

**Policy 42 COUNCIL ASSET MANAGEMENT POLICY**

**POLICY NUMBER** 42

**OBJECTIVES** To provide the highest level of service for current and future generations which is a balance between responsible management of assets, meeting the community's expectations and affordability.

To achieve this, assets must be acquired, operated, maintained, renewed and disposed of in a way that continues to meet this objective.

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**STATUTORY AUTHORITY**

**POLICY** Adopted on 17 July 2006 – Min Ref: 264/06  
 Amended 17 September 2012 – Min Ref: 243/12  
 Amended 18 April 2016 – Min Ref. 112/16  
 Amended 2020 – Min Ref. /20

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**POLICY**

**1. PURPOSE**

To set guidelines for implementing consistent asset management processes for Northern Midlands Council.

This policy only considers physical or infrastructure assets with an economic life of greater than 12 months.

The infrastructure assets to be considered includes, but is not limited to, Roads, Footpaths, Kerb and Channel, Bridges, Buildings, Stormwater Drainage, Flood Levees, Plant and Equipment.

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**2. OBJECTIVE**

To ensure adequate provision is made for the long-term renewal of major assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the organisation by training and development.
- Meeting legislative requirements for asset management.

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- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.
- Take account of whole of life costs when deciding to create, purchase or accept new assets.

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This policy applies to all Council activities.

4. POLICY

4.1 Background

4.1.1 Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of Council. This includes ensuring that assets are acquired, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

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4.1.2 Council owns and uses approximately \$466m of non-current assets to support its core business - delivery of service to the community. As a result of its long history and continued growth, these assets vary in age and include heritage registered facilities.

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4.1.3 Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic objectives.

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4.1.4 Adopting asset management principles will assist Council in achieving its Strategic Plan and Long Term Financial Plan objectives.

Asset Management Vision:

To provide the highest level of service for current and future generations which balances the responsible management of assets, meeting the community's expectations and affordability.

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To achieve this, assets must be acquired, operated, maintained, renewed and disposed of, so that they continue to meet this vision.

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Asset Management Goal:

To provide the highest level of infrastructure to meet the service delivery requirements of the Northern Midlands community, including its many visitors, now and for future generations.

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4.1.5 A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service. This will provide positive impact on;

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- Members of the public and staff;
- Council's financial position;
- Council's ability to deliver the expected level of service and appropriate infrastructure;

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- The political environment in which Council operates; and
- The legal liabilities of Council.

4.2 Principles

4.2.1 A consistent approach to asset management must exist for implementing best-practice asset management throughout all areas of Council.

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4.2.2 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.

4.2.3 Asset management principles will be integrated within existing planning and operational processes.

4.2.4 Asset Management Plans will be developed for major asset classes. The plans will be informed by community consultation and financial planning and reporting.

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4.2.5 An asset inspection regime will be used to ensure agreed service levels are maintained and asset renewal priorities are identified.

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4.2.6 Asset renewals required to meet agreed service levels (identified in adopted asset management plans and long term financial plans) will form the basis of annual budget estimates. The service and risk consequences of variations in defined asset renewals and budget resources will be documented in the budget.

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4.2.7 Service levels defined in adopted asset management plans will form the basis of annual budget estimates. Service and risk consequences of variations in defined services levels and budget resources will be documented in the budget.

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4.2.8 Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.

4.2.9 Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.

4.2.10 Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.

4.2.11 Future service levels will be determined in consultation with the community.

4.2.12 Training in asset and financial management will be provided for Councillors and relevant staff, as necessary.

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5. LEGISLATION

Local Government Act 1993 & Regulations under the Act.

6. RELATED DOCUMENTS

- Strategic Asset Management Plan (incorporating the Asset Management Strategy)

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- Asset Management Plan: Transport
- Asset Management Plan: Buildings
- Asset Management Plan: Stormwater

7. RESPONSIBILITY

Councillors are responsible for:

- reviewing, adopting and monitoring implementation of an Asset Management Policy, Strategic Asset Management Plan, individual Asset Management Plans (for major asset classes), and any other relevant programs and procedures;
- allocation of appropriate resources for effective asset management;
- high level oversight of asset management delivery;
- maintaining accountability mechanisms to ensure resources are appropriately utilised in achieving organisational objectives;
- decision making based on best practice asset management principles.

The General Manager is responsible for:

- developing, implementing and maintaining an Asset Management Policy, Strategic Asset Management Plan, individual Asset Management Plans (for major asset classes), and any other relevant programs and procedures;
- decision making based on best practice asset management principles;
- reporting to Council on the status and effectiveness of asset management within Council;
- allocating adequate resources to implement the decisions of the Council; and,
- promoting best practice asset management principles throughout the organisation.

8. REVIEW DATE

This policy has a life of 4 years. It will be reviewed in September 2025.

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**RISK MANAGEMENT POLICY & FRAMEWORK**

**Originated Date:** Adopted 28 June 1999 – Min. No. 285/99 (as Policy 21)

**Amended Date/s:** Revised 28 August 2000 – Min. No. 377/00  
 Revised 2 May 2005 – Min. No. 124/05  
 Revised 21 April 2008 – Min. No. 76/08  
 Revised 21 January 2013 – Min. No. 08/13  
 Revised 12 December 2016 – Min. No. 363/16  
 Revised 19 July 2021 – Min. No. ..../21

**Applicable Legislation:** Reference: AS ISO 31000:2018 Risk Management - Principles and Guidelines

**Objective** The objectives of the Policy are to:

- Identify and analyse Council's liability associated with risk
- Promote and support risk management practices throughout the Council
- Encourage the identification and reporting of potential risks
- Recognise that successful risk management relies on input from ALL employees & stakeholders
- Protect Council's corporate image as a professional, responsible and ethical organisation

**Administration:** Corporate Services

**Review Cycle/Date:** Every 4 years, next review 2025.

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**1. POLICY STATEMENT**

Northern Midlands Council is committed to systematically managing risk which arises from daily business activities providing and maintaining a healthy and safe living environment for the general community within all Council controlled areas. Council recognises that risk management is an essential tool for sound strategic and financial planning and the ongoing physical operations of the organisation.

Council recognises that risk management is an essential tool for sound strategic and financial planning and the ongoing physical operations of the organisation.

