

Annual Report

2016/2017



# George Town Council

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# C O N T E N T S

|   |    |
|---|----|
| History of George Town .....                            | 2  |
| Annual General Meeting .....                            | 4  |
| Message from the Mayor .....                            | 6  |
| Message from the General Manager .....                  | 7  |
| Your Elected Representatives .....                      | 10 |
| Organisational Chart/Human Resources.....               | 17 |
| Serving the Community.....                              | 22 |
| The Year in Review .....                                | 23 |
| Public Health .....                                     | 42 |
| Statutory Reporting.....                                | 45 |
| Key Reporting – Governance.....                         | 54 |
| Key Reporting – Corporate/Administration .....          | 58 |
| Key Reporting – Community Development Services .....    | 62 |
| Key Reporting – Development & Regulatory Services ..... | 66 |
| Key Reporting – Infrastructure & Engineering .....      | 71 |
| Financial Report .....                                  | 74 |
| Notes to the Statement of Accounts.....                 | 79 |

# History of George Town

The George Town area is located on the northern coast of Tasmania. For at least 15,000 years, the Palawa tribal groups lived in the area by the River the Tamar, where both George Town and Launceston were later established. The bands within this North Midlands tribe were known as the Leterremairrener, Panninher and Tyerrernotepanner peoples, although it is believed that the Leterremairrener people were the predominate band north of Port Dalrymple. The Panninher people predominately inhabited the areas around Norfolk Plains and the Tyerrernotepanner people inhabited Campbell Town and surrounds (Ryan 1943, ABS 2013).

European explorers first visited George Town in 1798 when George Bass and Matthew Flinders discovered and partially explored northern Tasmania's Tamar River, naming the inlet where George Town is situated as Outer Cove. In November 1804, Lieutenant Colonel William Paterson and his fleet consisting of HMS Buffalo, HMS Lady Nelson, Francis and Integrity, anchored in Outer Cove. Paterson set up camp there but, after exploring and naming the Tamar River, he decided to establish his settlement on Western Arm and named it York Town.

By March 1805 people had been settled at York Town. Paterson had erected a prefabricated house at Outer Cove, which continued to be used by stockmen grazing the government cattle and a detachment of soldiers and pilots were located at Low Head. By 1807 Outer Cove had been abandoned, but soldiers and pilots were continued at Low Head.

In December 1811 Governor Lachlan Macquarie, Governor-in-Chief of NSW and its dependency Van Diemen's Land, visited Outer Cove and decided it would be the site for a new town, to be the new headquarters for the North. He named it George Town and renamed the cove York Cove.

Clearing for the new town commenced in 1815 and by 1819 there were enough completed buildings for Colonel Cimitiere to take up residence as Commandant of Port Dalrymple.

In 1821 Governor Macquarie returned to George Town. He was pleased with the number of completed buildings, and named the streets and Regent Square. George Town remained the administrative centre until 1825, when the headquarters was returned to Launceston. During this period Launceston had continued to be the larger settlement and George Town had failed to attract many free settlers.

With the transfer of headquarters, George Town declined in population but continued for the next few years as a military garrison and convict settlement. Convict works gangs and a female factory continued to operate until the early 1830's. By then the town was becoming an out port for shipping, and an administrative post responsible for the clearance and customs inspection of vessels. From the mid-1830's George Town was an important port for the departure of settlers and livestock to Victoria. In May 1835 John Batman sailed from George Town to found the town of Melbourne.

The mid 1830's also saw the construction of the first lighthouse and the establishment of a new pilot building at Low Head.

A semaphore signal system for the Tamar Valley was established in the 1830s. A signal station was first established on Mt Direction, to which Mt George and later Low Head were added. They were replaced by electric telegraph in 1857. 1859 saw the opening of the first Bass Strait submarine telegraph cable to Victoria. A cable station was built at Low Head, and in 1892 the cable station was relocated to Windmill Point in George Town. It operated from there until the service was taken over by the Commonwealth Government in 1909.

## History of George Town (Cont.)

In 1842 a steamboat service to Launceston was established. George Town then became the major seaside holiday resort for Launceston. During the summer months it was popular, but during winter George Town returned to a small fishing village. The steamer service and George Town's popularity for holidays and day excursions lasted until 1941.

In 1869 the discovery of gold at Nine Mile Springs saw further stimulus to George Town. The gold mining town was renamed Lefroy in 1881 and it became Tasmania's second richest goldfield. At its peak in the 1890's, Lefroy was the fifth largest town in Tasmania.

This brought more business to George Town, which became the port for Lefroy, and stimulated the development of farming at Pipers River; Lefroy was the largest town on the East Tamar and remained so until well into the 20<sup>th</sup> century. However the production of gold collapsed in the late 1890's and the town soon declined into a small village.

At the end of the Second World War George Town was still a small fishing village with a population of less than 300 people.

This all changed with the decision in 1949 to establish Australia's first aluminium smelter at Bell Bay. Other industries followed, and George Town quickly developed over the next

20 years into a modern town, reaching a peak population of 7,000.

From 1828 to 1888, George Town was a Police District, covering both sides of the River Tamar the whole of the North East coast as far as George's Bay (now St Helens), and had official control of the Bass Strait Islands (Furieux Group). During this time, the local public works were cared for by a Road Trust.

In 1889, George Town became a Municipal District, but the Road Trust continued in operation until 1906 when, under a new Local Government Act a Municipal Council, with widely extended powers, was elected. The Council Chambers were located at Lefroy, and remained there until during the Second World War.

Today George Town remains an administrative centre for the district, which has an area of 649 square kilometres extending from the Tamar River, north-east as far as Little Pipers River and south as far as Mount Direction.

*Council thanks Mr Peter Cox for his contribution in supplying the above information.*



# WELCOME TO THE GEORGE TOWN COUNCIL

## ANNUAL REPORT 2016/2017

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### Annual General Meeting

Annual General Meetings of Councils serve much the same purpose as Annual General Meetings of companies in the private sector, where the board of directors (elected members) give an account of their stewardship over the affairs of the municipality.

Annual meetings also provide the opportunity for residents (the shareholders) to question Council's performance and to discuss submissions on the Annual Report.

Submissions are invited from residents of the municipal area on the Annual Report, for discussion at the Annual General Meeting. Any resident wishing to make a submission may do so in writing. Submissions should be addressed to the General Manager and received by **12.00noon Friday 1<sup>st</sup> December 2017**.

*The Annual General Meeting will be held on Thursday 7<sup>th</sup> December 2017 @ 6.00pm in the Council Chambers.*

### Purpose

The Local Government Act 1993 requires the Council to report on an annual basis via the production of the Annual Report. Incorporating the key operational activities, operations and performance across the organisation based on the objectives of the 2016-2026 Strategic Plan and 2016/2017 Annual Plan, this report demonstrates the Council's commitment to transparency and accountability.

The Annual Report aims to outline to the George Town community, the performance, achievements and challenges of the Council during the 2016/2017 financial year.

The Annual Report 2016/2017 is divided into three main sections:

#### Council and Organisation

This section provides an overview of Council's organisational structure and function. This section includes messages from the Mayor and the General Manager, details of Council's governance framework and Council activities.

#### Strategic Direction (Annual Plan Reporting)

This section reports on the key actions, outcomes and status of the Strategic Plan Strategies as reported in Council's final 2016/2017 Annual Plan report in accordance with Council's 2016-2026 Strategic Plan.

#### Financial Statements

This section reports on the financial position for the Council as reflected in the financial statements for the period 2016/2017.

# 2016-2026 Strategic Plan

## Our Vision

In 2026, the George Town municipal area will be a proud community where people from all ages participate in our active recreational and community life and where we treasure the immense beauty of our natural environment and rich heritage. We will embrace our industries to drive our prosperity and growth.

## Our Values

- Community
- Accountability
- Transparency
- Innovation
- Respect
- Heritage and Environment
- Can Do

## Glossary

### The 'Council'

In this document, 'Council' refers to the Mayor and Councillors.

### The 'Organisation'

In this document, the 'organisation' refers to the George Town Council General Manager and staff.

### The 'George Town Council'

In this document, the 'George Town Council' generally refers to the Council and organisation as a whole, i.e. the corporate entity.

## George Town Municipality at a Glance

|                                     |                                  |
|-------------------------------------|----------------------------------|
| Location:                           | Northern Tasmania on Bass Strait |
| Area:                               | 64,900ha/649km <sup>2</sup>      |
| Roads:                              | 271km                            |
| Population (2016)                   | 6,674                            |
| Water Supply:                       | TasWater                         |
| Rateable Properties:                | 4,428                            |
| Actual 16/17 Gross Rates & Charges: | \$7,817,805                      |



## Mayor's Message



As I consider the year in review, I am prompted to look back at my thoughts in last year's annual report. I began 2016/17 with "optimism and enthusiasm" for the opportunities that lay ahead.

It is disappointing then that 2016/17 failed to realise that potential during the year and rather we saw a somewhat uncertain and tumultuous year.

Towards the end of the year we saw the resignation of General Manager John Martin and his departure highlighted that persistent governance and workplace culture challenges were continuing to disrupt the planned delivery of efficient services to the community, and with it the realisation that without proactive measures the Council was potentially facing a future crisis.

Raoul Harper was appointed into the role of Acting General Manager following Mr Martin's departure and quickly acted to identify areas of the organisation requiring attention, in particular the need for a whole of organisation review and restructure with a view to creating financial efficiency, improved accountability and enhanced service delivery.

The uncertainty of that time with regard to ongoing arrangements for a General Manager prompted an approach to the West Tamar Council, initially to ascertain the possibility of sharing a General Manager - that initial approach grew into a wider conversation around the feasibility of a merger between the two Councils to create a single Tamar Valley Council.

Both Councils subsequently resolved to undertake a prefeasibility study to examine the merger idea. It is anticipated that the report will be completed in the 2017/18 year utilising up to date information following completion of George Town's organisational review.

It is my expectation that upon receipt of the report, our community will be invited to share their views on its findings.

Overall, whilst not achieving all that we set out to do during the year, the challenges have been an opportunity for learning and growth and I believe have hardened our resolve to achieve more in the forward year.

I take the opportunity to thank staff and fellow Councillors for their efforts in what has been a difficult year. I extend my best wishes to John Martin for his future endeavours. My particular thanks must go to Raoul Harper for assisting at incredibly short notice and providing frank and fearless advice in his time here.

The future of a vibrant, proud and prosperous George Town municipality remains alive. With consistency, positive communication, long term strategic planning and critical decision making by elected members and working cooperatively with staff and our community I am certain 2017/18 will deliver those outcomes not yet realised from the past year and much more.

Bridget Archer

**Mayor**

## General Manager's Message



My message for the 2016/2017 Annual Plan is interesting in that I was not the General Manager during that time, with that position being held by Mr John Martin until May 2017.

I was however the Manager of Development Services and while working with Mr Martin I observed him drive a new level of focus on economic development throughout the municipal area, planting the seeds for exciting new projects which often take time, vast amounts of energy and perseverance to come to fruition.

Having a background in Town Planning I understand only too well the importance of strategic planning as an organisational management tool that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish

agreement around intended outcomes/results, and assess and adjust the organisation's direction in response to a changing environment.

Effective strategic planning outlines not only where an organisation is going, and the actions needed to make progress, but also how it will know if it is successful.

