b>		
<b>(a) Cash</b>		
Parks, open space and streetscapes	3	-
<b>Total</b>	<b>3</b>	<b>-</b>
<b>(b) Non-monetary assets</b>		
Land	-	(193)
<b>Total</b>	<b>-</b>	<b>(193)</b>
<b>Total contributions</b>	<b>3</b>	<b>(193)</b>

**Accounting policy**

**Contribution income**

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

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

Where contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused contribution is also disclosed. The note also Unreceived contributions over which Council has control are recognised as receivables.

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

**Note 2.6 Interest**

Interest on financial assets	92	35
Interest on rates	25	26
Interest on cash and cash equivalents	40	27
<b>Total</b>	<b>157</b>	<b>88</b>

**Accounting policy**

**Interest income**

Interest is recognised progressively as it is earned.

**Note 2.7 Other income**

Renta	14	11
Reversal of impairment income	-	5
Reim	-	2
Other	34	34
<b>Total other income</b>	<b>48</b>	<b>52</b>

**Accounting policy**

**Rental income**

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

**Reversal of impairment income**

Reversals of impairment losses are recognised when payment is received.

**Other income**

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

**Operating leases as lessor**

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements.

Where leases are non-commercial agreements, these are generally with not for profit, such as sporting, organisations. In these cases subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

	2018 \$'000	2017 \$'000
Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.		
Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis and records the associated properties as investment property in accordance with AASB 140. These properties are recognised at fair value. These leases may include incentives which have not been recognised in the statement of financial position, on the basis the amounts are unlikely to be material and could be reliably measured at balance date.		

**Note 2.8 Net gain/(loss) on disposal of property, plant and equipment and infrastructure**

Proceeds of sale	-	3
Write down value of assets disposed	(268)	(16)
<b>Total</b>	<b>(268)</b>	<b>(13)</b>

**Accounting policy**

**Gains and losses on asset disposals**

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

**Note 2.9 Investment revenue from water corporation**

Dividend revenue received	33	37
Tax equivalent received	16	13
Guarantee fee received	5	4
<b>Total investment revenue from water corporation</b>	<b>54</b>	<b>54</b>

**Accounting policy**

**Investment revenue**

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

**Note 3 Expenses**

**Note 3.1 Employee benefits**

Wages and salaries (incl. leave)	1,758	1,823
Workers compensation	52	42
Superannuation	205	192
Fringe benefits tax	5	5
Other employee related expenses	81	84
Redundancy	30	-
	2,131	2,146
Less amounts capitalised	(98)	(179)
<b>Total employee benefits</b>	<b>2,033</b>	<b>1,967</b>

**Accounting policy**

**Employee benefits**

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

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

	2018 \$'000	2017 \$'000
<b>Note 3.2 Materials and services</b>		
Consultant & contractor payments	792	527
Materials, supplies & services	538	783
Plant and equipment maintenance & operating costs	137	107
Insurance	98	73
Utilities, internet & phone	97	102
Councillors' expenses	17	24
Leases & licences	59	86
Donations & gifts	9	11
Fire service levy	60	58
Land tax	34	31
Settlement discount on rates	19	17
<b>Total materials and services</b>	<b>1,860</b>	<b>1,819</b>

**Accounting policy**

**Materials and services expense**

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

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

**Note 3.3 Impairment of receivables**

Sundry debtors	36	1
<b>Total impairment of receivables</b>	<b>36</b>	<b>1</b>

**Accounting policy**

**Impairment expense**

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

**Note 3.4 Depreciation and amortisation**

*Property*

*Buildings*

Building improvements	75	42
Leasehold improvements	49	9
Quarries	12	-

*Plant and Equipment*

Plant, machinery and equipment	279	305
Fixtures, fittings and furniture	11	17

*Infrastructure*

Roads	767	808
Bridges	84	130
Footpaths and cycleways	29	29
Recreation, leisure and community facilities	-	-
Stormwater	5	7
Waste management	15	15
Airport infrastructure	155	129

*Intangible Assets*

Municipal valuation ammortisation	10	8
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<b>Total</b>	<b>1,491</b>	<b>1,499</b>
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2018  
\$'000

2017  
\$'000

Accounting policy	
<b>Depreciation and amortisation expense</b>	
Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.	
Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.	
Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and remaining values and a separate depreciation rate is determined for each component.	
Land, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.	
The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.	
Straight line depreciation is charged based on the residual useful life as determined each year.	
Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:	
	<b>Period</b>
Buildings	
buildings	50 years
Leasehold improvements	
leasehold building improvements	40-50 years
Plant and Equipment	
plant, machinery and equipment	10-15 years
fixtures, fittings and furniture	4-10 years
computers and telecommunications	4 years
Roads	
road seals	10-15 years
road pavement	70 years
road substructure	50 years
road formation and earthworks	not depreciated
road kerb, channel and minor culverts	50-80 years
Bridges	
bridges deck	40-80 years
bridges substructure	40-80 years
bridges guards	10 years
Other Infrastructure	
footpaths and cycleways	40 years
drainage	50-100 years
recreational, leisure and community facilities	40 years
waste management	50 years
parks, open space and streetscapes	40 years
airport	10-50 years
Intangible assets	
intangible assets	5 years

**Note 3.5 Finance costs**

Unwind rehabilitation provision	11	
Interest - Borrowings	74	25
<b>Total</b>	<b>85</b>	<b>25</b>
Less capitalised borrowing costs on qualifying assets	-	-
<b>Total finance costs</b>	<b>85</b>	<b>25</b>

2018  
\$'000

2017  
\$'000

**Accounting policy**

**Finance expense**

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

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

Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

**Note 3.6 Other expenses**

External auditors' remuneration (Tasmanian Audit Office)	28	30
Councillors' allowances	87	101
Telstra Project Payments	3,650	-
<b>Total other expenses</b>	<b>3,765</b>	<b>131</b>

\* Includes base audit fee for 2017-18 audit of \$22,850 (2016-17 \$22,000)

**Accounting policy**

**Other expenses**

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

**Note 4 Investments**

**Note 4.1 Investment in water corporation**

Opening Balance	3,329	3,307
Change in fair value of investment	43	22
<b>Total investment in water corporation</b>	<b>3,372</b>	<b>3,329</b>

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

**Accounting policy**

**Investment assets**

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2018, Council held a 0.21% (2017: 0.21%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the council's voting rights. Any unrealised gains and losses are recognised through the Statement of Profit or Loss and Other Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 9.12).