In order to achieve these objectives, this Risk Management Policy has been introduced and adequate funds and resources will be provided to ensure the following outcomes:

- Identify and analyse Council's liability associated with risk;
- Encourage the identification and reporting of potential risks;
- Minimise any potential liabilities;
- Protect the community against losses that are controllable by Council;
- Reduce the cost of insurance premiums;
- Provide a basis for higher standards of accountability;
- Set performance standards and regularly review practices and procedures;
- Allow for more effective allocation and use of resources;
- To promote and raise the awareness of Risk Management practices throughout the organisation; and
- Protect Council's corporate image as a professional, responsible and ethical organisation.

The above objectives will be achieved by managing risks in accordance with the AS ISO 31000:2018 Risk Management - Principles and Guidelines. This involves logically and systematically identifying, analysing, assessing, treating and monitoring risk exposures that are likely to adversely impact on Council's operations. Specifically, this includes the following areas of losses:

- Personnel (Workplace Health and Safety);
- Plant and Property
- Liability (including Public Liability and Professional Indemnity);
- Financial;
- Business Interruption.

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The purpose of this policy is to provide a framework for the management of risk, and to define the responsibilities of staff and management in the risk management process.

**2. LINK TO COUNCIL'S STRATEGIC PLAN**

The management of risk is integral to achieving Council's mission as outlined in its Strategic Plan:

- it enables the information of contemporary risk management initiatives across all levels of the Council;
- if facilitates and initiates innovation, co-operation and sharing of resources;
- it enhances Council's programs of economic development, environmental management, urban enhancement, community well-being, quality management and customer service.

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Many of Council's key values have relevance to the Risk Management Policy:

- Concern for citizens;
- Respect for the rights of others;
- Responsiveness to customer needs.

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 2017-2027 Strategic Plan  
 Values  
 Honesty  
 Treat all with honesty, respect and trust  
 Integrity  
 Listen, learn and proactively deliver Council's vision  
 Innovation  
 Explore, expand and adapt to achieve a shared vision  
 Pride  
 Serve community with pride and energy

**3. RESPONSIBILITIES**

Councillors, management, employees and contractors all have a joint responsibility of making risk management a priority as they undertake their daily tasks in the operations of Northern Midlands Council. Management and staff are to be familiar with and competent in the application of Council's Risk Management Policy and are accountable for adherence to that policy within their areas of responsibility.

**3.1 COUNCILLORS**

- Are committed to best practice risk management in order to benefit the community and manage costs,
- Provide the support and basis on which the risk management policy can be implemented. This includes listing risk management as a priority in Council's Strategic Plan,
- Ensuring risk management issues are considered in decision making
- Ensuring there is adequate budgetary provision for the implementation and maintenance of this policy,
- Responsible for approving the risk management policy and risk management strategy.

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**3.2 GENERAL MANAGER**

- Recognising and adopting risk management as a key function of the organisation
- Ensuring risks are managed in accordance with the AS ISO 31000:2018 Risk Management - Principles and Guidelines,
- Development and provision of awareness and training throughout Council and
- Provide risk management related information, as requested by Council.

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**3.3 BUSINESS UNIT MANAGERS**

- Ensuring that Council's assets and operations, together with liability risks to the public, are adequately protected through appropriate risk financing and loss control programs and measures,
- Maintaining overall responsibility for the effective management of all types of risks related to this policy across Council's operations,
- Providing risk management related information as requested by Council,
- Preparing and implementing documented procedures for each aspect of operations under their control and/or direction,
- Monitoring and auditing practices and processes to ensure they are appropriate to current conditions and practices,
- Immediately act upon information provided by employees or residents who are reporting a hazard or incident to ensure the risk is eliminated or mitigated so far as reasonably practicable.

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**3.4 SUPERVISORS**

- Providing assistance and requested information in relation to any insurance claim or risk management issue, in a timely manner,
- Ensuring that Council responds immediately to any report of a hazard or incident received from a resident,

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- employee or visitor.
- Advising of any risk management matter that should be incorporated in forthcoming budgets.

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3.5 EMPLOYEES

- Familiarising themselves with Council's risk management policy, principles and procedures.
- Making loss control/prevention a priority whilst undertaking daily tasks in Council's operations.
- Reporting and acting on where reasonably practicable any hazard or incidents as soon as possible that may have a potential risk exposure to Council, employees, contractors or the public.
- Providing risk management related information as requested by their business unit manager.

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3.6 CONTRACTORS

- Familiarising themselves with Council's risk management policy, principles and procedures.
- Reporting and acting on where reasonably practicable any hazard or incidents as soon as possible that may have a potential risk exposure to Council, employees, contractors or the public.

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3.7 RISK MANAGEMENT AND EXECUTIVE MANAGEMENT TEAM (EMT)

- Coordinating and facilitating risk management operations within the framework provided by AS ISO 31000:2018 Risk Management - Principles and Guidelines.
- Providing advice and assistance to management and employees in the management of risk within their areas of responsibility.
- Developing and providing risk management awareness training throughout Council.
- Monitoring the recommendations and outcomes from risk management audits.

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4. IMPLEMENTATION

A comprehensive review of all Council's activities is to be undertaken in order to assess the level of compliance with this policy. Progressive adjustment of practices will be undertaken including the documentation and recording of those practices to achieve full compliance with this policy.

The objective is for Council to be ultimately recognised as achieving and maintaining best practice standards for managing risk within local government.

5. PERFORMANCE REVIEW

Council will ensure that there are ongoing reviews of its management system to ensure its continued suitability and effectiveness in satisfying the requirements of AS ISO 31000:2018 Risk Management - Principles and Guidelines. Records of all reviews and changes shall be documented for future reference.

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**RISK MANAGEMENT STRATEGY**

Statutory Authority Reference [AS ISO 31000:2018](#) Risk Management - Principles and Guidelines  
AS 4000:1997 General Conditions of Contract

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Policy: Workplace Health & Safety Policy  
Risk Management Policy  
[Strategic Plan 2017-2027](#)

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**1. DEFINITIONS**

- Risk: "effect of uncertainty on objectives".
- A risk is often specified in terms of an event or circumstance and the consequences that flow from it.
- A risk is measured in terms of a combination of the consequences of an event and their likelihood.
- Risk may have a positive or a negative impact.
- Consequence: "the outcome or impact of an event".
- There can be more than one consequence from one event.
- Consequences can range from positive to negative.
- Consequences can be expressed qualitatively or quantitatively.
- Consequences are considered in relation to the achievement of objectives.
- Likelihood: "used as a general description of probability or frequency".
- Can be expressed qualitatively or quantitatively.
- Risk Management: "the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects". ([AS ISO 31000:2018](#) Risk Management - Principles and Guidelines).
- Stakeholders: Councillors, Managers, All Staff, Contractors, Volunteers, Community Members.