The majority of strategic projects Mr Martin listed as being goals for Council to develop, produce or work collaboratively with community and business partners in the 2016/2017 financial year were either achieved or are now at a stage that I will be able to finalise during 2017/2018.

These projects included:

- Strategic Priorities Projects Document 2016
- Bell Bay Industrial Development Precinct Plan
- Hillwood Structure Plan
- George Town Coastal Management Plan (With Community, Tamar NRM and Parks)
- George Town Sports Complex Development Master Plan
- Review of George Town's Existing Sports and Recreation Buildings 2016
- Waste Transfer Station Project
- Council Owned Land Review
- York Cove Concept Development Plan
- Windmill Point Recreation Area
- Regent Square Playground
- Regent Square Landscape Master Plan
- Long Term Financial Plan Review
- Asset Management Plans
- Northern Councils Resource Sharing capabilities review.

## General Manager's Message (Cont.)

Some highlights for me personally were the completion and endorsement of the Hillwood Structure Plan which identifies the importance of agricultural uses within the settlement but also provides for appropriate expansion of residential and commercial uses that support the needs of a growing community while ensuring a development pattern that is respectful of the scenic, natural and landscape values.

Working with Tamar NRM, Parks and Wildlife and the dedicated community members who form the George Town Coastal Management Group on the revision of the George Town Coastal Management Plan was another project that I found extremely satisfying to be involved in. The GTCMP sets out a process to address natural resource management issues in the coastal and riverine areas such as erosion, invasive species, degradation of native vegetation and man-made coastal landforms. It is also an excellent example of what can be achieved when likeminded groups work together toward the common good.

A couple of ground based projects that were completed from within my portfolio include:

- Council's first Off-Leash Dog Park was developed and is located at the George Town Sports Complex in Marguerite Street. The Bark Park, as it is affectionately known by staff and locals, has been a welcomed and well used addition to Council's community facilities. Council has a number of exciting activities planned for the park over the coming year which include the installation of more play equipment, offering obedience classes, dog grooming lessons and social inclusion focussed community events.
- Upgrades to Council's Dog pound: Dogs who previously found themselves 'guests' of the Council did not have an area where they could be let out for exercise and fresh air but can now have a run while the pound is cleaned. Our Ranger is also much happier now that he has an all-weather covered area to work under when it is raining.

Council's Community Development Department was kept busy with a variety of cultural events and festivals held during the 2016/2017 including:

- National Science Week Expo
- Seniors Variety Concert
- Annual Christmas Parade and Carols
- Jazz in the Park and Family Outdoor Cinema
- Volunteer of the Year Award

These and other events are reported within the Annual Report. Council's events program continues to grow offering a variety of activities for all to enjoy.

Council's Infrastructure and Engineering Department undertook a broad range of capital works activities many of which are also reported in the Annual Report and include:

- Road resealing
- Gravel road re-sheeting
- Replacement of kerb and footpaths within George town
- Upgrade to York Cove footpath

## General Manager's Message (Cont.)

- Key stormwater projects
- Refurbishment of pontoons and boat ramps
- Road safety initiatives
- Upgrade of public facilities and open spaces

Congratulations must also go to Council's staff who were involved in the reinvigoration of Council's website. We now have a modern, accessible and user friendly site which is regularly updated to keep our community informed.

While I have mentioned some of our achievements I also recognise there are many not mentioned, all of which have made a valuable contribution to our organisation and communities.

The Community Spirit which is so evident throughout the George Town municipal area really is something to be proud of and this must also be recognised. The community becomes unified not only to celebrate success but to also battle adversity. It has been my observation that the residents of this municipality are the first to offer a helping hand when one of their own is in need.

Looking forward, there are a number of challenges ahead but also many exciting opportunities for Council. Having set an unprecedented budget in June that predicted a 1.2 million underlying deficit, elected members and council management identified that it was necessary for the organisation to make some difficult and decisive decisions about what is needed to ensure the economic stability of the Council.

In closing, I thank Elected Members and Council staff for their dedication, efforts, patience and enthusiasm in recent months and I look forward to reporting on all the positive outcomes and achievements in the 2017/2018 Annual Report.

Justine Brooks-Bedelph  
**General Manager**

# Meet your Elected Representatives as at 30 June 2017

## **Cr Bridget Archer, Mayor (re-elected October 2014)**



Councillor Bridget Archer was first elected to Council in 2009 and subsequently served as Deputy Mayor from 2011 before being elected Mayor in 2014.

Cr Archer holds a Bachelor of Arts with majors in political science and English as well as a Graduate Certificate in International Politics from the University of Tasmania.

Her employment history has been very varied, ranging from hospitality to administration and data/records curation.

In her time on Council Cr Archer has served on a number of committees including Code of Conduct, Public Housing, Tourism and George Town on Show.

Cr Archer aims to work towards a prosperous and vibrant George Town, realising the incredible potential of the municipality. A unique area with abundant natural and cultural heritage and environment, the George Town municipality is the ideal showcase to demonstrate that industry and tourism can coexist and thrive together with a confident, connected community.

Cr Archer believes this is achievable through consistent, positive communication, long term strategic planning and critical decision making.

## **Cr Tim Harris, Deputy Mayor (elected October 2014)**



Cr Tim Harris, born in George Town as a fifth generation local, returned to live in the municipality in mid-2012 after several stints living in other areas of this state and other states of Australia.

He has been involved in the Hospitality, Agricultural and Tourism industries for the last 25 years and these remain ongoing passions. He currently works as a technician for a local company building the nation's infrastructure so knows some of what the local firms are experiencing during these volatile economic times.

As Deputy Mayor, Cr Harris is also Deputy Chair of the George Town Emergency Management & Planning Committee and deputises for the Mayor when required.

Cr Harris believes that the re-invigoration of the port of Bell Bay and the development of tourism opportunities across the municipality will be key economic drivers for the future of our area.

## Your Elected Representatives

### Cr Chris Ashley (elected 20 May 2016)



Councillor Ashley's working background has almost exclusively revolved around the Marine and Power Industries in which he is still involved. Cr Ashley started his career at sea with Shell Tankers and is currently employed at the nearby Tamar Valley Power Station. Within these industries he has gained many skills but to him the most important being, personnel management and the ability to listen and be supportive.

Cr Ashley has lived and worked both on the mainland and abroad but this municipality with its people, diverse culture and scenic splendour are second to none. He is a member of the local Rotary Club and for several years' organised mock interviews at our local schools assisting the leavers in their quest for employment. Currently he is a member of the Wings and Things Committee as he has been since its conception three years ago.

Cr Ashley will listen to any concerns of the ratepayers of this area and will always try to assist. He recognises values and welcomes ratepayers' feedback both privately and via council forums.

### Cr Heather Barwick, JP (re-elected October 2014)



Another year has passed by and since Cr Barwick's first election in 1989 she has seen many changes both in councillors and management with huge changes in the way council do things.

Our new General Manager Mrs Justine Brooks-Bedelph has restructured our council administration making it more cost effective, has redone the 2017/2018 budget to bring council in from over \$1,000,000.00 deficit to less than half, and predicts council will be back "in the black" for the next financial year.

Under the restructured budget, the predictions for the next financial year, hard work, resource sharing with other councils, determination, will see our council prosper, and be able to sustain itself into the future. The Minister for Local Government Mr. Peter Gutwein has stated "there will be no forced amalgamations". With the new look structures, Councillors with vision, and our new management team this Council can achieve sustainable outcomes.

Cr Barwick is the Chairperson of the George Town Community Safety Group Committee which meets the first Tuesday of each month from 12.30 -1.30. The group is made up of representatives from local schools, Police, Neighbourhood House, Wattle Group and members from country associations namely Weymouth, Hillwood, Lulworth and Pipers River.

## Your Elected Representatives

### **Cr Heather Barwick, JP (Cont.)**

Cr Barwick is applying for funding to the value of approximately \$11,000.00 from the State Growth Road Safety Advisory Council for a project that has been discussed and approved at the Safety Group meeting/Council ordinary meeting for stickers that read “Please slow down Consider our Kids”.

On another note Cr Barwick is proud to see the youth thoroughly enjoying the skate park which took 5 years to come to fruition.

Council, along with the General Manager, the Regent Square Community Reference Group and Council’s revised budget will see great changes happening on Regent Square with such things as drainage, new play equipment and play ground, BBQ, tables and seats, etc. which will open this up as a more user friendly recreational area.

Windmill Point has not been forgotten there will be a BBQ with tables and facilities for the entire family and visitors to enjoy.

Cr. Barwick looks forward to working with each and every one of you now and in the future, and may be contacted 24/7 on 63 821637.

May I wish you all a Happy Christmas and a bright and prosperous New Year.

### **Cr Douglas Burt (elected October 2014)**



Councillor Douglas Burt was first elected to Council in 1999, during his first term he was elected to fill the roles of both Deputy Mayor and Mayor.

As a returning Elected Member Cr Burt has found it rewarding, firstly to be elected back on to the George Town Council and secondly to continue working with our wonderful community.

# Your Elected Representatives

## Cr Greg Dawson (elected October 2014)



Cr Greg Dawson was first elected in 2014 since then Cr Dawson has been Chairperson of the George Town Sports Complex Advisory Committee and has recently become active in the Council Audit Panel process. Cr Dawson is interested in improving the opportunities for all residents through healthy lifestyle choices including sports and recreation for all ages and abilities.

Cr Dawson has been actively advocating for improved play spaces for our younger children within George Town and hopes to encourage the development of a new recreational user's think tank over the next year that will see the inclusion of a number of groups that may not have had the opportunity in the past.

Cr Dawson is supportive of resource sharing opportunities that can benefit the municipality and is not convinced that a merger with West Tamar Council is the best way forward.

## Cr John Glisson (elected October 2014)



Councillor John Glisson has been a resident and ratepayer of George Town since he and his wife Carol migrated to Tasmania in 1971. He retired from TAFE in 2011. Cr Glisson had previous positions with NGT management and as a trade union official, as well as ten years working at Comalco.

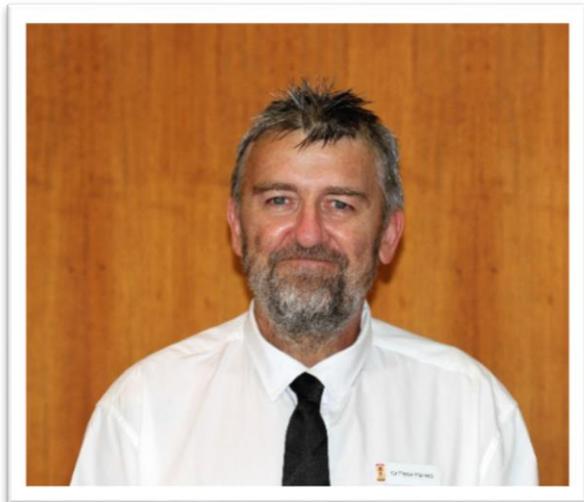
Cr Glisson has been a board member on numerous education and training boards, as well as being a past board member of the Launceston Institute of TAFE.

Cr Glisson believes that George Town is a great place to live, and is an area with great potential. He believes there is a lot more to do, but with careful planning and well thought out implementations it can add tremendous value to everyone's quality of life.

Cr Glisson is proud to represent our community and hopes the community can be proud of its Council going forward.