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

	2018 \$'000	2017 \$'000
<b>Note 5 Current Assets</b>		
<b>Note 5.1 Cash and cash equivalents</b>		
Cash on hand	-	-
Cash at bank	3,190	3,649
Money market call account	524	516
<b>Total cash and cash equivalents</b>	<b>3,714</b>	<b>4,165</b>

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

- Trust funds and deposits (note 7.2)	80	67
- Leave provisions (note 7.3)	335	342
- Quarry reinstatement & redevelopment provision (note 7.3)	94	109
- Landfill restoration provision (note 7.3)	144	120
<b>Restricted funds</b>	<b>653</b>	<b>638</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>3,061</b>	<b>3,527</b>

#### Accounting policy

##### Cash and cash equivalents

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

#### Note 5.2 Trade and other receivables

##### Current

Rates debtors	84	130
Other debtors	3,530	263
Provision for impairment - other debtors	(1)	(1)
Net GST receivable	338	50
<b>Total trade and other receivables</b>	<b>3,951</b>	<b>442</b>

#### Accounting policy

##### Trade and other receivables

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

#### Note 5.3 Financial assets

##### Current

Term Deposits	862	890
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##### Non-current

Managed Fund Investment	1,021	1,000
Fair Value adjustments in managed fund	7	21
<b>Total investment in managed fund</b>	<b>1,028</b>	<b>1,021</b>
<b>Total financial assets</b>	<b>1,890</b>	<b>1,911</b>

#### Accounting policy

##### Financial assets

Managed funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

	2018 \$'000	2017 \$'000
<b>Note 5.4 Inventories</b>		
Inventories held for distribution	70	132
<b>Total inventories</b>	<u>70</u>	<u>132</u>

**Accounting policy**

**Inventories**

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

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

**Note 6 Non-current assets**

**Note 6.1 Other assets**

**Current**

Accrued income

18

8

**Total**

18

8

**Non-current**

Other - Mineral resources bond

64

59

**Total**

64

59

\* Accrued income only includes items that are reciprocal in nature.



Note 6 Current Liabilities		
Note 6.2 Property, plant and equipment and infrastructure	2018	2017
	\$'000	\$'000
<b>Summary</b>		
at cost	7,981	12,020
Less accumulated depreciation	2,612	3,668
	<b>5,369</b>	<b>8,352</b>
at fair value as at 30 June	66,482	59,293
Less accumulated depreciation	20,050	15,217
	<b>46,432</b>	<b>44,076</b>
<b>Total</b>	<b>51,801</b>	<b>52,428</b>
<b>Property</b>		
<b>Land</b>		
at fair value as at 30 June	3,197	2,797
	<b>3,197</b>	<b>2,797</b>
<b>Land under roads</b>		
at fair value at 30 June	1,928	1,928
	<b>1,928</b>	<b>1,928</b>
<b>Total Land</b>	<b>5,125</b>	<b>4,725</b>
<b>Buildings</b>		
at fair value as at 30 June	3,745	3,725
Less accumulated depreciation	147	72
	<b>3,598</b>	<b>3,653</b>
<b>Land improvements - quarries</b>		
at fair value as at 30 June	155	-
Less accumulated depreciation	12	-
	<b>143</b>	<b>-</b>
<b>Leasehold improvements</b>		
at fair value as at 30 June	403	2,419
Less accumulated amortisation	29	21
	<b>374</b>	<b>2,398</b>
at replacement cost as at 30 June	1,976	-
Less accumulated depreciation	-	-
	<b>1,976</b>	<b>-</b>
<b>Total Leasehold Improvements</b>	<b>2,350</b>	<b>2,398</b>
<b>Total Buildings</b>	<b>6,091</b>	<b>6,051</b>
<b>Total Property</b>	<b>11,216</b>	<b>10,776</b>
<b>Plant and Equipment</b>		
<b>Plant, machinery and equipment</b>		
at cost	3,926	4,199
Less accumulated depreciation	2,320	2,216
	<b>1,606</b>	<b>1,983</b>
<b>Fixtures, fittings and furniture</b>		
at cost	280	274
Less accumulated depreciation	235	224
	<b>45</b>	<b>50</b>
<b>Total Plant and Equipment</b>	<b>1,651</b>	<b>2,033</b>

Note 6.2 Property, plant and equipment and infrastructure (cont.)	2018 \$'000	2017 \$'000
<b>Infrastructure</b>		
<b>Roads</b>		
at fair value as at 30 June	40,376	40,143
Less accumulated depreciation	12,794	12,208
	<b>27,582</b>	<b>27,935</b>
<b>Bridges</b>		
at fair value as at 30 June	6,551	6,551
Less accumulated depreciation	2,369	2,285
	<b>4,182</b>	<b>4,266</b>
<b>Footpaths and cycleways</b>		
at fair value as at 30 June	1,278	1,278
Less accumulated depreciation	551	523
	<b>727</b>	<b>755</b>
<b>Recreation, leisure and community facilities</b>		
at cost as at 30 June	159	-
Less accumulated depreciation	-	-
	<b>159</b>	<b>-</b>
<b>Drainage</b>		
at fair value as at 30 June	452	452
Less accumulated depreciation	113	108
	<b>339</b>	<b>344</b>
<b>Waste Management</b>		
at cost	553	540
Less accumulated depreciation	57	42
	<b>496</b>	<b>498</b>
<b>Airport Infrastructure</b>		
at fair value as at 30 June	8,397	5,411
Less accumulated depreciation	4,035	1,186
	<b>4,362</b>	<b>4,225</b>
	<b>37,847</b>	<b>38,023</b>
<b>Total Infrastructure</b>		
<b>Works in progress</b>		
Roads at cost	-	20
Buildings at cost	635	813
Land at cost	-	559
Marine at cost	81	-
Airport at cost	60	112
Bridges at cost	135	53
Footpaths at cost	114	7
Waste management at cost	62	32
	<b>1,087</b>	<b>1,596</b>
	<b>51,801</b>	<b>52,428</b>
<b>Total property, plant and equipment and infrastructure</b>		

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

Reconciliation of property, plant and equipment and infrastructure

2018	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	2,797	-	-	-	-	-	400	3,197
land under roads	1,928	-	-	-	-	-	-	1,928
<b>Total land</b>	<b>4,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>5,125</b>
buildings	3,653	-	-	75	-	-	20	3,598
quarries	-	-	-	12	-	-	155	143
leasehold improvements	2,398	1	-	49	-	-	-	2,350
<b>Total buildings</b>	<b>6,051</b>	<b>1</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>175</b>	<b>6,090</b>
<b>Total property</b>	<b>10,776</b>	<b>1</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>575</b>	<b>11,216</b>
<b>Plant and Equipment</b>								
plant, machinery and equipment	1,983	-	-	279	98	-	-	1,606
fixtures, fittings and furniture	50	6	-	11	-	-	-	45
<b>Total plant and equipment</b>	<b>2,033</b>	<b>6</b>	<b>-</b>	<b>290</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>1,651</b>
<b>Infrastructure</b>								
roads	27,935	-	-	767	170	-	585	27,582
bridges	4,266	-	-	84	-	-	-	4,182
footpaths and cycleways	755	-	-	29	-	-	-	727
recreation, leisure and community facilities	-	-	-	-	-	-	159	159
stormwater	344	-	-	5	-	-	-	339
waste management	498	-	-	15	-	-	13	496
airport infrastructure	4,225	-	292	155	-	-	-	4,362
<b>Total infrastructure</b>	<b>38,023</b>	<b>-</b>	<b>292</b>	<b>1,055</b>	<b>170</b>	<b>-</b>	<b>757</b>	<b>37,847</b>
<b>Works in progress</b>								
buildings & leasehold improvements	813	35	-	-	-	-	(213)	635
marine	-	9	-	-	-	-	72	81
footpaths & cycleways	7	107	-	-	-	-	-	114
land	559	(2)	-	-	-	-	(557)	-
recreation, leisure & community facilities	-	36	-	-	-	-	(36)	-
roads	20	565	-	-	-	-	(585)	-
bridges	53	82	-	-	-	-	-	135
waste management	32	43	-	-	-	-	(13)	62
airport infrastructure	112	(52)	-	-	-	-	-	60
<b>Total works in progress</b>	<b>1,596</b>	<b>823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,332)</b>	<b>1,087</b>
<b>Total property, plant and equipment and infrastructure</b>	<b>52,428</b>	<b>830</b>	<b>292</b>	<b>1,481</b>	<b>268</b>	<b>-</b>	<b>-</b>	<b>51,801</b>