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**2. INTRODUCTION**

Risk Management is critical to the Northern Midlands Council's ability to achieve the Strategic Objectives contained in the Strategic Plan. The Council has limited human, financial and material resources. Prudent decision making in relation to their use is critical to the Council's achievement of its endorsed vision of developing the Northern Midlands communities as "vibrant, sustainable and resilient, promoting their diversity and conserving the heritage values of our towns".

To this end, not only must Council staff identify and minimise threats to the safe and effective employment of Council resources, they also have an obligation to identify and exploit opportunities to make such employment more efficient. By fostering a vibrant Risk Management culture that encourages all staff to systematically apply the principles and procedures outlined in this strategy, the Council seeks to minimise resource waste and ensure that all Council events, activities and projects are undertaken with minimal risk to staff and the general public.

**3. STATEMENT OF COMMITMENT**

The major risk for most organisations is that they fail to achieve their strategic, business or project objectives, or are perceived to have failed by their stakeholders. The Northern Midlands Council is committed to managing this risk by logically and systematically identifying, analysing, evaluating, treating, monitoring and communicating all risks that directly or indirectly impact on the Council's ability to achieve the vision and strategic objectives outlined in the Council's adopted Strategic Plan.

This strategy, when read in conjunction with Council's adopted Risk Management Policy, Risk Register and Strategic Plan demonstrates the Council's commitment, by detailing the Risk Management framework to be employed by all staff members, contractors, committees and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in the Risk Management process. The Council believes that good Risk Management is essential for the successful implementation of the Council's [Annual](#) Plan, as it:

- [Directly supports the achievement of](#)
  - [Part 1 – Governance:](#)

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- o ~~Strategies – Human Resource Management; Emergency Management~~
- o ~~Part 2 – Corporate Services~~
- o ~~Strategies – Insurances, Risk Management; Work Health & Safety~~
- o ~~Part 3 – Development Services~~
- o ~~Strategies – Compliance~~

- Indirectly supports the achievement of the Council's other strategic objectives, through:
  - o Facilitating innovation, cooperation and the sharing of resources;
  - o Enhancing the development and delivery of Council programs;
  - o Supporting the Council's key values and ethics;
  - o Encouraging a closer working partnership between the Council and the community;
  - o Ensuring consultation with all Stakeholders on key issues;
  - o Encouraging a proactive approach to problem solving.

4. SCOPE

This Risk Management Strategy will be implemented by all Council departments and across all Council services, functions and activities, whether directly controlled by Council or delivered through third party arrangements.

All employees, contractors, partner organisations and volunteers engaged in the conduct of Council business are to apply consistent, proactive and systematic Risk Management practices in the employment of Council resources and the delivery of Council services. Successful Risk Management relies on input from all stakeholders and ownership of identified risks by responsible staff. To manage risks in accordance with best practice, the Council will observe the principles contained in AS ISO 31000:2018 Risk Management - Principles and Guidelines. The Council's established business practices, policies and procedures will be reviewed, to ensure that they are not in conflict with this Standard.

5. STRATEGY PRINCIPLES

The principles of the Strategy are to:

- Identify evaluate and prioritise the Council's risk associated opportunities and threats, with a view to:
  - Exploiting opportunities
  - Reducing, mitigating, transferring or eliminating threats
- Promote and support Risk Management processes throughout the Council
- Recognise that successful Risk Management relies on input from ALL employees and Stakeholders
- Allow for more effective allocation and use of resources
- Provide a basis for higher standards of accountability
- Protect the Council's corporate image as a professional, responsible and ethical organisation and an employer of choice.

6. RISK MANAGEMENT REQUIREMENTS

Risk Management principles shall be a consideration in all Council decision making processes. In accordance with its common law 'duty of care', statutory responsibilities and Council Policy, the Council will ensure that resources are allocated to:

- Minimise the Council's exposure to loss and litigation
- Protect and enhance the Council's reputation
- Protect the Council's financial and physical assets
- Maintain employee Health & Safety programmes.

7. RESPONSIBILITIES

All employees, contractors and volunteers are to be familiar with and competent in the application of the Council's Risk Management Policy and Strategy.

Business Unit managers and supervisors are accountable for adherence to this Strategy within their areas of responsibility. Detailed responsibilities are listed at Annexure A.

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## 8. RISK MANAGEMENT PROCEDURE

The Risk Management procedure to be applied within the Northern Midlands Council is based on AS ISO 31000:2018 Risk Management - Principles and Guidelines. As these procedures are developed, they will be detailed at Annexure B.

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## 9. RISK MANAGEMENT PRIORITIES AND RESOURCES

The Council accepts that it does not have the resources to immediately address all of the risks it faces. The Executive Management Team (EMT) will annually review and reprioritise all of the risks identified, determine those which must be afforded the highest priority and determine the resources required to address those risks.

These risks will represent the Council's corporate focus for the following 12 months and be included in the Council's budget as a discrete line item. All staff members should note that the absence of a risk from this Strategy does not preclude its management from within departmental resources. Nor is the annual review process inflexible: extreme and high priority risks identified at any time will be assessed and treated in accordance with the procedure described in this Strategy.

## 10. STRATEGY IMPLEMENTATION

The Council recognises that the implementation of this Strategy represents a significant, but necessary short term workload for all staff involved. A comprehensive review of all the Council's activities will be undertaken in conjunction with the Strategy's implementation, through the development and approval of success measures for all the Council events, projects and activities. This is a significant Council undertaking, but integral to the success of an integrated, comprehensive Risk Management Strategy.

## 11. PERFORMANCE REVIEW

This Strategy takes effect immediately upon adoption by the Council. It is to be reviewed on an annual basis by the Executive Management Team, to ensure its continued suitability and effectiveness against the requirements of AS ISO 31000:2018 Risk Management - Principles and Guidelines and the Council's Risk Management Policy. The General Manager shall be responsible for ensuring this review occurs.

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Records of such reviews are to be maintained on file. The Risk Management responsibilities detailed at Annexure A are to be incorporated into all Council Position Descriptions and the success measures developed for all staff are to form the basis of annual performance appraisals.

It is important that all staff are made aware of the risk management strategy. Training is a key method for communicating with staff and volunteers about risk management. A Risk Management Strategy is a "working" document. This means that there is a need to constantly monitor, review and update the document.