## Your Elected Representatives

### **Cr Peter Parkes (elected October 2014)**



Councillor Peter Parkes was elected in October 2014. He is Council's representative on the George Town Municipal Emergency Management & Planning Committee and Proxy to the Sports Complex Advisory Committee and Councils Audit panel committee representative. He is the LINC Operations Coordinator for the George Town Community Hub, and is qualified in Training and Education Assessment and Business Administration, with over 20 years' experience in ICT and business management.

There are some exciting and challenging times ahead for Council and while our focus of late has been on the bottom line and surprise merger talks we must not lose focus of what's important and where we see ourselves going forward. Resource sharing as we are already doing can be expanded, and savings via group purchases maximised. The operational review I believe will also have a major impact and clearly set us on a sustainable path. Even though as of today I remain open minded, I have had zero input into any merger talks, information sessions, workshops or any other source of data regarding us or West Tamar Council, and therefore its difficult to assess the future or benefit of this State Government led process.

The importance of growth in George Town has never been more important and while we work closely with industry and business to attract investment we must equally invest in our local families with opportunities for better recreational access and sorely needed family play spaces which would in turn also attract visitors to our municipality. Creating exciting, inspiring destinations in turn generates adventurous curiosity with a desire for exploration and a reason to return time and time again, particularly when you can bring the whole family for a day trip, enjoy a barbeque or meal and explore all of our natural resources. This type of infrastructure is paying off for other communities around Tasmania.

As a resident of George Town for over 40 years I am a firm believer in a local voice, in the past there has been many times which I have personally felt our collective voice has been lost or forgotten, and it was certainly for that reason I stood for election as a Councillor.

Our collective voice will become increasingly important and I encourage you to be informed and make your voice heard. I am always happy to talk, listen and be the carriage for your voice!

## Your Elected Representatives

### Cr Tim Parish (re-elected October 2014)



Councillor Tim Parish is thankful to live in the George Town municipality and has greatly appreciated the opportunity to represent the people of the municipality.

He believes that the George Town area has a balanced mix of urban village, rural, commercial and industrial communities which provide positive lifestyle choices.

Cr Parish is committed to maintaining ongoing sustainability and development of the George Town area.

## Meeting Attendance

| Councillors                 | Ordinary Meetings Attended | AGM Attended | Total Meetings Attended |
|-----------------------------|----------------------------|--------------|-------------------------|
| Cr Bridget Archer, Mayor    | 11                         | 1            | 12                      |
| Cr Tim Harris, Deputy Mayor | 12                         | 1            | 13                      |
| Cr Chris Ashley             | 10                         | 1            | 11                      |
| Cr Heather Barwick          | 12                         | 1            | 13                      |
| Cr Douglas Burt             | 10                         | 1            | 11                      |
| Cr Greg Dawson              | 12                         | 1            | 13                      |
| Cr John Glisson             | 10                         | 1            | 11                      |
| Cr Peter Parkes             | 12                         | 1            | 13                      |
| Cr Tim Parish               | 12                         | 1            | 13                      |

## **Functions of Councillors (S28 Local Government Act)**

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A Councillor, in the capacity of an individual Councillor represents the interests of the community, facilitates communication between the community and the Council, and participates in the decision making processes, translating the community's needs and aspirations into the future direction of the municipality.

## **Function and Powers of the General Manager (S62 Local Government Act)**

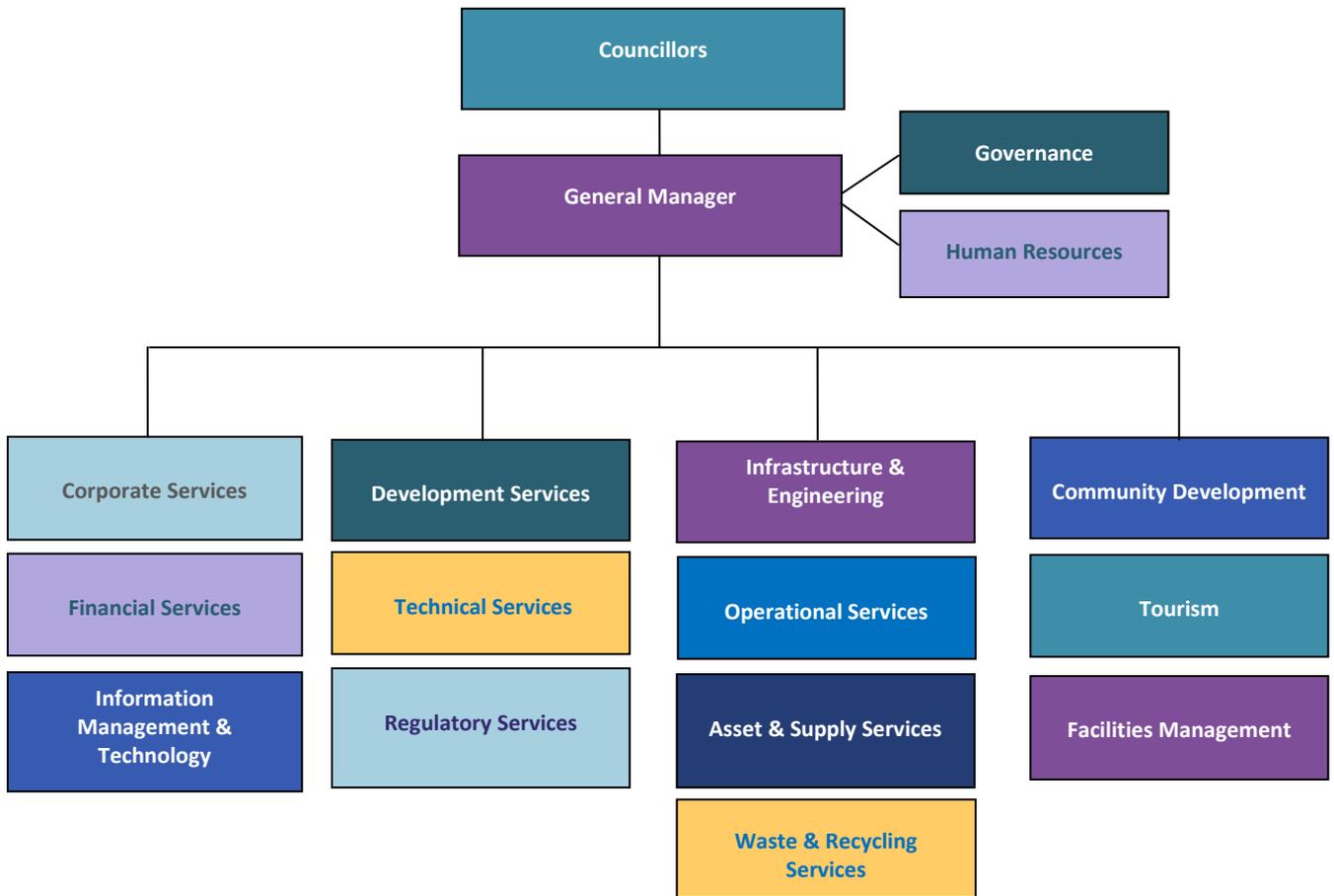
The principle role of the General Manager is to advise the Council in relation to the functions of the local government, ensure advice and information is available for informed decisions to be made, cause Council decisions to be implemented, manage the day-to-day operations of the local government, liaise with the Mayor on the performance of the Council, and be responsible for the management of the resources and assets of the Council.

## **Council Meetings**

Ordinary meetings of Council are usually held the third Wednesday in every month commencing at 1.00pm in the Council Chambers, 16-18 Anne Street, George Town. Members of the public are invited to attend these meetings.

A copy of the agenda is available on Council's website [www.georgetown.tas.gov.au](http://www.georgetown.tas.gov.au) or at the Customer Services Counter on the Friday before the meeting. Further information about public question time and Council meetings is also available from the Council offices or via Council's website.

# Our People

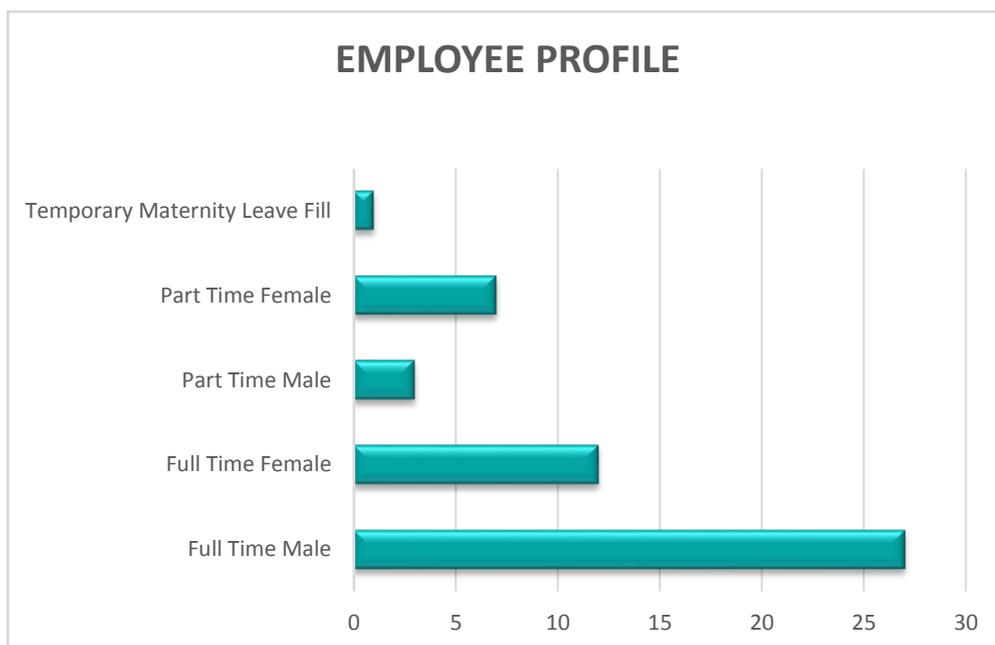


# Human Resources

## Our Workforce

As at 30<sup>th</sup> June 2017, Council had a total of 50 staff members comprising of 40 full-time and 10 part-time employees.

| Employment Status | 2016/17<br>Start of Year |              | As at<br>30 June 2017 |              |
|-------------------|--------------------------|--------------|-----------------------|--------------|
|                   | No                       | FTE          | No                    | FTE          |
| Full Time Staff   | 40                       | 40           | 40                    | 40           |
| Part Time Staff   | 8                        | 6.01         | 10                    | 6.43         |
| Casual Staff      | 1                        | 0.25         | 0                     | 0            |
| <b>Total</b>      | <b>49</b>                | <b>46.26</b> | <b>50</b>             | <b>46.43</b> |



## Training and Development

During the year, twenty six (26) separate learning opportunities were offered to staff. These sessions included individual and group training such as traffic control, chemical handling, playground inspection, chainsaw operations, manual handling, sharps handling, safe work method statement (SWMS), lock out/tag out, first aid, conflict resolution, integrity commission sessions (all staff), HR professional management training, customer service, investigate workplace misconduct, union delegate, health & safety representative training and other various conferences and seminars were attended by staff.

## Equal Opportunity

Equal Employment Opportunity (EEO) is designed to eliminate discrimination against and promote equal opportunity for women and persons in designated groups in relation to employment matters.