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

Reconciliation of property, plant and equipment and infrastructure

2017	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)  (note 9.1)	Depreciation and amortisation  (note 3.4)	Written down value of disposals	Newly recognised assets	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	2,721	-	77	-	-	-	-	2,797
land under roads	1,928	-	-	-	-	-	-	1,928
Total land	4,649	-	77	-	-	-	-	4,725
buildings	3,385	-	267	42	-	-	43	3,653
leasehold improvements	2,344	-	-	9	-	-	63	2,398
Total buildings	5,729	-	267	51	-	-	106	6,050
Total property	10,378	-	344	51	-	-	106	10,776
<b>Plant and Equipment</b>								
plant, machinery and equipment	2,001	288	-	305	1	-	-	1,983
fixtures, fittings and furniture	61	6	-	17	-	-	-	50
Total plant and equipment	2,062	294	-	322	1	-	-	2,033
<b>Infrastructure</b>								
roads	24,175	-	3,680	808	15	-	904	27,935
bridges	4,095	-	147	130	-	-	154	4,266
footpaths and cycleways	756	-	28	29	-	-	-	755
stormwater	340	-	10	7	-	-	-	344
waste management	526	-	-	15	-	(13)	-	498
airport infrastructure	3,762	-	-	129	-	-	591	4,225
Total infrastructure	33,654	-	3,865	1,118	15	(13)	1,649	38,023
<b>Works in progress</b>								
buildings	236	599	-	-	-	-	(22)	813
footpaths and cycleways	7	-	-	-	-	-	-	7
land	-	559	-	-	-	-	-	559
land improvements	24	60	-	-	-	-	(84)	-
roads	-	924	-	-	-	-	(904)	20
bridges	147	60	-	-	-	-	(154)	53
waste management	31	1	-	-	-	-	-	32
airport infrastructure	139	564	-	-	-	-	(591)	112
Total works in progress	584	2,767	-	-	-	-	(1,755)	1,596
<b>Total property, plant and equipment and infrastructure</b>	46,678	3,061	4,209	1,491	16	(13)	-	52,428

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

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



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

**Revaluation**

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

Land	fair value
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value
Intangibles	cost
Parks, recreation facilities and community amenities	cost
Leasehold improvements	cost
Investment in water corporation	fair value
Airport	fair value
Waste Management	cost

**Accounting policy (cont.)**

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

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

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

**Impairment of assets**

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

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

**Land under roads**

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

	2018 \$'000	2017 \$'000
<b>Note 6.3 Intangible assets</b>		
Municipal revaluation	43	40
<b>Total intangible assets</b>	<b>43</b>	<b>40</b>
<b>Reconciliation of intangible assets</b>	<b>Other</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Gross carrying amount</b>		
Balance at 1 July 2018	48	48
Balance at 1 July For the Year Ended 30 June 2018 (Cont'd)	<b>61</b>	
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July 2018	8	8
Amortisation expense	10	
Balance at 1 July For the Year Ended 30 June 2018 (Cont'd)	<b>18</b>	<b>8</b>
Net book value at 30 June 2017	40	40
Net book value at 30 June 2018	<b>43</b>	<b>(8)</b>

**Accounting policy**

**Intangible assets**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful lives for current and comparative periods are as follows:

Municipal revaluation	6 years
-----------------------	---------

	2018 \$'000	2017 \$'000
<b>Note 7 Current liabilities</b>		
<b>Note 7.1 Trade and other payables</b>		
Trade payables	3,322	190
Accrued expenses	55	78
<b>Total trade and other payables</b>	<b>3,377</b>	<b>268</b>
<b>Note 7.2 Trust funds and deposits</b>		
Refundable building deposits	2	2
Refundable airport terminal deposits	2	2
Retention amounts - prepaid funerals & grave sites	50	41
Public open space	5	1
Other refundable deposits	21	21
<b>Total trust funds and deposits</b>	<b>80</b>	<b>67</b>

**Accounting policy**

**Tender deposits**

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

Note 7.3 Provisions

	Annual leave	Long service leave	Quarry restoration	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>2018</b>						
Balance at beginning of the financial year	118	164	109	120	60	571
Additional provisions	121	68	22	-	27	238
Amounts used	(125)	(8)	(51)	-	(26)	(210)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate		(65)	14	24	-	(27)
Balance at the end of the financial year	<b>114</b>	<b>159</b>	<b>94</b>	<b>144</b>	<b>61</b>	<b>572</b>
<b>2017</b>						
Balance at beginning of the financial year	101	171	125	133	52	582
Additional provisions	111	44	5	-	31	191
Amounts used	(94)	(18)	-	-	(23)	(135)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate		(33)	(21)	(13)	-	(67)
Balance at the end of the financial year	<b>118</b>	<b>164</b>	<b>109</b>	<b>120</b>	<b>60</b>	<b>571</b>

	2018	2017
	\$'000	\$'000
<b>(a) Employee benefits</b>		
<b>(i) Current</b>		
Annual leave	114	118
Long service leave	147	91
Superannuation	34	26
Other	20	19
	<b>315</b>	<b>254</b>
<b>(ii) Non-current</b>		
Long service leave	12	73
Oncosts	8	15
	<b>20</b>	<b>88</b>
Aggregate carrying amount of employee benefits:		
Current	315	254
Non-current	20	88
	<b>335</b>	<b>342</b>

Note 7.3 s (cont.)