Although 'monitoring and reviewing' might generally be understood to be one of the last steps in the risk management process, in reality, it's a constant task even before any analysis or assessment is made. In some cases, a manager may be presented with existing risk management arrangements, or a partly completed risk analysis. Nevertheless, the manager must take responsibility for the risk management process.

The imbedding of the Risk Management responsibilities is under the direction of the General Manager and will be incorporated into the annual Staff Appraisal process and Annual preparation. These processes will also assist in the development of a training matrix and programme for the next financial year. This training matrix will assist in identification and closure of potential risk management deficiencies.

ANNEXURE A

ANNEXURE TO NORTHERN MIDLANDS COUNCIL: RISK MANAGEMENT STRATEGY

RISK MANAGEMENT RESPONSIBILITIES

A.1. THE COUNCIL

The Council will:

- Develop and maintain the Council Strategic Plan
- Adopt a Risk Management Policy and Strategy to support the Council's Annual Plan
- Ensure that funding is made available to adequately manage the risks identified in the Council's Risk Register.

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A.2 GENERAL MANAGER

The General Manager will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction
- Ensure that the Council meets its "duty of care" to all staff, volunteers, contractors and the general public and protects its assets and operations through:
  - Education
  - Appropriate risk financing
  - Adequate loss control programs and measures
- Monitor and evaluate the performance of Business Unit Managers against their Risk Management responsibilities
- Contribute to the analysis of all potential and actual high loss incidents (in excess of \$10,000 or more than one night in hospital)
- Lead Executive Management Team in the maintenance of the Council's Business Continuity recovery program
- Assist the Council in the development and maintenance of the Council Strategic Plan
- Develop agreed and assessable success measures with all Business Unit Managers, to support the Strategic Objectives contained in the Council's Annual Plan
- Assist Business Unit Managers in the identification, evaluation and mitigation of risks associated with their success measures
- Lead the Executive Management Team in the development and implementation of Risk Action Plans for all risks assessed as Extreme
- Promote Risk Management as a vital business principle.

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A.3 EXECUTIVE MANAGEMENT TEAM

The Executive Management Team will:

- Monitor the implementation of the Risk Management Policy and this Strategy across the organisation
- Approve or modify all entries in the Council's Risk Register
- Approve or modify the Council's Risk Management training program
- Direct actions to be taken in relation to annual Risk Management Audit Reports
- Oversee the Council's Business Continuity recovery program
- Assist the Council in the development and implementation of the Council Strategic Plan
- In conjunction with the General Manager, develop and implement Risk Action Plans for all risks assessed as Extreme
- Approve and monitor Plans once developed.

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A.4 BUSINESS UNIT MANAGERS

Individual Business Unit Managers will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction. Deleted: .
- Ensure that proposed events and projects within their jurisdiction are not approved without a formal risk assessment that effectively identifies and manages all the risks associated with them. Deleted: .
- Monitor and evaluate the performance of managers against their Risk Management responsibilities through the annual appraisal system. Deleted: .
- Contribute to the analysis of all potential and actual high loss incidents within their jurisdiction (in excess of \$10,000 or more than one night in hospital).
- The Community Recovery Co-ordinator will lead Departmental input into the Council's Business Continuity recovery programme. Deleted: . Deleted: Community and Eco Deleted: nomic Development Manager
- Assist the Council in the development and maintenance of the Council's Annual Plan. Deleted: .
- Develop approved Departmental Plans to support the Annual Plan, linking all Departmental Objectives to the Council's Strategic Objectives. Deleted: .
- Develop agreed and measurable success measures in conjunction with all subordinates, to support Department Plan objectives. Deleted: Council Deleted: .
- Assist managers in the identification, evaluation and mitigation of risks associated with their success measures. Deleted: .
- Monitor all risks and associated Risk Management Plans entered into the Council's Risk Register which fall within their jurisdiction. Deleted: .
- Promote Risk Management as a vital business principle. Deleted: .
- The Manager of Corporate Services will
  - lead the management of Council's insurance policies, to ensure that the Council has adequate cover for:
    - Public Liability. Deleted: .
    - Professional Indemnity. Deleted: .
    - Fidelity. Deleted: .
    - Industrial Special Risks/Property. Deleted: .
    - Motor Vehicle. Deleted: .
    - Other general insurance, as required. Deleted: .
  - Manage all under excess insurance claims on the Council's behalf. Deleted: .
  - Coordinate the Council's cooperation with insurers and/or solicitors in the investigation and defence of over excess claims. Deleted: .

**A.5 MANAGERS/FOREMAN/SUPERVISORS**

Individual managers/ supervisors will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards. Deleted: .
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction. Deleted: .
- Monitor and evaluate the performance of Team Leaders against their Risk Management responsibilities. Deleted: .
- Contribute to the analysis of all potential and actual high loss incidents within their jurisdiction (in excess of \$10,000 or more than one night in hospital). Deleted: .
- Contribute to the maintenance of the Council's Business Continuity recovery programme. Deleted: .
- Assist their Business Unit Manager in the development and maintenance of the Department Plan. Deleted: .
- Develop approved Management Plans to support their Departmental Plan, linking all Management Objectives to Departmental Objectives. Deleted: .
- Develop agreed and measurable success measures in conjunction with all subordinates, to support Management Plan objectives. Deleted: .
- Assist subordinate staff in the identification, evaluation and mitigation of risks associated with their success measures. Deleted: .
- Enter all risks within their jurisdiction onto the Council's Risk Register and manage them. Deleted: .
- Contribute to the development and implementation of Risk Action Plans for all risks within their jurisdiction

assessed as Extreme.

- Keep staff appropriately informed of all changes relating to registered risks.
- Advise of any risk issues within their jurisdiction that should be incorporated in forthcoming budgets.
- Ensure that the induction process for all new employees in their area includes:
  - The Council's Risk Management Policy and Strategy.
  - An overview of the Council's cascading plans and their contribution to the relevant objectives at each planning level.
- Provide timely assistance and requested information in relation to any insurance claim or Risk Management issue.
- Ensure that the Council responds immediately to any report of a hazard or incident received from a resident, employee or visitor.
- Promote Risk Management as a vital business principle.