The last 12 months has seen George Town Council support the following:

- Ensuring a focus on EEO and diversity related principles in all human resource activities
- Consultancy with support to employees and managers regarding EEO related matters to ensure early intervention and resolution of any grievances and workplace issues
- EEO information to new employees as part of their induction process
- Supporting the Contact Officer so that there is a communication channel which provides confidential information and support to resolve discrimination, harassment or bullying in the workplace

## Code of Conduct

The Employee Code of Conduct Policy provides an outline of the principles, values, standards and rules of behaviour that guide the decisions, procedures and systems that we subscribe to. The Code applies to all employees of the George Town Council and is extended to cover contractors, volunteers, work experience students and trainees. This document supports the principles that customer service is the fundamental purpose of Council and all staff must commit to providing competent, dependable and efficient service.

## Staff Consultative Committee

Council's Staff Consultative Committee has continued to meet every three (3) months to discuss a range of matters which were in line with the Committee's *Terms of Reference*. The purpose of the Committee is to:

1. Provide a forum for consultation between Council management, employees and the relevant union/s;
2. Positively co-operate in workplace reform to enhance efficiency and productivity;
3. Act as an advisory committee to provide input into employee related Council decisions;
4. Provide a process which occurs prior to a decision being taken and encompasses real listening and the ability to influence the decision by all parties involved in the process; and
5. The Consultative Committee comprises of members of staff, representatives from the Australian Services Union (ASU) and Senior Management.

Agenda items are requested from all employees prior to the meeting to allow staff to raise any issues. All minutes are sent out via an e-mail or posted on staff notice boards for employees to access.

# Work Health & Safety (WHS)

## Keeping our People Safe

In 2016/2017, the Council continued to ensure best practice Workplace Health and Safety (WHS) of its employees, volunteers and contractors, recording only one (1) lost time injuries (LTI) for the period ending 30<sup>th</sup> June 2017. This LTI is one (1) of the three (3) overall Workers Compensation claims for the year. All claims were for minor injuries. This is an excellent achievement which recognises the ongoing commitment shown by the entire workforce.

## Lost Time Injuries (LTI's) and Workers Compensation Claims



Council has two (2) Safety Committees to enable greater operational WHS coverage. The George Town Work Health & Safety Committee meets quarterly and a safety meeting is held at Council's Depot every six (6) weeks to allow the outdoor workforce greater input into managing safety in their own work area/s.

Our aim is to continue to maintain a safety culture that supports an accident and injury-free workplace.

## Initiatives

Council is constantly looking at ways to improve the health and safety of its workers. This past year has been no different with the following initiatives being provided:

- Influenza vaccines administered
- Employee Assistance Program (EAP) for staff requiring counselling or support
- First Aid Kits for office and vehicles inspected and replenished
- Continued maintenance of the risk and hazards registers

## Safety Culture

Council has worked consistently over the past year to provide safety information to the workforce that is current, relevant and timely. To achieve this, the following approaches have been used:

- Daily tool box meetings for outdoor workforce
- Depot Safety Meetings
- Online Contractor and Employee Inductions
- Quarterly Work Health and Safety (WHS) Meetings
- Review and update of Standard Operating Procedures (SOP's)
- Update Safe Work Method Statements (SWMS)
- Review and update of Employee Training
- Consistent hazard, incident and investigation reporting
- Consistently demonstrating a commitment to safe work performance
- Commitment to consultation on WHS matters
- Consistently reviewing relevant WHS policies and procedures

## Serving the Community

The Council's main office and Council Chambers is located in Anne Street, George Town.

The Council Depot is located in Franklin Street, George Town and delivers all road, parks and reserves and capital works projects.

## Refuse Disposal

The Council has an inert waste landfill and transfer station at its Mt George Road Waste Transfer Station in George Town and a basic transfer station at its Parry's Road site at Pipers River.

A weekly 140 litre household garbage collection and fortnightly 140 litre recycling service operates in the area.

## Animal Control

A total of 920 dogs were registered with the George Town Council in 2016/2017.

58 dogs were impounded, of which 50 (micro chipped) were returned to their owners, 8 were adopted through the RSPCA and no dogs were destroyed as a result of attacks or deemed to be dangerous/not accepted by the RSPCA.

Council's Animal Control Officer responded to 38 nuisance dog complaints which varied from roaming dogs, 20 barking complaints and dogs

entering neighbouring properties and posing general nuisances to others.

18 infringement notices were issued during the year for unregistered and/or roaming dogs.

A number of requests in regards to cattle, sheep, pigs and goats on the road were received.

Dog litter bag dispensers and bins continue to be provided in popular dog exercise areas throughout the municipality.



# **The Year in Review**

## **Tourism**

### **Cultural Events and Festivals**

George Town Council and local community groups hosted a variety of events and festivals throughout the year.

#### **National Science Week Expo**

On the 17<sup>th</sup> August 2016, in conjunction with National Science Week, George Town hosted a Science Expo in the Memorial Hall Complex.

This free community event included a presentation from UTas on the future of Drones, All School Robotic Championship, Family Science Challenge, Formula 1 in Schools display and demonstrations, Taswater Education Program, and interactive robots.

#### **George Town RSL Sub-Branch: Vietnam's Veterans Day**

The 18<sup>th</sup> August 2016 was Vietnam Veterans Day with this year being the 50<sup>th</sup> Anniversary of the Battle of Long Tan. To recognise this milestone, the George Town RSL Sub Branch held a Commemoration Day for Northern Tasmanian RSL Sub Branches.

The Day's events included a march from the George Town Cenotaph to the Max Harris Memorial, followed by lunch in the Memorial Hall, and an afternoon of live entertainment.

#### **National Garage Sale Trail**

Held annually in October, the National Garage Sale Trail is an initiative for community members, groups and organisations to hold a garage sale on a designated day(s) in October.

#### **Bass & Flinders Centre: Halloween Night**

Family Halloween Night incorporating fancy dress and an indoor movie.

#### **Cornerstone Family Church**

The Cornerstone Family Church have been very proactive in the community over the past 12 months, holding several free community events –

- August 2016 - Heart, Mind and Soul Celebration
- November 2016 – Community Lamb Spit Roast
- February 2017 – Cornerstone Family Church Wrap Party

### **Cycling Australia Tour of Tasmania - 6 October 2016**

From the 5th to 9th October 2016, Cycling Australia hosted the 2016 Tour of Tasmania. Anne Street in George Town was the venue for the commencement of Stage 2 of this prestigious cycling event, attracting a large spectator crowd.

Held on Thursday 6<sup>th</sup> October, pre event activities included a decorated bike competition, face painting and a food & refreshment stall.



### **Seniors Variety Concert - 11 October 2016**

To celebrate Seniors Week 2016, Council hosted a Seniors Variety Concert in the Memorial Hall. A full house was entertained with song, poem and dance routines provided by many popular local entertainers, following which an afternoon tea was served. This annual event continues to grow in popularity and is welcomed by the senior members of our community.



### George Town RSL Sub Branch: Remembrance Day 2016

Held on 11<sup>th</sup> November – Armistice Day WW1, this year’s Remembrance Day event included the re-dedication of the two Bofor Guns which were reinstalled into the Max Harris Memorial Reserve.

### George Town Triathlons

The Launceston Triathlon Club held two very successful triathlons with a large number of local and regional entrants in both events. Held on the 21<sup>st</sup> January and the 26<sup>th</sup> February 2017, the triathlons were held at York Cove, the venue allowing for excellent spectator viewing. The triathlons include three divisions, catering for all – Trystars, Enticer and Sprint.

### Annual Christmas Parade and Christmas Carols – 12 December 2016

25 entries made up the 2016 Heritage Isle Christmas Parade.

Entries were received from local schools, community organisations, individuals, local businesses, emergency services and sporting groups, with many tailoring their floats to suit the theme of “Christmas Wonderland”. Despite the very windy and cold weather, a vast number of people lined Macquarie Street to watch the parade.

Float winners were:

- Best Float - Gordon Square Childhood Centre
- Best Walking Entry - George Town Community Hub
- Most Entertaining - City of Launceston Pipe Band
- Encouragement Awards - Star of Sea School

Following the parade, Council held Carols by Candlelight. Unfortunately, poor weather meant the event had to be moved indoors to the Graham Fairless Centre. The Centre was an ideal location offering ample room for the 250+ people who attended and enjoyed the entertainment provided by both local and regional artists.



### **Jazz in the Park and Family Outdoor Cinema – 19 January 2017**

Regent Square was the venue for Council’s Jazz in the Park and Family Outdoor Cinema. This was the second outdoor cinema to be held in the municipality, with Council receiving many positive comments from those in attendance. The choice of movie – “Jungle Book” was well received all.

The objective of this event was to provide summer entertainment to the public, and to provide a family activity. The combination of live jazz, followed by the family movie, again appealed to a broad range of audience.

### **Folk Festival – 20 to 22 January 2017**

The annual Tamar Valley Folk Festival was held over a three day period in January featuring a full program of music, song, dance, stories, poetry, children's entertainment, themed concerts and workshops.

### **Port Dalrymple Rock School – January 2017**

The Port Dalrymple Rock School is a four day, intensive music program that is offered to children between the ages of 10 – 16 who live in the George Town municipality and is run by music teachers from Port Dalrymple on a voluntary basis.

The Rock School program has been running for six years and provides ex participants many opportunities to continue their interest in music through paid work in the music industry, becoming mentors, or attaining accreditation to become qualified teachers at Rock School.

### **Australia Day – 26 January 2017**

Approximately 200 people attended George Town's Australia Day Award Ceremony. This was followed by the annual Australia Day Breakfast, a Family Fun Day in Regent Square, and a Red Herring Skate demonstration and education session at the George Town skate park.

Council was honoured this year to have as its special guest, Australia Day Ambassador, Ms Melanie Irons. Melanie offered invaluable assistance to the devastating 2013 bushfires when she created a public Facebook page ‘Tassie Fires – We Can Help’. The page helped coordinate public efforts to help bushfire-affected communities.



### **Rotary Club of George Town Wings & Things – 19 February 2017**

This event was held at the George Town Airport, Soldier Settlement Road and organised by George Town Rotary Club. This Family Fun Day offered displays of veteran, vintage and street cars (including hot rods), a motor bike display, aircraft displays, machinery and tractors, children’s activities, food & refreshments, and live music, with spectacular aerobatics performed by the Roulettes.

### **Lions Club Family Fun Day**

This year the Lions Club held a Family Fun Day in Regent Square. The event included many children’s activities, live music and food & refreshment stalls.

### **Xtreme Rides and Collins Amusements Easter Family Carnival – Easter 2017**

A family carnival was held in Regent Square over the Easter period. The carnival elements included thrill rides, family rides, children’s rides, games, food & refreshments.

The carnival was well received by the community, and provided an alternate form of entertainment during the three day period of the carnival.

### **Anzac Day – 25 April 2017**

The RSL George Town Sub Branch worked with the George Town community, local schools, sporting clubs and Councillors to host memorable Anniversary services to commemorate Anzac Day.

### **Targa Tasmania - 25 April 2017**

This year Targa hosted stage 1 of Targa Tasmania. The hosting of this on Anzac Day resulted in much liaison between Council staff, Targa Tasmania and the George Town RSL Sub Branch, to ensure that there was no impact on the success of the individual events.

This was achieved through strict adherence to event plans, traffic management controls, and the support of both organisations to work together.

Hundreds of local residents, and visitors from around Tasmania and Interstate enjoyed the street stage, which culminated in an ‘expo’ of competitor cars on Regent Square.