	2018	2017
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	3.00%	3.00%
Weighted average discount rates	2.16%	2.06%
Weighted average settlement period	12	12
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(iii) Current</b>		
All annual leave and the long service leave entitlements representing 10 or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal	269	207
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	46	47
	<b>315</b>	<b>254</b>
<b>(iv) Non-current</b>		
Long service leave representing less than 10 years of continuous service measured at present value	20	88
<b>(v) Employee Numbers</b>		
Total number of staff (including fulltime, part-time & casual)	28	27
Full time equivalent	23	22

<b>Accounting policy</b>	
<b>Employee benefits</b>	
<i>i) Short</i>	
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.	
<i>ii) Other</i>	
The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.	
The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.	
<i>iii) Sick leave</i>	
No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.	
<b>(b) Land fill restoration</b>	
Under Environmental Management and Pollution Control Act 1994 and Council's Environmental Protection Noticed, issued by the Environmental Protection Authority, Council is obligated to restore the Whitemark landfill site to a particular standard. Current engineering projections indicate that the putrescible cell at Whitemark landfill site will cease operation in 2017/18 and restoration work is expected to commence shortly thereafter, therefore no provision has been made for this work. The forecast life of the putrescible cell is based on current estimates of remaining capacity and the forecast rate of infill. Current projections indicate that the inert cell at Whitemark landfill site will continue operating until 2037 (19 years). The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken, this has been inflated by the long term construction inflation rate of 3.5% and discounted using the weighted average discount rate over 18 years of 2.72%. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and independent specialist advice. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work,	
Council does not expect to receive reimbursement from a third party.	
<b>(c) Quarry</b>	
Mineral Resource Tasmania requires that the initial estimate of the costs of future reinstatements of a site be recognised as part of the cost of the asset. A provision for reinstatement for Flinders Council's Quarries has been recognised and measured in accordance with AASB 137 Provision, Contingent Liabilities and Contingent Assets.	
Flinders Council recognises the provision as the best estimate of the expenditure required to settle the present obligation at the reporting date. In doing so, Council has inflated the liability by the long term construction inflation rate of 3.5% and discounted using the weighted average discount rate over 5 years of 2.13% and 10 years of 2.30 %.	

Note 7.3 Provisions (cont.)

	2018 \$'000	2017 \$'000
<b>(c) Other Provisions</b>		
Non-current - quarry pit reinstatement & redevelopment	94	109
Landfill restoration	144	120
<b>Total</b>	<b>238</b>	<b>229</b>

<b>Note 8</b>	<b>Non-</b>		
<b>Note 8.1</b>	<b>Interest-bearing loans and borrowings</b>		
	<b>Current</b>		
	Borrowings - secured	209	37
		<u>209</u>	<u>37</u>
	<b>Non-current</b>		
	Borrowings - secured	1,848	2,057
		<u>1,848</u>	<u>2,057</u>
	<b>Total</b>	<u>2,057</u>	<u>2,094</u>

**Borrowings**

Borrowings are with Tasmanian Public Finance Corporation for a term of 10 years with a balloon payment at the final payment.

The maturity profile for Council's borrowings is:

Not later than one year	209	37
Later than one year and not later than five years	1,448	1,612
Later than five years	400	445
<b>Total</b>	<u>2,057</u>	<u>2,094</u>

**Accounting policy**

**Interest bearing liabilities**

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

**Leases**

*i) Finance leases as lessee*

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council does not have any finance leases.

*ii) Operating leases as lessee*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating. Council leases several parcels of Crown land under lease agreements with the State Government. These leases, in general, do not reflect commercial arrangements, are long-term and have minimal lease payments. Crown land is recognised as an asset in the Statement of Financial Position and carried at fair value when Council establishes that (i) it has control over the land and (ii) it will derive economic benefits from it.

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

*iii) Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 40 to 50 year period.



Note 9 Other financial information

Note 9.1 Reserves

	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve</b>				
<b>2018</b>				
<b>Property</b>				
Land	558	-	-	558
Land under roads	2	-	-	2
Buildings	1,931	-	-	1,931
	<b>2,491</b>	<b>-</b>	<b>-</b>	<b>2,491</b>
<b>Infrastructure</b>				
Roads	8,230	-	-	8,230
Bridges	2,120	-	-	2,120
Footpaths	68	-	-	68
Drainage	20	-	-	20
Airport	-	292	-	292
	<b>10,438</b>	<b>292</b>	<b>-</b>	<b>10,730</b>
<b>Total asset revaluation reserve</b>	<b>12,929</b>	<b>292</b>	<b>-</b>	<b>13,221</b>
<b>2017</b>				
<b>Property</b>				
Land	481	163	(86)	558
Land under roads	2	-	-	2
Buildings	1,664	319	(52)	1,931
	<b>2,147</b>	<b>482</b>	<b>(138)</b>	<b>2,491</b>
<b>Infrastructure</b>				
Roads	4,550	6,737	(3,057)	8,230
Bridges	1,973	147	-	2,120
Footpaths	40	47	(19)	68
Stormwater	10	10	-	20
	<b>6,573</b>	<b>6,941</b>	<b>(3,076)</b>	<b>10,438</b>
<b>Total asset revaluation reserve</b>	<b>8,720</b>	<b>7,423</b>	<b>(3,214)</b>	<b>12,929</b>
The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.				
<b>(b) Fair value reserve</b>				
<b>2018</b>				
<b>Available-for-sale assets</b>				
Managed fund investment	21	7	-	28
Investment in water corporation	(85)	43	-	(42)
<b>Total fair value reserve</b>	<b>(64)</b>	<b>50</b>	<b>-</b>	<b>(14)</b>
<b>2017</b>				
<b>Available-for-sale assets</b>				
Managed fund investment	-	21	-	21
Investment in water corporation	(107)	22	-	(85)
<b>Total fair value reserve</b>	<b>(107)</b>	<b>43</b>	<b>-</b>	<b>(64)</b>
The available-for-sale financial asset reserve was established to capture the fair value movements in Council's water corporation investment.				
<b>(c) Other reserves</b>				
<b>2018</b>				
Asset replacement reserves	3,686	-	-	3,686
Gunn bequest reserve	109	-	(1)	108
<b>Total Other reserves</b>	<b>3,795</b>	<b>-</b>	<b>(1)</b>	<b>3,794</b>
<b>2017</b>				
Asset replacement reserves	4,280	-	(594)	3,686
Gunn bequest reserve	108	1	-	109
<b>Total Other reserves</b>	<b>4,388</b>	<b>1</b>	<b>(594)</b>	<b>3,795</b>
The resort and recreation reserve was established to control contributions received from developers that will, upon completion of developments be utilised to develop recreation and other facilities for residents in the respective development areas.				
<b>Total Reserves</b>			<b>2018 \$'000</b>	<b>2017 \$'000</b>
			<b>17,001</b>	<b>16,660</b>

	2018	2017
	\$'000	\$'000
<b>Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)</b>		
Result from continuing operations	(1,007)	287
Depreciation/amortisation	1,491	1,499
(Profit)/loss on disposal of property, plant and equipment, infrastructure	268	13
Capital grants received specifically for new or upgraded assets	(583)	(761)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(3,509)	(84)
Decrease/(increase) in other assets	(15)	(2)
Decrease/(increase) in inventories	62	92
Increase/(decrease) in trade and other payables	3,109	(144)
Increase/(decrease) in employee provisions	2	1
Increase/(decrease) in trust funds	13	-
<b>Net cash provided by/(used in) operating activities</b>	<b>(169)</b>	<b>901</b>
<b>Note 9.3 Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents (see note 5.1)	3,714	4,165
Less bank overdraft	-	-
<b>Total reconciliation of cash and cash equivalents</b>	<b>3,714</b>	<b>4,165</b>
<b>Note 9.4 Financing arrangements</b>		
Credit card limit	14	14
Used facilities	(1)	(1)
<b>Unused facilities</b>	<b>13</b>	<b>13</b>

**Note 9.5 Superannuation**

Council contributes to TasPlan and 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*.