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**A.6 ALL STAFF**

All staff members are to:

- Understand and observe the Risk Management Policy, Strategy and related procedures.
- Assist their manager in the development and maintenance of the Management Plan.
- Develop agreed and measurable success measures to support the Management Plan's objectives.
- Assist their manager in the identification and management of risks to be entered into the Council's Risk Register.
- Contribute to the development and implementation of Risk Action Plans and strategies within their jurisdiction.
- Identify, evaluate and mitigate risks associated with their agreed success measures.
- Provide timely assistance and requested information in relation to any insurance claim or Risk Management issue.
- Make loss control/prevention a priority whilst undertaking daily tasks in the Council's operations.
- Perform their duties in a manner which does not represent an unacceptable level of risk to the health and safety of:
  - Themselves.
  - Other employees including volunteers.
  - The Council's customers or visitors.
  - Contractors.
  - The wider community.
- Report any illness, injury, hazard, near miss or incidents and losses as soon as they are detected to their manager or supervisor. Individuals should take steps to eliminate or mitigate hazards identified where reasonably practicable prior to reporting.
- Encourage the public to respect Council property.

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**A.7 EVENT AND PROJECT MANAGERS/ENGINEERS**

In addition to their generic responsibilities under this Strategy, Event and Project managers/engineers are to undertake and document a formal risk assessment for all proposed events/projects, prior to their submission for funding consideration. This assessment must:

- Consider known risks identified for similar events/projects.
- Identify unique risks associated with a particular event/project.
- Where possible, modify the event/project's design to eliminate or at least minimise these known risks.
- Where risks cannot be eliminated through redesign or re-engineering, establish plans to mitigate the risk to an acceptable level during an event or after a project's completion or implementation.

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**A.8 CONTRACT/TENDER MANAGERS**

In addition to their generic responsibilities under this Strategy, Contract/Tender managers are to:

- Ensure that tenders issued and contracts let by the Council comply with the risk management, insurance and indemnity requirements of Australian Standards and conform to the intent of the Council's Risk Management Policy and Strategy.
- Manage contracts to ensure their compliance with the above.

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**A.9 RISK MANAGEMENT COORDINATOR**

In addition to his or her generic responsibilities under this Strategy, the Risk Management Officer will:

- Provide advice and assistance to all the Council staff in relation to the development and implementation of an effective Risk Management System that observes the principles of AS ISO 31000:2018 Risk Management - Principles and Guidelines.
- Encourage all Council staff, business partners, contractors and volunteers to actively employ Risk Management in their decision making processes.
- Assist all staff with the procedural aspects of Risk Management.
- In conjunction with the General Manager:
  - Develop and review the Council's Risk Management Policy and Strategy.
  - Review and respond to annual Risk Management Audit Reports.
  - Develop a Risk Management training program for the Council.
  - Develop a report on Council's achievements against its Risk Management Policy and Strategy over the previous year, for inclusion in Council's Annual Report.
- Maintain the Council's Risk Register.

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**A.10 WORKPLACE HEALTH AND SAFETY COMMITTEE**

The Workplace Health and Safety Committee will monitor the Council's risk environment, as part of its functions. Members of the Committee will receive training appropriate to their role. The Committee will:

- Ensure the Council's Risk Management practices operate within the framework provided by AS ISO 31000:2018 Risk Management - Principles and Guidelines, relevant legislation and Council policy.
- Review annual Risk Management Audit Reports and make recommendations to the Executive Management Team (EMT).
- Develop, implement and review a Risk Management training program for the Council utilising information received from the staff appraisal process.
- Report progress to the Executive Management Team (EMT) after each meeting.

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**A.11 WORK HEALTH & SAFETY RESPONSIBILITIES**

Work Health & Safety and Risk Management are closely linked, but separate functions within the Council. The Workplace Health and Safety Committee will be comprised of individuals selected to ensure coverage of the Council's key risk areas. Broadly, these risk areas are:

- Physical Assets
- Recreation / Open Space
- Corporate Governance
- Human Services
- Fiduciary Control
- Contract Management
- Operations
- Planning and Compliance
- Information Management

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ANNEXURE B

ANNEXURE TO NORTHERN MIDLANDS COUNCIL: RISK MANAGEMENT STRATEGY

RISK MANAGEMENT PROCEDURE

This procedure is based on the Australian Standard AS ISO 31000:2018 Risk Management - Principles and Guidelines. It details the common methodology to be used to assess and address the level of risk inherent in the Northern Midlands Council activities. For guidance in relation to the application of this procedure or assistance in the conduct of risk assessments, contact the Work Health & Safety Officer.

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B.1 COMMUNICATE AND CONSULT

Has everybody who needs to know been contacted, involved, informed and kept up to date?

Communication and consultation are important considerations at each stage of the Risk Management process. They should involve a dialogue with all stakeholders (both internal and external) with a focus on consultation, rather than a one-way flow of information from the decision maker to the stakeholders. All Stakeholders must be confident that their views have been appropriately considered and that they have been kept informed of the actions being taken and the reasons behind those actions. This may extend to sending a report to all Stakeholders, regarding the success or otherwise of risk controls put in place as a result of the Risk Assessment being conducted. Broad "ownership" of the risk and the plans to manage it is essential to a successful Risk Management outcome.

B.2 ESTABLISH THE CONTEXT

The first step in Risk Management is to establish the context of the risk. This can be done by asking a series of questions, such as:

- What do we want to do or achieve? Define the desired outcomes of the event, activity or project.
- How will we know we have been successful? Identify the success measure or measures for each desired outcome. For established activities, success measures should have been developed and agreed during the development of the Council's hierarchy of plans.
- Who will be involved in or affected by what we want to do? Identify the major Stakeholders for this activity, both internal and external to the Council.
- Do any of the Stakeholders need to be involved in the Risk Assessment? All Stakeholders who may feel that they have a right to be consulted should be. A formal risk assessment should not proceed until all appropriate Stakeholders can be assembled and/or consulted. All Stakeholders who are actively involved in the achievement of your success measures must be involved in the Risk Assessment.
- What records do we need to keep? The likely consequences of the decisions to be made and the importance of future stakeholders (including the Courts) being able to understand why these decisions were made, will dictate the level of record keeping required. As a minimum, the electronic Risk Assessment Form mentioned earlier should be used for all risks assessed as moderate or above.

Decisions concerning the making and capturing of records should take into account:

- The legal and corporate governance needs for records.
- The cost of creating and maintaining records.
- The benefits of re-using information in the future.
- What criteria will we use to analyse the risk? Criteria may be either qualitative or quantitative in nature.
- How will the rest of the risk management process be structured? Determine the elements or steps that the activity/event/project can be subdivided into to create a logical framework that helps ensure significant risks are not overlooked.