### **Volunteer of the Year Award – 9 May 2017**

This year's Volunteer of the Year award went to joint winners Doreen Cook and Gary Glover. Both are long time volunteers in our community – Doreen in the areas of community car, meals on wheels and Lions Club, and Gary through the Visitor Information Centre.



### **Cancer Council Morning Tea – May 2017**

On Friday 19<sup>th</sup> May, a Cancer Council Biggest Morning Tea was held in the Graham Fairless Centre. Representatives from many community organisations came together to form an organising committee to plan and host the event - CWA, George Town Hospital Auxiliary, Ainslie Auxiliary, Ladies Leisure Centre, Lions Club, George Town Soroptimists, Rotary Club of George Town, George Town Garden Club, Neighbourhood House, Senior Citizens Club, George Town Council and the Cancer Support Group.

The Biggest Morning Tea was an inspirational event, not only in raising the substantial amount of \$3,750 for the Cancer Council, but by bringing together so many community members.

### **Steampunk Tasmania Festival – 24 June 2017**

The second Steampunk Tasmania Festival was a tremendous success with over 700 people attending from many areas throughout Tasmania, and from interstate. Embracing George Town's industrial and historical heritage, this quirky, creative and fun festival was held in the former Skellerup Building.

Visitors to the festival were met with tea pot racing, tea duelling, a Mad Hatters tea party, live steampunk music, steampunk artisans and stalls, steam roller rides, and an amazing display of steampunk fashion worn by over 60% of those in attendance.

# Development and Land Use Planning

## Building

In 2016/2017, 59 building approvals were granted with a value of \$6,758,495. This represents a decrease in value of works of \$1,965,200, a decrease of 28 approvals from the 87 building approvals granted in 2015/2016.



## Planning

The number of planning approvals in 2016/2017 (111 approvals) increased by 13 from 2015/2016. Approval for dwellings and minor residential works continue to form the majority of applications although there was a substantial increase in Commercial and Subdivision applications.

The Planning Department saw an improvement in turnaround time of processing applications with the average assessment time for Discretionary applications being 41 days and Permitted applications being 21 days.



# Operations

Council's Works Depot carried out routine inspections and maintenance of town and rural roads and continued to respond to customer service requests throughout the year.

## **Vegetation Management**

A comprehensive program of vegetation management was undertaken along rural roads leading up to the summer fire period.

## **Waste Management**

A hard waste kerbside collection was undertaken in May 2017 – by registration, 137 tenements participated.

Two options were provided to residents for the disposal of hard waste with a free hard waste drop off offered over two Sundays in April 2017.

Construction commenced at the George Town Waste Management Station which includes a tip shop, weighbridge and the general waste disposal facility.

# Capital Works

In the 2016/17 financial year, Council project managed a broad range of Capital Works with the intent of maintaining and to enhance a quality built environment based on sustainability principles.

## **Road Resealing**

The resealing program of included;

- Elizabeth Street
- York Cove Centre – Car Park & Driveway
- George Town Airstrip
- Weymouth Road
- Industry Road
- Old Bangor Tram Road.

## **Gravel Road Re-sheeting**

2016/17 rural unsealed road re-sheeting programme was completed.

## **Guard Rail**

New traffic guard rail installed on sections of the East arm road to improve road system safety.

## **Kerbs and Footpaths**

A budget of \$120,000 was allocated to replace multiple kerb and footpaths at George Town.

- Low Head Causeway footpath was constructed at a capital cost of \$71,042
- York Cove footpath upgrade.

## Stormwater

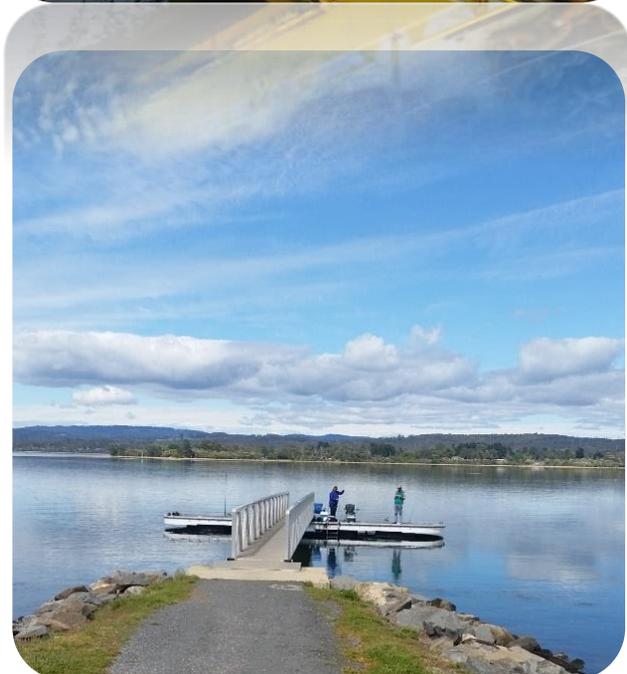
Key stormwater projects included:

- Regent Square – installation of new stormwater infrastructure, eliminating ponding.
- George Town aerodrome – airfield drainage line upgrade.

## Pontoons and Boat Ramps

Both pontoons at York Cove were fully refurbished with anchor chains and the deck replaced at the Hillwood jetty. New signage was erected at the Weymouth boat ramp.

Solar lighting was erected at the Low Head Boat Ramp.



## Road Safety Initiatives

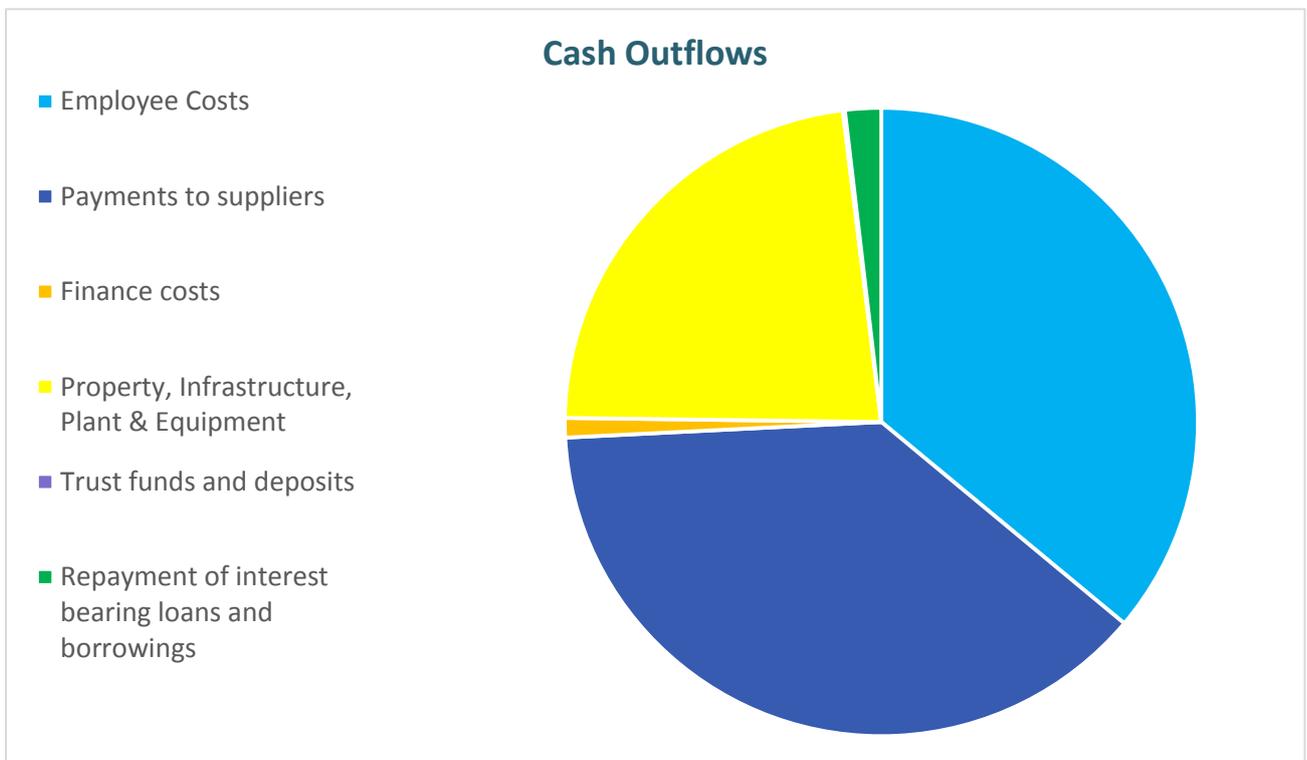
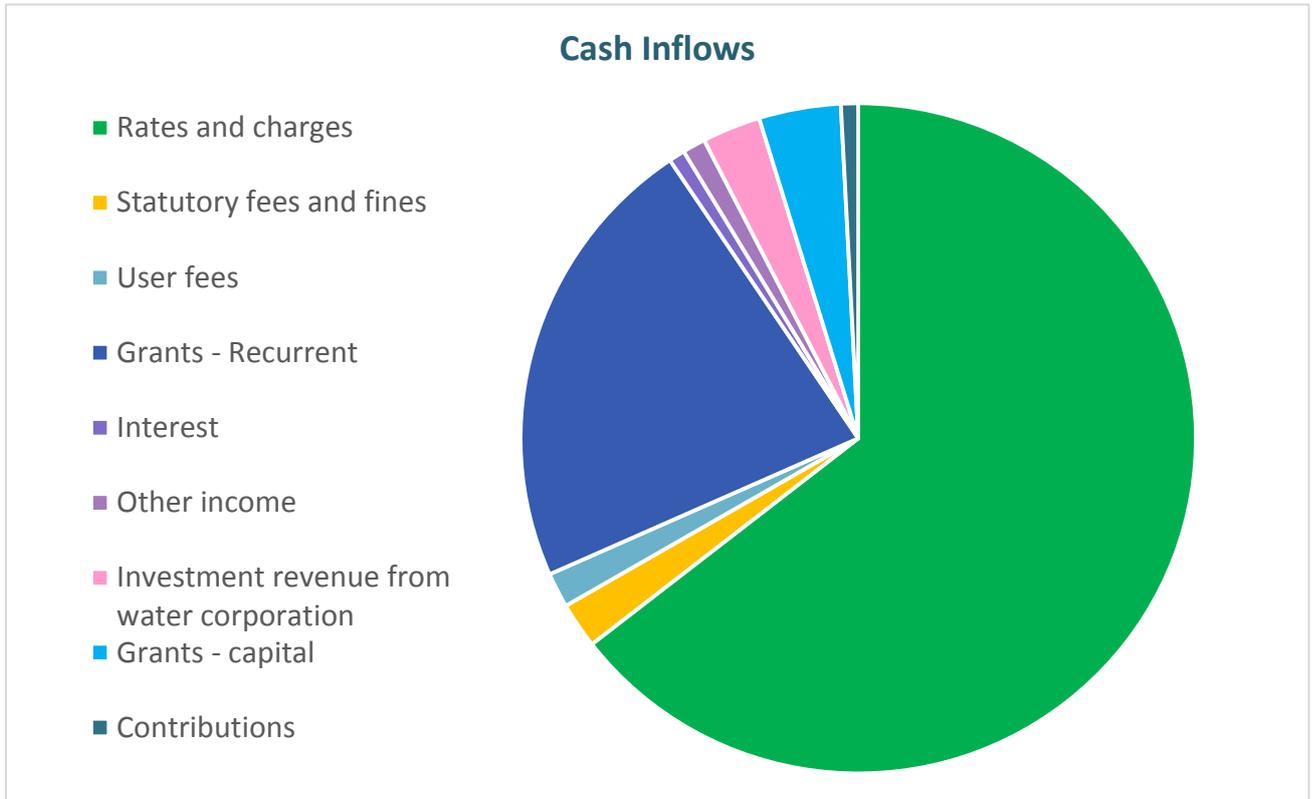
- Installation of tactic surfaces at Williams Street pedestrian crossing.
- Established the 40km/hr school crossing speed zone on Main Street, George Town
- Dalrymple Road – installation of safety advisory signs including narrow bridge advisory signage.
- Applied for “Black Spot” Road funding for a roundabout at the intersection of Victoria and Franklin Street with \$300,000 granted to Council for construction in the 2017/18 financial year.
- Installation of traffic calming islands at the intersection of Franklin and William streets, George Town.
- Erection of speed limit and warning advisory signs along the length of The Glen Road.