Fund	2018 \$'000	2017 \$'000
<b>Accumulation funds</b>		
Employer contributions to Tasplan	54	71
Employer contributions to other funds	156	130
	<u>210</u>	<u>201</u>
Employer contributions payable to Tasplan at reporting date	-	12
Employer contributions payable to other funds at reporting date	-	26
	<u>-</u>	<u>38</u>

**Note 9.6 Commitments**

**Contractual commitments**

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

Telecommunications Infrastructure*	5,350	0
<b>Total contractual commitments</b>	<u>5,350</u>	<u>-</u>

\*Grant funds to be received of \$4,785,000 in 2018/19 in relation to this contract.

**Note 9.7 Operating leases**

**(a) Operating lease commitments**

Flinders Council has an equipment lease with Macquarie Equipment Finance Pty Ltd and three with BOQ.

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

Not later than one year	3	3
Later than one year and not later than five years	11	-
Later than five years	-	-
	<u>14</u>	<u>3</u>

**Note 9.8 Contingent liabilities and contingent assets**

**Contingent liabilities**

The current projection for the putrecible cell at the Whitemark Landfill, is that it will require rehabilitation in the next 1-2 years. The estimated current cost for these works is \$199,680. No provision has been made for these works given that they will occur in the near future. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and independent specialist advice. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Note 9.9 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	5.1	Cash on hand and at bank and money market call accounts are valued at face value.  Interest is recognised as it accrues.  Investments and bills are valued at cost.  Investments are held to maximise interest returns of surplus cash.  Interest revenues are recognised as they accrue.  Managed funds are measured at market value.	On call deposits returned a floating interest rate of 1.13% (1.75% in 2016-17). The interest rate at balance date was 1.5% (21.5% in 2015/16).  Term deposits provided return of 2.42% (2.87% in 2016/17) excluding unrealised gains/losses
<b>Trade and other receivables</b>			
<b>Other debtors</b>	5.2	Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred.  Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2016/17). Credit terms are based on 30 days.
<b>Available for sale financial assets</b>			
<b>Investment in Water Corporation</b>	4.1	The investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date.	Investment in TasWater provided return of 1.63% (1.63% in 2016/17) excluding unrealised gains/losses
<b>Financial Liabilities</b>			
<b>Trade and other payables</b>	7.1	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 14 days of invoice receipt.
<b>Interest-bearing loans and borrowings</b>	8.1	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.  Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 3.9% (3.9% in 2016/17).
<b>Bank overdraft</b>	5.1	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	

**Note 9.9 Financial Instruments (cont.)**

**(b) Interest Rate Risk**

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

**2018**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	1.13%	3,714	-	-	-	-	3,714
Other financial assets	2.42%	-	1,890	-	-	-	1,890
Trade and other receivables	8.40%	84	-	-	-	3,867	3,951
Investment in water corporation		-	-	-	-	3,372	3,372
<b>Total financial assets</b>		<b>3,798</b>	<b>1,890</b>	<b>-</b>	<b>-</b>	<b>7,239</b>	<b>12,927</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	3,377	3,377
Trust funds and deposits		-	-	-	-	80	80
Interest-bearing loans and borrowings	3.90%	-	209	1,448	400	-	2,057
<b>Total financial liabilities</b>		<b>-</b>	<b>209</b>	<b>1,448</b>	<b>400</b>	<b>3,457</b>	<b>5,514</b>
<b>Net financial assets (liabilities)</b>		<b>3,798</b>	<b>1,681</b>	<b>(1,448)</b>	<b>(400)</b>	<b>3,782</b>	<b>7,413</b>

**2017**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	1.75%	4,164	-	-	-	-	4,164
Other financial assets	2.87%	-	1,911	-	-	-	1,911
Trade and other receivables	8.40%	130	-	-	-	312	442
Investment in water corporation		-	-	-	-	3,329	3,329
<b>Total financial assets</b>		<b>4,294</b>	<b>1,911</b>	<b>-</b>	<b>-</b>	<b>3,641</b>	<b>9,846</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	267	267
Trust funds and deposits		-	-	-	-	67	67
Interest-bearing loans and borrowings	3.90%	-	37	1,612	445	-	2,094
<b>Total financial liabilities</b>		<b>-</b>	<b>37</b>	<b>1,612</b>	<b>445</b>	<b>334</b>	<b>2,428</b>
<b>Net financial assets (liabilities)</b>		<b>4,294</b>	<b>1,874</b>	<b>(1,612)</b>	<b>(445)</b>	<b>3,307</b>	<b>7,418</b>

**Note 9.9 Financial Instruments (cont.)**

**(c) Fair Value**

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	3,714	4,165	3,714	4,165
Other financial assets	1,890	1,911	1,890	1,911
Trade and other receivables	3,951	442	3,951	442
Investment in water corporation	3,372	3,329	3,372	3,329
<i>Total financial assets</i>	<u>12,927</u>	<u>9,847</u>	<u>12,927</u>	<u>9,847</u>
<i>Financial liabilities</i>				
Trade and other payables	3,377	268	3,377	268
Trust funds and deposits	80	67	80	67
Interest-bearing loans and borrowings	2,057	2,094	2,057	2,094
<i>Total financial liabilities</i>	<u>5,514</u>	<u>2,429</u>	<u>5,514</u>	<u>2,429</u>

**(d) Credit Risk**

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

**(e) Risks and mitigation**

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

**Market risk**

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

**Interest rate risk**

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

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

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

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

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

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



### Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in our Statement of Financial Position. To help manage this risk we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

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

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.

In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 9.8.

### Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating)	Total
<b>2018</b>				
Cash and cash equivalents	3,714	-	-	3,714
Trade and other receivables	-	-	3,951	3,951
Investments and other financial assets	1,890	3,372	-	5,262
<b>Total contractual financial assets</b>	<b>5,604</b>	<b>3,372</b>	<b>3,951</b>	<b>12,927</b>
<b>2017</b>				
Cash and cash equivalents	4,165	-	-	4,165
Trade and other receivables	-	-	442	442
Investments and other financial assets	1,911	3,329	-	5,240
<b>Total contractual financial assets</b>	<b>6,076</b>	<b>3,329</b>	<b>442</b>	<b>9,847</b>

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

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

### Ageing of Trade and Other Receivables

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

	2018 \$'000	2017 \$'000
Current (not yet due)	3,827	283
Past due by up to 30 days	24	39
Past due between 31 and 180 days	11	8
Past due between 181 and 365 days	5	35
Past due by more Reconciliation of liabilities arising from financing activities	-	77
<b>Total Trade &amp; Other Receivables</b>	<b>3,867</b>	<b>442</b>

#### Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,336 (2016-17 \$1,336) were impaired. The amount of the provision raised against these debtors was \$1,336 (2016-17 \$1,336). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2018 \$'000	2017 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	1	1
Total Trade & Other Receivables	1	1

#### Liquidity risk

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities.

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

	2018	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
		or less	months	years	years	years	Cash Flow	Amount
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables		3,377	-	-	-	-		3,377
Trust funds and deposits		5	4	2	5	64		80
Interest-bearing loans and borrowings		19	190	40	1,408	400		2,057
Total financial liabilities		3,401	194	42	1,413	464	-	5,514

	2017	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
		or less	months	years	years	years	Cash Flow	Amount
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables		267	-	-	-	-	-	267
Trust funds and deposits		5	-	1	-	61	-	67
Interest-bearing loans and borrowings		18	19	209	1,403	445	-	2,094
Total financial liabilities		290	19	210	1,403	506	-	2,428

**(f) Sensitivity disclosure analysis**

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

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

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

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2018	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	3,714	(37)	(37)	37	37
Term Deposits	862	(9)	(9)	9	9
Trade and other receivables	3,951	(40)	(40)	40	40
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	2,057	(21)	(21)	21	21

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2017	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	4,165	(42)	(42)	42	42
Term Deposits	890	(9)	(9)	9	9
Trade and other receivables	-	-	-	-	0
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	2,057	(21)	(21)	21	21

**Note 9.10 Fair Value Measurements**

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

- Investment property
- Investment in water corporation
- Property, infrastructure plant and equipment
  - Land, including land under roads
  - Buildings, including leasehold improvements, quarries
  - Stormwater
  - Roads, including footpaths & cycleways
  - Bridges
  - Airport infrastructure

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

**(a) Fair Value Hierarchy**

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2018.

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

**As at 30 June 2018**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>					
Land, including land under roads	6.2	-	3,197	1,928	5,125
Buildings, including leasehold improvements	6.2	-	3,598	374	3,972
Roads, including footpaths & cycleways	6.2	-	-	28,309	28,309
Airport infrastructure	6.2	-	-	4,362	4,362
Bridges	6.2	-	-	4,182	4,182
Stormwater	6.2	-	-	339	339
		-	6,795	39,494	46,289

**As at 30 June 2017**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>					
Land, including land under roads	6.2	-	2,797	1,928	4,725
Buildings, including leasehold improvements	6.2	-	3,653	2,398	6,051
Roads, including footpaths & cycleways	6.2	-	-	28,690	28,690
Bridges	6.2	-	-	4,266	4,266
Stormwater	6.2	-	-	344	344
		-	6,450	37,626	44,076

**Note 9.10 Fair Value Measurements (cont.)**

***Transfers between levels of the hierarchy***

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

**(b) Highest and best use**

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

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

**Investment property and Investment in water corporation**

Refer to Notes 4.1 respectively for details of valuation techniques used to derive fair values.

**Land**

Land was valued utilising the municipal valuations undertaken by the Office of the Valuer General as at 30 June 2017. The valuations of buildings is at fair value less accumulated depreciation at the date of the valuation. The valuation of land is at Fair Value based on highest and best use permitted by relevant land planning provisions.

***Land under roads***

Land under roads is based on Council valuations at 30 June 2015 using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights, private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation.

**Note 9.10 Fair Value Measurements (cont.)**

**Buildings**

The fair value of buildings were also determined by the Office of the Valuer General as at 30 June 2017. Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

**Infrastructure assets**

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 6.2.

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

Roads, including footpaths & cycleways

Council categorises its road infrastructure as rural roads and then further sub-categorises these into sealed and unsealed roads. Rural roads are managed in 2km segments. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

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

Roads were valued at 30/06/2017 by the Council's Engineer - Gavin Boyd (Brighton Council). The combined replacement value of these assets at 30 June 2016 was \$37,296,207. The revaluation process reviewed the currency and accuracy of the Council's road asset register and updated unit rates and useful lives using evidence based techniques in accordance with the relevant Australian Accounting Standards. In line with the AIFMG (Australian Infrastructure Financial Management Guide) and IIMM (International Infrastructure Management Manual) to determine if the reported figures are a true reflection of Council's financial position. The revaluation has resulted in an increase of \$6,783,544 in the replacement value of the road asset class and an increase in depreciation per annum of \$36,597.

Bridges

A full valuation of bridges assets was undertaken by independent valuers - AusSpan effective 30 June 2014. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.



**Note 9.10 Fair Value Measurements (cont.)**

Stormwater

A full valuation of stormwater infrastructure was undertaken by Council's Technic Consultant - Simon Pullford (Brighton Council), effective 30 June 2014. Similar to roads, stormwater assets are managed in segments; pits and pipes being the major components.

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

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

Airport infrastructure

A full valuation of stormwater infrastructure was undertaken by Council's Engineer Gavin Boyd (Consultant), effective 30 June 2018. Similar to roads, airport assets are managed in segments. The revaluation of these assets resulted in an increase in the WDV of \$137,000, the expected increase in depreciation as a result of this revaluation is \$100,000 in 2018/19.

**(d) Changes in recurring level 3 fair value measurements**

There has been no changes in fair value of level 3 infrastructure assets during the year. Investment in water corporation, which is classified as level 3 has been separately disclosed in note

There have been no transfers between level 1, 2 or 3 measurements during the year.

**(f) Valuation processes**

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation and investment property (recurring fair value measurements) is set out in notes 6.2.

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

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. (refer note 9.9)

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 9.9 is provided by Tascorp (level 2).