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**B.6 TREAT THE RISKS**

What are we going to do about the risks we have identified? After a risk has been entered onto the Council Risk Register, options to treat it must be considered and action plans developed. Risk Action Plans must detail:

- The actions which will be taken to address the risk.
- The manager responsible for ensuring that the Risk is addressed (Responsible Manager).
- When the specified actions are to be completed by.
- Unless actions are determined and responsibilities for them are allocated, the Risk Identification and Assessment processes will have been wasted. The outcome of any actions specified should be to (in priority order):
  - Eliminate the possibility of a risk occurring.
  - Reduce the likelihood of occurrence to an acceptable level.
  - Mitigate (reduce) the consequences, should a risk occur.
  - Transfer or share the risk, generally through insurance or contracting out.

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Actions to be taken in relation to specified Risk Levels are:

- Extreme – immediate action to be initiated and Risk Action Plans to be developed and implemented under the direct control of the Executive Management Team and General Manager. All documentation must be retained for future reference.
- High – action timeframe to be determined by Executive Management Team, with Risk Action Plans developed by Responsible Business Unit Manger/s for Executive Management Team approval.
- Moderate – action timeframe determined and Risk Action Plans developed by Responsible Manager/s, with relevant Business Unit Manager/s kept informed of progress.
- Low – Responsible Managers develop or modify policy or procedure to address the risk. If necessary, a simple Risk Action Plan can also be developed.
- Insignificant – Risk noted and treated appropriately by those affected.

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Remember, all risks identified as Moderate and above are to be entered into the Council Risk Register.

In a climate of constrained resources, careful consideration must be given to how resources are allocated to action plans. You may find it more valuable to reduce higher priority risks to an acceptable level, rather than eliminate them altogether and then use any resources saved to address lower priority risks. Finally, consult your supervisor and any Stakeholders who may not have been available the Risk Assessment, to ensure that you have left nothing out.

**B.7 MONITOR AND REVIEW.**

Have we got it right? Registered risks will remain open until they have been reduced and accepted, or eliminated. The Responsible Manager is to monitor the risk to ensure that agreed actions are being taken and review the risk levels, to reflect changes made. Whenever an action is taken against an Action Plan, the Responsible Officer is to notify the Responsible Manager, who will:

- Assess the effectiveness of the action taken.
- Reassess the Action Plan to:
  - Confirm its continued applicability; or
  - Determine any changes that may now be required.
- Reassess the risk rating and notify the Risk Management Officer of the new suggested rating.
- The details of the reassessment will then be confirmed or modified to determine whether or not the risk rating should be adjusted.

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Once all directed actions have been completed, the risk will be re-assessed by the Responsible Manager and a decision made as to its acceptability or otherwise. If a risk is considered to be unacceptable, further action needs to be taken to address that risk. No activity should proceed with a risk that has been identified as unacceptable.

If in doubt, all Stakeholders involved with the original Risk Assessment are to be consulted, prior to a risk being closed off.

**B.8 RECORD THE RISK MANAGEMENT PROCESS**

Each stage of the Risk Management process must be recorded appropriately, as determined during the "Establish the Context" step. For risks assessed as moderate and above, assumptions, methods, data sources, analyses, results and reasons for all decisions should all be recorded.

During the conduct of an event, activity or project for which a Risk Assessment has been undertaken, make notes on how effective the Action Plans have been and what (if any) changes were made to the original Plans. This will allow better planning for the same or similar activities in the future.

## ACCOUNTING

**Originated Date:** Adopted 30 June 1994 (as Policy 1)

**Amended Date/s:** Amended 12 March 2002  
Amended 24 April 2006 – Minute No. 137/06  
Amended 21 September 2009 – Minute No. 255/09  
Amended 19 January 2015 – Minute No. 13/15  
Amended 12 December 2016 – Minute No. 364/16  
Amended 28 June 2021 – Minute No. ..../21

**Applicable Legislation:** *Local Government Act 1993 – Section 84*

**Objective** The general purpose financial report will be prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Local Government Act 1993 (as amended).

**Administration:** Corporate Services

**Review Cycle/Date:** Next review 2024

### 1. BASIS OF ACCOUNTING

Council's financial report is a general purpose financial report that consists of the Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows, and notes accompanying the financial statements. The general purpose financial report will comply with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Local Government Act 1993 (LGA 1993)* (as amended).

The financial report is to be prepared on the accrual and going concern basis.

The general purpose financial reports of Council will be prepared under the historical cost convention, as modified by the revaluation of certain classes of property, plant and infrastructure; investment in water corporation and provisions.

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

All entities controlled by Council such as Special Committees of Management will be included in the financial report. All transactions between these entities and Council will be eliminated in full.

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

The estimates and underlying assumptions will be reviewed on an ongoing basis. Revisions to accounting estimates will be 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 will not make 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 will be disclosed in the relevant

notes as follows:

- *Fair Value of Property Plant & Infrastructure*  
Assumptions and judgements are utilised in determining the fair value of Council's property, plant and infrastructure including useful lives and depreciation rates. These assumptions are discussed at Points 5 and 6 in the items relating to *expense recognition* and *recognition and measurement of assets* below.
- *Employee entitlements*  
Assumptions will be utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed at Point 12 in the item relating to *employee benefits* below.
- *Investment in Water Corporation*  
Assumptions utilised in determination of Council's valuation of its investment in TasWater are discussed at Point 9 in the item relating to *investment in water corporation* below.

## 2. LOCAL GOVERNMENT REPORTING ENTITY

All funds through which Council controls resources to carry out its functions ~~have been~~ will be included in the financial report.

In the process of reporting on the Northern Midlands Council as a single unit, all transactions and balances between those funds (e.g. loans and transfers) will be eliminated. The recording of transactions and balances for internal borrowings will be eliminated.

## 3. DEFINING ACTIVITIES

Activities of Council are classified into the following functions:

### I) GOVERNANCE

~~The provision of elected representation, executive support, strategic planning and public relations.~~

Governance includes provision of elected representation, executive support, strategic planning, economic development, community development, public relations; and the provision of services relating to: recreation, committees of management & non-profit organisations, animal control and health & environmental management.

### II) CORPORATE SERVICES

~~The provision of financial and information management to other functional areas of Council.~~

Corporate Services includes the management of financial, information and asset; risk and work health & safety portfolios; early childhood and youth; events & tourism promotion and community services.