## Installation and Upgrade of Playground Equipment

As part of Council’s commitment to upgrading public facilities and open spaces in response to ongoing community needs, projects were undertaken to install playground facilities at Lefroy and replace the lagoon Beach playground facilities. The works included the installation of play equipment that meets Australian Standards and also the re-edging and mulching of the surrounding area, ensuring a safer environment for all users.



# Financial Sustainability



# Comments in relation to the Audited Financial Statements 2016/2017

## Financial Sustainability

The assessment of financial sustainability can be based on a review of four key ratios. The key ratios being the underlying surplus ratio, the net financial liabilities ratio, the asset consumption ratio and the asset renewal funding ratio. These ratios are reported below and comments made.

Management Indicators (refer to Note 2.5 of the Financial Statements for a more detailed analysis of the ratios).

| <b>Underlying surplus ratio</b>      | <b>2017</b>        | <b>2016</b>        | <b>2015</b>    | <b>2014</b>    |
|--------------------------------------|--------------------|--------------------|----------------|----------------|
|                                      | \$                 | \$                 | \$             | \$             |
| <u>Underlying surplus or deficit</u> | <u>(1,112,862)</u> | <u>(1,059,463)</u> | <u>394,743</u> | <u>225,977</u> |
| Recurrent income*                    | 10,634,195         | 10,158,208         | 10,558,513     | 9,925,021      |
| Underlying surplus ratio %           | -10.5%             | -10.4%             | 3.7%           | 2.3%           |

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

Reasons for the negative 2017 result include an increase in depreciation charges due to infrastructure revaluations, together with continued increasing operational costs with a stable revenue base.

| <b>Net financial liabilities ratio</b> | <b>2017</b>    | <b>2016</b>      | <b>2015</b>    | <b>2014</b>     |       |
|--|----------------|------------------|----------------|-----------------|-------|
|  | \$             | \$               | \$             | \$              |       |
| <u>Net financial liabilities</u>       | <u>728,754</u> | <u>(201,413)</u> | <u>464,125</u> | <u>(86,142)</u> |       |
| Recurrent income*                      | 10,634,195     | 10,158,208       | 10,558,513     | 9,925,021       |       |
| Net financial liabilities ratio %      | 0% - (50%)     | 6.9%             | -2%            | 4.4%            | -0.9% |

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

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.

The early receipt of the Australian Government Financial Assistance Grant of \$913,846 which was prepaid in 2017 for the 2018 year is the primary reason for the improvement in this ratio.

## Financial Sustainability

| <b>Asset consumption ratio</b>      | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       | <b>2014</b>       |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | \$                | \$                | \$                | \$                |
| <i>Transport Infrastructure</i>     |                   |                   |                   |                   |
| <u>Depreciated replacement cost</u> | <u>57,022,830</u> | <u>56,752,194</u> | <u>82,430,492</u> | <u>67,762,904</u> |
| Current replacement cost            | 102,121,897       | 100,094,930       | 109,946,420       | 91,168,181        |
| Asset consumption ratio %           | 56%               | 57%               | 75%               | 74%               |
| <i>Buildings</i>                    |                   |                   |                   |                   |
| <u>Depreciated replacement cost</u> | <u>10,345,526</u> | <u>10,905,217</u> | <u>10,766,135</u> | <u>10,700,897</u> |
| Current replacement cost            | 23,429,145        | 23,429,145        | 11,212,163        | 11,028,409        |
| Asset consumption ratio %           | 44%               | 47%               | 96%               | 97%               |
| <i>Drainage</i>                     |                   |                   |                   |                   |
| <u>Depreciated replacement cost</u> | <u>9,846,531</u>  | <u>12,888,092</u> | <u>12,935,912</u> | <u>10,317,300</u> |
| Current replacement cost            | 16,295,064        | 18,768,798        | 18,629,672        | 14,843,910        |
| Asset consumption ratio %           | 60%               | 69%               | 69%               | 70%               |

### Transport Infrastructure

Asset consumption ratio has remained largely unchanged at 56% from the financial year ended 30 June 2016 when Council made a change on the recommendation of the Tasmanian Audit Office, to the method of calculating depreciation charges and written down values. As a result the depreciated replacement cost and current replacement cost had reduced compared to the previous year.

### Buildings

Prior to 2016 building assets were held at a fair value that approximated a market value. From the 2016 year it was determined that no market existed for Council's building stock with the result being that buildings are now held at their estimated replacement value. The significant increase in current replacement cost has occurred due to this decision which has caused the asset consumption ratio to decrease in the 2016 and 2017 years.

## Financial Sustainability

| Asset renewal funding ratio                |         | 2017              | 2016              | 2015              | 2014              |
|--|---------|-------------------|-------------------|-------------------|-------------------|
|  |         | \$                | \$                | \$                | \$                |
| <i>Transport Infrastructure</i>            |         |                   |                   |                   |                   |
| <u>Projected capital funding outlays**</u> |         | <u>17,027,247</u> | <u>11,570,778</u> | <u>13,243,056</u> | <u>14,516,701</u> |
| Projected capital expenditure funding***   |         | 17,027,152        | 8,523,214         | 9,212,000         | 10,752,000        |
| Asset renewal funding ratio %              | 90-100% | 100%              | 136%              | 144%              | 135%              |
| <i>Buildings</i>                           |         |                   |                   |                   |                   |
| <u>Projected capital funding outlays**</u> |         | <u>5,320,005</u>  | <u>749,866</u>    | <u>862,417</u>    | <u>971,690</u>    |
| Projected capital expenditure funding***   |         | Not available     | 160,000           | 160,000           | 160,000           |
| Asset renewal funding ratio %              | 90-100% |                   | 469%              | 539%              | 607%              |
| <i>Drainage</i>                            |         |                   |                   |                   |                   |
| <u>Projected capital funding outlays**</u> |         | <u>844,800</u>    | <u>240,000</u>    | <u>280,000</u>    | <u>320,000</u>    |
| Projected capital expenditure funding***   |         | 844,800           | 240,000           | 280,000           | 320,000           |
| 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 and indicates that Council had capacity to fund future asset replacements as measured at the 30 June 2017.

## Cost Savings Generated

It is noted that although operating costs have increased overall by 4.72% due to general cost increases, operating costs would have been even higher had not the following savings in costs been generated.

|           |                        |                                      | 2017    | 2016    | Change          |
|-----------|------------------------|--------------------------------------|---------|---------|-----------------|
| Note      | Note Description       | Expense Description                  |         | \$      | \$              |
| Note 2.3b | Materials and services | Buildings Maintenance                | 144,261 | 171,016 | -26,755         |
| Note 2.3b | Materials and services | Grounds Maintenance                  | 92,659  | 200,054 | -107,395        |
| Note 2.3b | Materials and services | Plant Operating                      | 302,062 | 327,517 | -25,455         |
| Note 2.3b | Materials and services | Roads and Infrastructure Maintenance | 322,155 | 353,285 | -31,130         |
| Note 2.3f | Other expenses         | Bank fees and charges                | 11,164  | 14,303  | -3,139          |
| Note 2.3f | Other expenses         | Insurance                            | 138,237 | 164,422 | -26,185         |
| Note 2.3f | Other expenses         | Telephone Charges                    | 55,973  | 62,805  | -6,832          |
|           |                        |                                      |         |         | <b>-226,891</b> |

## Grants and Benefits

In accordance with Section 77(2) of the Local Government Act 1993, Council is to include in its Annual Report the details of any grant made or benefit provided.

| Organisation                                  | Grant Category             | Amount \$ | Minute # |
|---|----------------------------|-----------|----------|
| Kurt Gay                                      | Achiever                   | \$200     | 030/17   |
| Sean Hawes                                    | Achiever                   | \$200     | 071/17   |
| Loki Myatt                                    | Achiever                   | \$200     | 135/17   |
| Aaron Zanevra                                 | Achiever                   | \$200     | 166/17   |
| Angus Jeffries                                | Achiever                   | \$200     | 166/17   |
| Myra Donnelly                                 | Achiever                   | \$200     | 177/17   |
| Getasew Ferguson                              | Achiever                   | \$200     | 178/16   |
| Di.Cocco-Grant                                | Achiever                   | \$200     | 178/16   |
| Lachlan Hicks                                 | Achiever                   | \$200     | 209/16   |
| Jack Harris                                   | Achiever                   | \$200     | 209/16   |
| Leah Renton                                   | Achiever                   | \$200     | 209/16   |
| Holli Geeves                                  | Achiever                   | \$200     | 236/16   |
| Launceston Triathlon                          | Community Grant            | \$950     | 235/16   |
| Northern Tasmanian Game Fishing Club          | Community Grant            | \$1000    | 237/16   |
| George Town Fire Brigade Social Club          | Community Grant            | \$300     | 289/16   |
| Hillwood Fire Brigade                         | Community Grant            | \$150     | 318/16   |
| George Town Community Bowls Club              | Community Grant            | \$500     | 011/17   |
| Cornerstone Family Church                     | Community Grant            | \$500     | 031/17   |
| Lions Club of George Town                     | Community Grant            | \$690     | 166/17   |
| Star of Sea College                           | Community Grant - Services | \$500     | 176/16   |
| Cornerstone Family Church                     | Community Grant – Services | \$300     | 031/17   |
| George Town & District Historical Society Inc | Community Grant – Services | \$95      | 094/17   |
| George Town Judo Club                         | Community Grant – Services | \$260     | 094/17   |
| Ainslie Complex Auxiliary                     | Community Grant – Services | \$100     | 094/17   |
| George Town Scout Group                       | Community Grant – Services | \$360     | 094/17   |
| George Town Neighbourhood House               | Community Grant – Services | \$825     | 135/17   |
| Lions Club of George Town                     | Community Grant – Services | \$237.50  | 166/17   |
| Hillwood Area & Residents Association         | Community Grant – Services | \$120     | 179/16   |
| George Town RSL Sub Branch                    | Community Grant – Services | \$300     | 180/16   |
| George Town Saints Netball Team               | Community Grant – Services | \$300     | 181/16   |

## Grants and Benefits (Cont.)

| Organisation                                | Grant Category             | Amount \$         | Minute # |
|---|----------------------------|-------------------|----------|
| Gordon Square Childhood Services            | Community Grant – Services | \$500             | 182/16   |
| Wilted Quilters                             | Community Grant – Services | \$130             | 209/16   |
| George Town Scout Group                     | Community Grant – Services | \$75              | 257/16   |
| George Town RSL Sub Branch                  | Community Grant – Services | \$600             | 259/16   |
| Lighthouse Regional Arts                    | Community Grant – Services | \$201.35          | 260/16   |
| Rotary Club of George Town – Wings & Things | Community Grant – Services | \$400             | 289/16   |
| Ladies Leisure Centre                       | Community Grant – Services | \$200             | 318/16   |
| <b>TOTAL</b>                                |                            | <b>\$11993.85</b> |          |

## Allowances and Expenses Statement

In accordance with the *Local Government Act 1993* section 72 (1) (cb), Council is to provide details of allowances and expenses paid. Details of allowances and expenses paid to elected members are shown at Note 4.2 of the financial statements.