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

**Note 9.11 Events occurring after balance date**

(a) Nil

**Note 10 Other matters**

**Note 10.1 Related party transactions**

(i) **Responsible Persons**

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

**Councillors** Councillor Carol Cox (Mayor 01/11/05 to current)  
Councillor Mark Cobham (Deputy Mayor 01/11/09 to current)  
Councillor David Williams (Councillor 01/11/11 to current)  
Councillor Peter Rhodes (Councillor 01/11/11 to current)  
Councillor Chris Rhodes (Councillor 1/11/14 to current)  
Councillor Gerald Willis (Councillor 01/11/11 to current)  
Councillor Ken Stockton (Councillor 01/11/14 to current)

**General Manager** Mr William Boehm

(ii) **Councillor Remuneration**

	Allowances \$	Vehicles <sup>2</sup> \$	Other Benefits <sup>3</sup> \$	Non-monetary Benefits <sup>4</sup> \$	Total Compensation on AASB 124		Total \$
					124 \$	Expenses \$	
Councillor Carol Cox	31,649	-	-	-	31,649	2,923	34,572
Councillor Marc Cobham	18,587	-	-	-	18,587	-	18,587
Councillors	44,577	-	-	-	44,577	3,493	48,070
<b>Total</b>	<b>94,813</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,813</b>	<b>6,416</b>	<b>101,229</b>

	Allowances \$	Vehicles <sup>1</sup> \$	Other Benefits <sup>2</sup> \$	Non-monetary Benefits <sup>3</sup> \$	Reimbursements \$	Total \$
Councillor Marc Cobham	18,198	-	-	-	-	18,198
Councillors	44,014	-	-	-	3,491	47,505
<b>Total</b>	<b>93,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,343</b>	<b>98,542</b>

<sup>1</sup> Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

<sup>2</sup> Other benefits includes all other forms of allowances (excludes reimbursements such as travel, accommodation or meals) and any other compensation paid and payable.

<sup>3</sup> Other non-monetary benefits (such as housing, subsidised goods or services etc)

(iii) **Key Management Personnel Remuneration**

2018 Remuneration band	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits <sup>5</sup> \$	Total \$
		Salary <sup>1</sup> \$	Short-term Incentive Payments <sup>2</sup> \$	Vehicles <sup>3</sup> \$	Other Allowances and Benefits <sup>4</sup> \$	Super-annuation <sup>5</sup> \$	Other Long-term Benefits <sup>6</sup> \$	Termination Benefits <sup>7</sup> \$		
\$ 0 - \$ 20,000	1	10,087	-	-	-	1,261	-	-	1,028	12,376
\$ 80,001 - \$100 000	2	157,274	-	-	-	19,659	-	-	1,186	178,119
\$100 001 - \$120 000	2	178,847	-	-	-	22,289	-	40,628	(21,343)	220,421
\$180,001 - \$200,000	1	147,280	-	12,281	-	13,992	-	-	7,587	181,140
<b>Total</b>		<b>493,488</b>	<b>-</b>	<b>12,281</b>	<b>-</b>	<b>57,201</b>	<b>-</b>	<b>40,628</b>	<b>(11,542)</b>	<b>592,056</b>

(iii) Key Management Personnel Remuneration (Cont...)

2017  Remuneration band	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits <sup>8</sup>	Total
		Salary <sup>1</sup>	Short-term Incentive Payments <sup>2</sup>	Vehicles <sup>3</sup>	Other Allowances and Benefits <sup>4</sup>	Super-annuation <sup>5</sup>	Other Long-term Benefits <sup>6</sup>	Termination Benefits <sup>7</sup>		
		\$	\$	\$	\$	\$	\$	\$		
\$ 0 - \$ 20,000	1	9,943	-	-	-	1,243	-	-	(7,186)	4,000
\$ 80,001 - \$100 000	3	161,027	-	-	-	25,056	-	76,916	(2,303)	260,696
\$100 001 - \$120 000	1	112,988	-	-	-	9,642	-	-	(16,455)	106,175
\$120 001 - \$140 000	1	109,599	-	-	-	13,049	-	-	5,435	128,083
\$140,001 - \$160,000	1	124,009	-	5,000	-	15,501	-	-	7,677	152,187
<b>Total</b>		<b>517,566</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>64,491</b>	<b>-</b>	<b>76,916</b>	<b>(12,832)</b>	<b>651,141</b>

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

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

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

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

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

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

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

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

(iv) Remuneration Principles

**Councillors**

Remuneration for Councillors is set in accordance with the *Local Government Act 1993* as prescribed in Schedule 4 of the *Local Government (General) Regulations 2005*.

**Executives**

Remuneration levels for key management personnel are set in accordance with industry standards, individual performance, experience and qualifications. For Senior Executives (excluding the General Manager) this is linked to bands within the Flinders Council Enterprise Agreement.

The employment terms and conditions of the General Manager are contained in an individual employment contract that prescribes total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. The employment terms and conditions for all other Senior Executives are contained in the Flinders Council Enterprise Agreement.

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period of up to 6 months prior to termination of the contract. Whilst not automatic, contracts can be extended.

**Short term incentive payments**

The Council sets fixed performance targets with goals and indicators aligned to Council's Annual Plan.

No short term incentive payments were awarded during the current year.

**Termination benefits**

Termination payments during the current year to key management personnel represented payment of residual contract terms.

(v) Transactions with related parties

In accordance with s84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the General Manager in respect of any body

(vii) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the municipality. Therefore, on a regular basis ordinary

- Payment of rates on primary residence
- Payment of dog registrations

**Note 10.2 Special committees and other activities**

Council have the following Special Committees:  
Furneaux Group Shipping Special Committee  
Furneaux Group Aviation Special Committee  
Lady Barron Hall & Recreation Special Committee  
Furneaux (Emita) Hall & Recreation Ground Special Committee  
Furneaux Community Health Special Committee  
Audit Panel

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

**(a) Taxation**

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

*Goods and services tax (GST)*

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

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

**(b) Impairment of assets**

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

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

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

**(d) Financial guarantees**

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

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

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

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

**(f) Budget**

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

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

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

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

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

Amendments to AASB 107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities.

These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities in the Statement of Cash Flows at note 9.3.

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

**(h) Pending Accounting Standards**

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

**(i) AASB 9 Financial Instruments**

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

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

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

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

The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, Council expects a small increase to impairment losses, however the standard is not expected to have a material impact overall.

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

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

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

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

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

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

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

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

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in note 2.4. Council's assessment is that the majority of the amounts received unexpended for the year, \$88k, will be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled.

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

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

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

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

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

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

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

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

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

AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured. Council has assessed these requirements and determined that there is no material impact.

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

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

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

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

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

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

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

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

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



**Note 10.4 Significant Business Activities**

The operating capital and competitive neutrality costs of the Council's significant business activities:

	Airport		Private Works	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<i>Revenue</i>				
Rates	-	-	-	-
User Changes	302	314	572	501
Grants	44	26	-	-
<b>Total Revenue</b>	<b>346</b>	<b>340</b>	<b>572</b>	<b>501</b>
<i>Expenditure</i>				
<i>Direct</i>				
Employee Costs	202	223	95	88
Materials and Contacts	291	142	213	111
Interest	-	-	-	-
Utilities	12	-	-	-
<i>Indirect</i>				
Engineering & Administration	21	-	-	-
<b>Total Expenses</b>	<b>526</b>	<b>365</b>	<b>308</b>	<b>199</b>
<i>Notional cost of free services received</i>				
<i>Capital Costs</i>				
Depreciation and amortisation	194	145	-	7
Opportunity cost of capital	131	114	-	1
<b>Total Capital Costs</b>	<b>325</b>	<b>259</b>	<b>-</b>	<b>8</b>
<i>Competitive neutrality adjustments</i>				
Rates and land tax	10	9	-	-
Loan guarantee fees	-	-	-	-
	10	9	-	-
<i>Calculated Surplus/(Deficit)</i>	<b>(384)</b>	<b>(179)</b>	<b>264</b>	<b>295</b>
Tax Equivalent rate	-	-	0.30	0.30
Taxation equivalent	-	-	79	91
<b>Competitive neutrality costs</b>	<b>861</b>	<b>633</b>	<b>308</b>	<b>207</b>