### III) PLANNING & DEVELOPMENT SERVICES

The provision of:

- Land Use Planning
- Building Services
- Public and Environmental Health
- Urban Design
- Compliance

Development Services includes the provision of services relating to building, land use planning, urban design and compliance.

### IV) WORKS & INFRASTRUCTURE

~~The provision of engineering, waste management, recreation, natural resources, maintenance and~~

construction works of Council infrastructure and facilities.

Works and Infrastructure includes the maintenance and construction of Council amenities, parks and reserves, engineering services and waste management.

#### v) ECONOMIC & COMMUNITY SERVICES

The provision of:

- Economic Development
- Tourism Development
- Education
- Social (Human) Services

## 4. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

### i) RATES, GRANTS AND CONTRIBUTIONS

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

Control over assets acquired from rates will be obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

Donations and other contributions that are not subject to accompanying conditions that they be expended in a particular manner or for a particular purpose will be recognised as revenue in the reporting period when Council obtains control over the assets comprising the contributions and donations.

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

### 1) RATE REVENUE

Council recognises revenue from rates for the amount it is expected to be entitled at the beginning of the rating period to which they relate, or when the charge has been applied. Rates in advance are recognised as a financial liability until the beginning of the rating period to which they relate.

Rates are recognised when Council obtained 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.

### 11) GRANTS

Council will recognise untied grant revenues and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability will be recognised for funds received in advance and will recognise income as obligations are fulfilled.

Each performance obligation will be considered to ensure that the revenue recognition reflects to transfer of control within the grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or

time incurred will be deemed to be the most appropriate methods to reflect the transfer of benefit. For construction projects, this will generally be as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For acquisition of assets, the revenue will be recognised when the asset is controlled by the Council.

The Australian Commonwealth Government provides untied Financial Assistance Grants to Council for general purpose use and the provision of local roads, Council will recognise these grants as revenue when it receives the funds and obtains control. Grant income will be recognised when Council obtains control over the assets comprising the receipt. Control over granted assets is normally obtained upon their receipt or upon earlier notification that the grant has been secured, and will be valued at their fair value at the date of transfer. Where grants recognised as revenue during the financial year are obtained on condition that they be expended in a particular manner or used over a particular period and those conditions are undischarged at balance date, the unused grant will also be disclosed. Unreceived contributions over which Council has control will be recognised as receivables.

Donations and other contributions that are not subject to accompanying conditions that they be expended in a particular manner or for a particular purpose will be recognised as revenue in the reporting period when Council obtains control over the assets comprising the contributions and donations.

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

### III) USER CHARGES

User charges and fines will be recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. A provision for impairment of debts is recognised when collection in full is no longer probable.

Council will recognise revenue from user fees and charges when or as the performance obligation is completed and the customer receives the benefit of the goods/services provided. Licences granted by Council are either short-term or low value and all revenue will be recognised at the time that the licence is granted rather than the term of the licence.

User fees and charges will be recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

### IV) SALE OF PROPERTY, PLANT AND INFRASTRUCTURE

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

### V) INTEREST AND RENTS

Interest and rents will be recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

### VI) DIVIDENDS INVESTMENT REVENUE FROM WATER CORPORATION

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

### VII) OTHER INCOME

Rental Income will be recognised as revenue when the payment is due. Rental payments received in advance will be recognised as payable until they are due. Volunteer Services, Council will recognise the inflow of resources in the form of volunteer services where the fair value of these services can be reliably measured and Council would have purchased those services if they had not been donated.

## 5. EXPENSE RECOGNITION

Expenses will be 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.

### 1) EMPLOYEE BENEFITS

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

### ii) DEPRECIATION OF PROPERTY, PLANT & INFRASTRUCTURE

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

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

Road earthworks are not to be depreciated on the basis that they are assessed as not having a limited useful life.

Land is not depreciated.

Straight line depreciation will be charged based on the residual useful life as determined each year.

Major depreciation periods to be used are listed below:

Asset	Life (Years)
Land	Unlimited
Land Under Roads	Unlimited
Buildings	Structure
	5 - 124 75 - 150
	Roof Cladding
	75 - 150
	External fabric
	75 - 150
	Internal Fitout
	50 - 75
	Services
	40 - 75
	Site Services
	40 - 75
Flood Levee Infrastructure	- Depreciable Component
	100
	- Non-Depreciable Component
	Unlimited
Furniture, Fittings, Office Equipment & Computers	2 - 20
Fleet	2 - 20
Heritage Assets	- Depreciable Component
	20 - 100
	- Non-Depreciable Component
	Unlimited
Plant	10 - 50
Roads Infrastructure	- Formation
	Unlimited
	- Pavement
	10 - 90
	- Surface Treatment
	12 - 80
	- Footpaths
	15 - 70
	- Kerb & Channel Gutter
	15 - 100
	- Street Furniture
	15 - 100

Asset	Life (Years)
Bridges	30 - 100
Stormwater & Drainage	80 - 100

### III) REPAIRS & MAINTENANCE

Routine maintenance, repair costs, and minor renewal costs will be expensed as incurred. Where 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.

## **6. RECOGNITION AND MEASUREMENT OF ASSETS**

### I) ASSETS

The Council controls and owns assets that are required to provide the services for which it has responsibility. These assets include:

- land,
- buildings,
- fleet,
- plant and infrastructure; i.e. roads, bridges and stormwater.

### II) ACQUISITION AND RECOGNITION

The cost method of accounting will be used for the initial recording of all acquisitions of assets.

'Cost' represents the fair value of these assets given as consideration plus costs incidental to their acquisition (including architects fees, engineering design fees, and administration charges and all other costs incurred) in getting the asset ready for use.

Property, infrastructure, plant and equipment received in the form of contributions, will be 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.

In determining the cost of non-current assets constructed by the Council, 'Cost' includes all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of all materials includes all consulting and engineering fees.

Non-monetary assets received in the form of grants or donations will be recognised as assets and revenues at their fair value at the date of receipt.

'Fair value' means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arms length transaction. In relation to infrastructure assets it is represented by depreciated replacement cost.

Council applies a capitalisation threshold and assets purchased or constructed with a value less than this threshold will be charged to the Statement of Comprehensive Income in the year of purchase (Other than where they form part of a group of similar items which are material in total).



The following classes of assets are to be recognised in the general purpose financial reports of Council, the threshold limits detailed below will be applied when recognising assets within an applicable asset.