In accordance with the *Local Government Act 1993* section 72 (1) (cd), Council is to provide a statement of remuneration paid to employees of the Council who hold positions designated by the council as being senior positions.

Further a statement under section (1) (cd) is to list the number of employees in groups according to the total annual remuneration as specified in section (5) where each group has a maximum of \$20,000 between the highest and lowest total annual remuneration.

This information is provided in the following table:

| Annual Remuneration of Senior Staff |      |      |
|-------------------------------------|------|------|
| Remuneration Band                   | 2017 | 2016 |
| Less than \$100,001 (part year)     | 1    | -    |
| \$120,000 to \$140,000              | 1    | 3    |
| \$140,000 to \$160,000              | 1    | -    |
| \$160,000 to \$180,000              | 1    | -    |
| \$180,000 to \$200,000              | 1    | -    |
| \$200,000 to \$220,000              | -    | 1    |
| \$260,000 to \$280,000 (part year)  | 1    | -    |

## Tendering and Contracting

For the purposes of section 72(1)(e) of the Act, a council is to report the following in its annual report in relation to any contract, for the supply or provision of goods or services valued at or exceeding \$250 000 (excluding GST), that is entered into, or extended under [regulation 23\(5\)\(b\)](#), in the financial year to which the annual report relates. For the purposes of section 72(1)(e) of the Act, a council is to report the following in its annual report in relation to any contract, for the supply or provision of goods or services valued at or exceeding \$100 000 (excluding GST) but less than \$250 000, that is entered into, or extended, in the financial year to which the annual report relates:

| Description of Contract                    | Period of Contract       | Period of Options for Extending | Value of Tender Awarded (GST Ex) |
|--|--------------------------|---------------------------------|----------------------------------|
| George Town Waste Transfer Station Upgrade | 07/07/2016 to 02/06/2017 | Nil                             | \$487,966                        |
| Resealing of Council Roads                 | 20/02/2017 to 28/04/2017 | Nil                             | \$178,347                        |

| Description of Contract                    | Business/ Contractor Name    | Business/ Contractor Address      |
|--|------------------------------|-----------------------------------|
| George Town Waste Transfer Station Upgrade | Shaw Contracting             | Whitemore Road Whitemore TAS 7303 |
| Resealing of Council Roads                 | Crossroads Civil Contracting | Lilydale Road Launceston TAS 7250 |

## Right to Information Requests

- Number of applications for assessed disclosure received 8
- Number of applications for assessed disclosure accepted 8
- Number of applications for assessed disclosure transferred or part transferred to another public authority Nil
- Number of applications withdrawn by the applicant Nil
- Number of applications for assessed disclosure determined 8

## Non Application of Public Tender Process

For the purposes of section 72(1)(e) of the Act, a council is to report in its annual report all instances where regulation 27(a) and (i) have been applied, with the following details:

Nil to report.

## Land Donated

In accordance with Section 72(1)(da) of the Local Government Act 1993, Council is to provide information with regard to details of any land donated by the Council.

Nil to report.

## Enterprise Powers

In accordance with Section 72(1) of the Local Government Act 1993, Council is to include a statement of activities and performances undertaken under Section 21 (enterprise powers).

Nil to report.

## Competitive Neutrality Complaints Received

Nil received.

## Public Interest Disclosures Statement

In accordance with Part 7 of the Public Interest Disclosures Act 2002 a copy of the George Town Council Model Procedures to be followed by Public Bodies is available to Elected Members, Council employees and the public via Council's website [www.georgetown.tas.gov.au](http://www.georgetown.tas.gov.au) or via a request to the Council Office during normal business hours.

| 2016/2017  | Response |
|--|----------|
| Number and Type of Disclosures made to Council and the number of those disclosures that the public body determined to be public interest disclosures | Nil      |
| Number of disclosures determined by the public body to be public interest disclosures that it investigated during the year                           | Nil      |
| Number of and type of disclosed matters referred to Council during the year by the Ombudsman   | Nil      |
| Number and types of disclosed matters referred during the year by Council to the Ombudsman to investigate  | Nil      |
| Number and types of investigations of disclosed matters taken over by the Ombudsman from Council during the year                                     | Nil      |
| Number and types of disclosed matters that Council decided not to investigate during the year  | Nil      |
| Number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation               | Nil      |
| Any recommendations of the Ombudsman under the Public Interest Disclosures Act 2002 that relate to the Council                                       | Nil      |

## Code of Conduct Complaints

For the purposes of section 72(a) (ba)&(bb) of the Local Government Act 1993 a statement of code of conduct complaints that were either upheld either wholly or in part during the preceding financial year and the total costs met by the council during the preceding financial year in respect of all code of conduct complaints dealt with during the financial year are to be reported:

| No of Code of Conduct Complaints Upheld Wholly or Partially 2016/2017 | Costs Met by Council  |
|---|-----------------------|
| One Code of Conduct Complaint Upheld                                  | \$4,840.12 (inc. GST) |

# Public Health

*Council contracted environmental health services during 2016/2017 to continue to provide access to public health when required or in response to emergency situations.*

## Immunisations

Immunisation remains one of the most important public health initiatives globally and was the major public health activity coordinated by Council during 2016/2017. The immunisation programme was delivered in conjunction with the George Town Medical Centre and provided vaccinations for school age children against preventable diseases in accordance with the recommendations of the National Health and Medical Research Council (NHMRC) Australian Standard Vaccination Schedule.

Three school based immunisation sessions were scheduled for 2017, two have been undertaken and one remains to be undertaken on 27 September 2017. A total of 152 students were listed for vaccinations, with 71 vaccinations given in the first two sessions.

The George Town Medical Centre continues to provide vaccinations for children who were absent or do not participate in the school based program.

## Notifiable Diseases

During 2016/2017 Council's Environmental Health Officer investigated only 1 notifiable disease as requested by the Department of Health and Human Services. This is 4 less than the previous year.

## Recreational Water

Sampling of recreational water was undertaken during the months of December, January, February and March in accordance with the requirements of the Guidelines for Recreational Water Quality. Details of results and calculations as to their safety are recorded in Council's annual report to the Director of Public Health. Analysis results provided below indicate four recorded non-compliant samples, two for Lagoon Beach and two for Pipe Clay Bay. In all cases timely investigations were undertaken but no actual cause was identified. Pipe Clay Bay has returned significant non-compliant results in previous years and continues to be monitored for evidence of sources of contamination. Warning signs advising "No Swimming" were posted at the sites and remained in place until subsequent samples indicated compliance with recreational water quality guidelines. An investigation was undertaken but failed to identify a cause for the problem. Water quality returned to acceptable levels in mid-January. Sample results at other locations indicate very high water quality.

## George Town Recreational Water Sampling 2016/2017

| Test date   | Beechford          | Pilot Station                   | Lagoon beach                      | York Cove            |
|-------------|--------------------|---------------------------------|-----------------------------------|----------------------|
|             | Sampled from beach | Sampled from rocks at south end | Sampled from beach near boat ramp | Sampled near pontoon |
|             | Enterolert         | Enterolert                      | Enterolert                        | Enterolert           |
| 2 Dec 2016  | <10/100mL          | <10/100mL                       | 42/100mL                          | <10/100mL            |
| 4 Dec 2016  | 10/100mL           | <10/100mL                       | <10/100mL                         | <10/100mL            |
| 8 Jan 2017  | <10/100mL          | <10/100mL                       | <10/100mL                         | <10/100mL            |
| 5 Feb 2017  | <10/100mL          | <10/100mL                       | <10/100mL                         | 20/100mL             |
| 10 Mar 2017 | <10/100mL          | <10/100mL                       | 782/100mL                         | 99/100mL             |
| 15 Mar 2017 |                    |                                 | 41/100mL                          |                      |
| 17 Mar 2017 | 10/100mL           | <10/100mL                       | 1169/100mL                        | <10/100mL            |
| 17 Mar 2017 |                    |                                 | <10/100mL                         |                      |

| Test date   | Pipe Clay Bay Samples from bay | Hillwood Sampled from Pontoon | George Town Swimming Pool (main pool) |               |                | George Town Swimming Pool (paddlers pool) |             |                |
|-------------|--------------------------------|-------------------------------|---------------------------------------|---------------|----------------|---|-------------|----------------|
|             | Enterolert                     | Enterolert                    | Thermotolerant Coliforms              | SPC           | Ps. aeruginosa | Thermotolerant Coliforms                  | SPC         | Ps. aeruginosa |
| 2 Dec 2016  | 945/100mL                      | <10/100mL                     | <1CFU/mL                              | <1CFU/mL      | <1/100mL       | <1CFU/100mL                               | <1CFU/100mL | <1/100mL       |
| 4 Dec 2016  | 31/100mL                       | <10/100mL                     | <1CFU/mL                              | 3 est. CFU/mL | <1/100mL       | <1CFU/100mL                               | <1CFU/100mL | <1/100mL       |
| 8 Dec 2016  | 10/100mL                       |                               |                                       |               |                |   |             |                |
| 8 Jan 2017  | <10/100mL                      | <10/100mL                     | <1CFU/100mL                           | <1CFU/mL      | <1/100mL       | <1CFU/100mL                               | <1CFU/100mL | <1/100mL       |
| 5 Feb 2017  | 20/100mL                       | <10/100mL                     | <1CFU/100mL                           | <1CFU/mL      | <1/100mL       | <1CFU/100mL                               | <1CFU/100mL | <1/100mL       |
| 10 Mar 2017 | <10/100mL                      | <10/100mL                     | <1CFU/100mL                           | <1CFU/mL      | <1/100mL       | <1CFU/100mL                               | <1CFU/100mL | <1/100mL       |
| 17 Mar 2017 | 3654/100mL                     | <10/100mL                     | <1CFU/100mL                           | <1CFU/mL      | <1/100mL       |   |             |                |

## Places of Assembly

Due to a change in legislation a place of assembly licence is only required for events involving more than 1000 patrons. Consequently, 1 temporary licence was issued for the operation of places of assembly during 2016/2017 period. Licences are issued subject to satisfactory safe occupancy assessments.

## Nuisances and Public Risk

Complaints and notifications are investigated under the *Local Government Act 1993* or the *Environmental Management and Pollution Control Act 1994* or the *Public Health Act 1997*, and actioned within an appropriate time frame.

Council received a total of 32 nuisance and public health complaints during 2016/2017 across the following categories:

- Odour 3
- Septic effluent 1
- Noise 8
- Asbestos 2
- Spray drift 3
- Wastewater 5
- Environmental (burning waste) 2
- Environmental (visual amenity) 2
- Health & Food 5
- Sheep deaths 1

## Air and Noise

Council continues to be actively involved in the George Town Air Monitoring Stations (GAMS) Committee, attended by the Environmental Health Officer. The station provides real time data for air quality in the region. Results are available online at [www.environment.tas.gov.au](http://www.environment.tas.gov.au).