**Accounting policy**

**Significant business activities**

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that the operation of the Flinders Island Airport and Private Works activities as defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- Opportunity costs based on 3.00%

Note	10.5 Management indicators	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
	<b>(a) Underlying surplus or deficit</b>					
	Recurrent income* less		7,945	4,331	4,605	4,223
	recurrent expenditure		9,538	5,455	5,609	4,858
		-	<u>(1,593)</u>	<u>(1,124)</u>	<u>(1,004)</u>	<u>(635)</u>

\* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.

The early receipt of instalments resulted in Commonwealth Government Financial Assistant Grants being above the originally budgeted in 2017-18 by \$681,199 (2016-17 by \$667,861). This has impacted the Statement of Profit or Loss and Other Comprehensive income resulting in the Surplus/(deficit) being higher in 2017-18 by \$681,199 (2016-17 by \$667,861).

<b>(b) Underlying surplus ratio</b>						
<u>Underlying surplus or deficit</u>			<u>(1,593)</u>	<u>(1,124)</u>	<u>(1,004)</u>	<u>(635)</u>
Recurrent income*			7,945	4,331	4,605	4,223
Underlying surplus ratio %	0%		-20%	-26%	-22%	-15%

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

Flinders Councils current position is not favourable as it raises the question of sustainability. The ratio has improved from prior years due to the pre payment of the Financial Assistant Grants.

<b>(c) Net financial liabilities</b>						
Liquid assets less			9,555	6,517	6,445	6,993
total liabilities			6,087	2,999	1,744	714
Net financial liabilities	0		<u>3,468</u>	<u>3,518</u>	<u>4,701</u>	<u>6,279</u>

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.

Council has sufficient surplus funds to meet total liabilities as they fall due.

<b>(d) Net financial liabilities ratio</b>						
<u>Net financial liabilities</u>			<u>3,468</u>	<u>3,518</u>	<u>6,279</u>	<u>7,046</u>
Recurrent income*			7,958	4,331	4,223	3,814
Net financial liabilities ratio %	0% - (50%)		44%	81%	149%	185%

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

Flinders Council is placed well with the level of cash reserves. Council has identified that the ratio is outside of the desired benchmark and has accessed borrowings in 2016-17 to fund capital equipment to bring the ratio more in line with the desired result.

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

<i>Transport Infrastructure</i>						
<u>Depreciated replacement cost</u>			<u>32,820</u>	<u>33,300</u>	<u>29,366</u>	<u>29,371</u>
Current replacement cost			48,205	48,424	42,060	41,512
Asset consumption ratio %			68%	69%	70%	71%

<i>Buildings</i>						
<u>Depreciated replacement cost</u>			<u>6,090</u>	<u>6,050</u>	<u>5,728</u>	<u>5,567</u>
Current replacement cost			4,148	6,144	6,229	5,947
Asset consumption ratio %			147%	98%	92%	94%

<i>Drainage</i>						
<u>Depreciated replacement cost</u>			<u>339</u>	<u>340</u>	<u>340</u>	<u>344</u>
Current replacement cost			452	441	441	441
Asset consumption ratio %			75%	77%	77%	78%

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

The asset consumption ratio highlights that the Council is maintaining, renewing and replacing its assets in accordance with the Asset Management Plan and is in line with the benchmark.

Note 10.5 Management indicators (cont.)

2018  
\$'000

2017  
\$'000

2016  
\$'000

2015  
\$'000

(f) Asset renewal funding ratio

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

*Transport Infrastructure*

Projected capital funding outlays**		666	6,072	6,827	7,426
Projected capital expenditure funding***		666	6,072	6,827	7,426
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

*Buildings*

Projected capital funding outlays**		204	400	450	725
Projected capital expenditure funding***		204	400	450	725
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

*Drainage*

Projected capital funding outlays**		0	80	90	100
Projected capital expenditure funding***		0	80	90	100
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

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

\*\*\* Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan. This ratio measures Council's capacity to fund future asset replacement requirements.

Council is well positioned to fund future asset replacement requirements.

(g) Asset sustainability ratio

Capex on replacement/renewal of existing assets		522	2,208	1,762	1,016
Annual depreciation expense		1,491	1,499	1,431	1,460
Asset sustainability ratio %	100%	35%	147%	123%	70%

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

The asset sustainability ratio has increased in 2016-17 due to the extensive emergency repairs carried out at the airport.

2018	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
Land	-	-	-
Land improvements	-	-	-
Bridges	-	82	82
Buildings & leasehold improvements	37	31	68
Fixtures, fittings and furniture	-	6	6
Plant & equipment	-	-	-
Marine	9	-	9
Recreation	-	35	35
Roads & footpaths	446	107	553
Waste management	30	-	30
Infrastructure	-	60	60
<b>Total</b>	<b>522</b>	<b>321</b>	<b>843</b>

2017	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
Land	-	559	559
Land improvements	60	-	60
Bridges	60	-	60
Buildings & leasehold improvements	599	-	599
Fixtures, fittings and furniture	-	6	6
Plant & equipment	-	288	288
Roads	924	-	924
Waste management	1	-	1
Infrastructure	564	-	564
<b>Total</b>	<b>2,208</b>	<b>853</b>	<b>3,061</b>

**Note 10.6 Material Budget Variations**

Council's original budget was adopted by the Council on **20 July 2017**. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations are explained below:

**Revenues**

**1 Grants**

The variation in Grants is due to the prepayment of the first six months of the 2018-19 Financial Assistance Grants and the Telecommunications Grant.

**2 Interest**

Interest was higher than budgeted due to higher than expected earnings on Council's investments.

**Expenses**

**1 Other expenses**

Other expenses were \$3,641,000 over budget. This relates to the Telecommunications Project and the grant funds received for this project.

## **Certification of the Financial Report**

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



*Bill Boehm*  
**General Manager**

**Date :** 14/08/2018

## **Independent Auditor's Report**

**To the Councillors of Flinders Council**

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

#### **Opinion**

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

In my opinion the accompanying financial report:

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

#### **Basis for Opinion**

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 10.5, nor the Significant Business Activities disclosed in note 10.4 to the financial report and accordingly, I express no opinion on them.

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

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

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

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

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

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

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

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

...2 of 3



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

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



Stephen Morrison  
**Assistant Auditor-General**  
**Delegate of the Auditor-General**

**Tasmanian Audit Office**

28 September 2018  
Hobart



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