Asset	Threshold \$
Land	Nil
Land Under Roads	Nil
Buildings	5,000
Flood Levee Infrastructure	3,000
Furniture, Fittings, Office Equipment & Computers	1,000
Fleet	1,000
Plant	1,000
Roads Infrastructure	5,000
Bridges	5,000
Stormwater & Drainage	3,000
Heritage Assets	1,000

### III) VALUATION OF NON-CURRENT ASSETS

Subsequent to the initial recognition of assets, non-current physical assets, other than asset categories listed in the table below as at cost, will be measured at their fair value in accordance with AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement. At balance date, Council will review the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximates its fair value. Where the carrying value materially differs from the fair value at balance date the class of asset will be revalued.

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

Where the assets are revalued, the revaluation increments will be credited directly to the asset revaluation surplus 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 will be 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 to be offset.

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

Asset	Valuation basis
Land	Fair value
Land Under Roads	Fair value
Buildings	Fair value
Flood Levee Infrastructure	Cost
Furniture, Fittings, Office Equipment & Computers	Cost
Fleet	Cost
Plant	Cost
Roads Infrastructure	Fair value
Bridges	Fair value
Stormwater & Drainage	Fair value
Heritage Assets	Cost

IV) IMPAIRMENT OF ASSETS

At each reporting date, Council will review 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 asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the Statement of 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.

Assets that have an indefinite useful life will not be subject to amortisation and will be tested annually for impairment. Assets that are subject to amortisation will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of Council such as roads, bridges, stormwater & drainage and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

V) MAINTENANCE VS CAPITALISATION

Officers of the Council will determine at the occurrence of an event whether to capitalise or expense costs incurred in property, plant and infrastructure. The following formula is provided as a guide, "maintenance, repair costs and minor renewals will be charged as expenses as incurred unless their total value exceeds 10% of the written down current value and increases the economic life by more than 10%".

**7. CASH & CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**8. INVENTORIES**

Inventories held for distribution will be measured at cost adjusted when applicable for any loss of service potential.

**9. INVESTMENT IN WATER CORPORATION**

Council's investment in TasWater will be valued at its fair value at balance date. Fair value will be determined by using Council's ownership interest against the ~~water corporation's net asset value at balance date based on the Final Treasurer's Allocation Order in 2011. Council has an ownership interest of 2.52% in the corporation. Water and Sewerage Corporation's net asset value at balance date. Council's ownership interest in TasWater, which is based on Schedule 2 of the Corporation's Constitution, decreased from 2.49% at 30 June 2019 to 2.46% at 30 June 2020. The decrease was due to the issue of 1,000,000 shares to the Tasmanian Government in January 2020. Further decreases will occur each financial year up to 30 June 2028, subject to the Tasmanian Government meeting its obligations to subscribe to shares in accordance with the Share Subscription and Implementation Agreement.~~

Council's Investment is not traded in an active market and is only sensitive to fluctuations in the value of

TasWater's net assets.

Any unrealised gains and losses on holdings at balance date will be recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year

Council classifies this asset as an Available for Sale financial asset as defined in AASB 139 Financial Instruments: Recognition and Measurement and follows AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial report.

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments will be recognised in other comprehensive income and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments will be recognised in profit and loss when the right of payment has been established and it can be reliably measured.

## 10. INVESTMENT TERM DEPOSITS

Council holds and will continue to hold monies in a number of term deposits with maturities of greater than twelve months. These investments will be held for the purpose of meeting long term cash commitments.

## 11. TRUST FUNDS

The financial reports of the Council will incorporate only those items over which the Council has control.

Amounts received as tender deposit and retention amounts controlled by Council will be included in the amount disclosed as creditors with current liabilities until they are refunded or forfeited.

## 12. EMPLOYEE BENEFITS

### i) SHORT TERM OBLIGATIONS

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

### ii) OTHER LONG TERM EMPLOYEE BENEFIT OBLIGATIONS

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service will be 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 to be given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments will be 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 will be presented as current liabilities in the statement of financial position if Council does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**III) RETIREMENT BENEFIT OBLIGATIONS**

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various superannuation funds on behalf of its employees.

**DEFINED BENEFIT PLANS**

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

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

**DEFINED CONTRIBUTION PLANS**

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

**III) SICK LEAVE**

Council does not recognise a liability for sick leave because such leave is non-vesting and because it is probable that sick leave expected to be taken in future reporting periods will be less than entitlements which are expected to accrue in those periods. Employees receive 10 days sick leave per year.

**IV) ROSTERED DAYS OFF**

A liability for accrued rostered days off is recognised at the current rates of pay including related oncosts, for expected future payments to be made in respect of accruals by employees of the Council.

**13. ACCRUALS/PREPAYMENTS**

Accruals and Prepayments will be recognised in accordance with generally accepted accounting practices with materiality a major factor in determining their applicability.

**14. NET FAIR VALUES OF FINANCIAL ASSETS & LIABILITIES**

Net fair values of financial instruments will be determined on the following basis:

- *Monetary financial assets and liabilities* - carrying amounts of trade debtors, trade creditors and accruals (which approximates net market value).
- *Interest bearing loans* - will be carried at their principal amount, which represents the present value of

future cash flows associated servicing the debt. Interest is accrued.

## 15. SIGNIFICANT BUSINESS ACTIVITIES

The Local Government Act requires the reporting of operating capital and competitive neutrality in respect of each significant business activity undertaken by Council.

Council has determined, based upon an assessment of the activities it undertakes that it has no significant business activities.

## 16. LEASES

### OPERATING LEASES AS LESSEE

Leases, except where the underlying asset is of low value Council will be recognised as a right-of-use asset, representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments for all leases with a term of more than 12 months.

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

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 or no 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.

### 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 will record lease revenue on an accruals basis and the associated properties as part of land and buildings within property, plant and equipment. Buildings will be recognised at depreciated replacement cost.

Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council will record lease revenue on an accruals basis and will record the associated properties as part of land and buildings within property, plant and equipment. Buildings will be recognised at depreciated replacement cost.

## 17. TAXATION

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

Revenues, expenses and assets will be recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST will be recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables will be stated with the amount of GST included.

The net amount of GST recoverable or payable to the ATO will be included as a current asset or current liability in the statement of financial position.

Cash flows will be included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recovered from, or paid to, the ATO will be classified as operating cash flows.

**18. CONTINGENT ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS**

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

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