During 2016/2017, 3 applications involving 14 cooling towers were received assessed and the registrations issued.

## Food Standards and Inspections

In 2016/2017, 66 food premises inspections were undertaken on the 55 registered food premises including temporary food premises in the municipality.

## Plumbing Permits and Development Applications

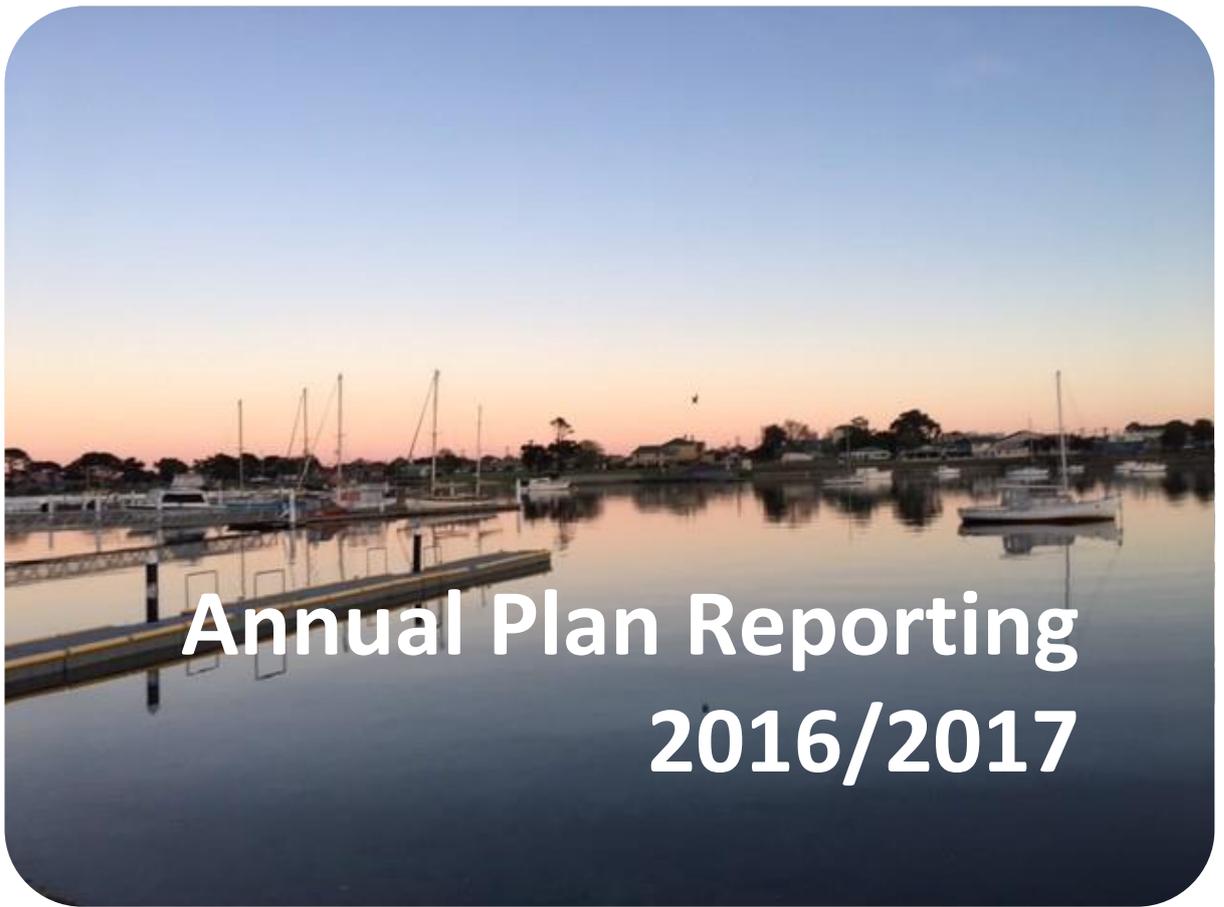
Due to changes in the Building Act 2016, development applications involving on-site wastewater management systems now form part of plumbing permits within the building development application process.

## Education and Promotion

Council's Environmental Health Officer represents Council on the George Town Air Monitoring Station Management Committee (GAMS) and provides food safety awareness presentations as required. Industry forums provide an opportunity to communicate Council's position regarding environmental and health matters and to understand the way stakeholders respond to and influence their environmental impact and the way they engage with the community.

The GAMS Committee includes industry representatives from Bell Bay Aluminium, South 32 TEMCO, Hydro Tasmania, the Department of Environment, the West Tamar Council and the George Town Council.





# Annual Plan Reporting 2016/2017

# Strategic Plan Goal 01

## Foster the growth of a diverse business and industry mix and to foster population growth

### Outcome

A diverse economic mix will provide employment for a diverse mix of community members. A growing population will be relying on jobs both in the George Town municipality and the wider region. Some of the indicators of success are:

- People “believing” in George Town.
- An increase in the number of businesses from a mix of industries.
- An increase in agricultural produce and providore from the region.
- A higher number of residents living in the George Town municipality.
- An increased range of employment opportunities, locally and in the region.

### Key Objectives

1. Promote growth, both in population and business (particularly tourism) through advocacy, promotion, marketing and engagement.
2. Promote an increase in George Town’s workforce by engaging with employers and schools.
3. Support tourism stakeholders in the municipality to develop destination experiences, particularly targeting integration into State-wide and Regional initiatives.
4. Engage in the promotion of Regional and State economic development, thereby acknowledging George Town’s connections with the wider economy.

### Key Priorities

1. Develop promotion, marketing and communication tools for George Town and the Bell Bay Industrial Precinct, including celebrating the success stories.
2. Promote the George Town municipality as affordable and accessible for home buyers.
3. Promote George Town municipality as a sea-change destination with quality health facilities.
4. Market the rural land in the region as abundant and affordable with climate and soil type and topography similar to successful European wine regions.
5. Attract investment to create a diverse mix of industry and business to promote innovation and job creation.
6. Assist industry to match the supply and demand of labour and skilled workers.
7. Advocate for continued activity and investment in Bell Bay, working with industry on targeted initiatives.

# Strategic Plan Goal 01

## Foster the growth of a diverse business and industry mix and to foster population growth

### Key Priorities (Cont.)

8. Advocate for integrated tourist routes for George Town.
9. Advocate for the delivery of specialist education tied to local existing and emerging industries.
10. Advocate for transport, utilities and tourism infrastructure projects where applicable.
11. Identify and plan for highly desirable, sustainable settlements throughout the municipality.
12. Enable an industry development group to provide guidance on establishing and maintaining business, and a focus on ideas generation and mentoring.

## Strategic Plan Goal 02

### Support an active, vibrant and culturally diverse community life that enjoys liveable and amenity rich neighbourhoods

#### Outcome

Council will continue to engage with the community in planning and delivering its services. Council will enable and support volunteering in the community and work with clubs and organisations to do so. Council will play an active role in delivering community events. Council will assist in the coordination of information relating to the provision of health, community and education services.

Some indicators of success are:

The George Town municipality is seen as a friendly, safe and inviting place.

- A continued high level of volunteering.
- Increased participation levels in sports and community programs.
- Improved delivery of community, health and education services.
- Child, family and aged care services needs are met locally.
- An increased number of events and festivals which are well frequented by the community.
- Increased level of school retention rates.

#### Key Objectives

1. Support and advocate for organisations and community groups to grow community capacity.
2. Promote events and festivals that showcase George Town's community.
3. Support integrated community, health and education services.
4. Actively engage and consult with the community, notably young people and those from different cultural and economic backgrounds.
5. Support the sport and recreation, work opportunities, health and education services for young people.
6. Continue to support programs which address social disadvantage.
7. Participate in community safety initiatives.
8. Advocate for adequate, appropriate and affordable transport options between George Town and regional centres.

#### Key Priorities

1. Deliver recurrent community events.
2. Develop a marketing and promotion approach for events and festivals that showcase George Town's community.

## Strategic Plan Goal 02

### Support an active, vibrant and culturally diverse community life that enjoys liveable and amenity rich neighbourhoods

3. Develop and implement a volunteering strategy.
4. Collect and distribute information on existing events and activities.
5. Liaise with young people, people from culturally and linguistically diverse backgrounds, and people from varying socio-economic backgrounds on issues and opportunities that concern the community.
6. Liaise with stakeholders to facilitate the integration and coordination of health and community services.
7. Advocate for a wide range of education opportunities in the municipality.
8. Advocate for aged care accommodation in the municipality.
9. Advocate for additional child care centres in the municipality.
10. Promote the health and community services within the municipality.
11. Partner with other stakeholders to implement crime prevention and community safety initiatives in consultation with the community.

## Strategic Plan Goal 03

**Conserve our natural environment and heritage and ensure it is enjoyed by our community, visitors and future generations.**

### Outcome

Council will strengthen partnerships with community groups, land owners and natural resource management bodies to maintain and conserve our foreshores and natural areas. Council will develop environmental management plans for key natural areas. Council will also improve interpretation of natural assets and cultural heritage.

Some indicators of success are:

- Improved outcomes for natural resource management.
- Continued high volunteerism for natural resource management and heritage conservation.
- Increased community awareness of our natural and heritage assets.
- Increased number of visitors seeking out our natural and heritage assets.

### Key Objectives

1. Commit to enhance the conservation and protection of our natural environment.
2. Support the conservation efforts of our Aboriginal and European heritage.
3. Improve the interpretation of our natural and heritage assets.
4. Improve opportunities for passive recreation around our natural and heritage assets.
5. Closely monitor the built environment around existing heritage places.

### Key Priorities

1. Strengthen partnerships with natural resource organisations and leverage from their work.
2. Facilitate the better management of Crown and Council owned land in foreshore areas.
3. Develop and implement plans for the improved protection and management of Council owned natural assets.
4. Facilitate discussions with the community to assist in the protection of private properties from natural risks such as fire and flooding.
5. Develop and implement plans for the protection and promotion of Council owned heritage assets.
6. Develop interpretation for natural assets and heritage.
7. Achieve a better understanding and communicate the implications of climate change including sea level rise, extreme flood, rain, drought, fire events.
8. Connect walking and cycling paths and trails along the coastline, and develop other trails to key attractions.
9. Ensure George Town's natural values are retained.

## Strategic Plan Goal 04

### Strengthen the vibrancy of our towns and enhance the benefits of living in a rural setting and living close to the river and coast.

#### Outcome

Council will work with the community to provide for sustainable infrastructure and facilities across the municipality. In conjunction with the community, Council will develop strategic directions to enhance the vibrancy of the towns, highlight the connection with the water and plan for future new development.

Some indicators of success are:

- Increased community satisfaction with the George Town municipality as a place to live.
- Sports and recreation facilities that meet the needs of the community.
- Increased levels of activity and use along the foreshores.
- Population growth.
- Increased satisfaction levels with Council works and services.
- Sustainable waste management.
- The development of settlement strategies and regional structure plans.
- Evidence of greater synergies between recreational groups and associations.

#### Key Objectives

1. To identify and respond to changing needs for infrastructure and facilities.
2. To enhance the vibrancy of places.
3. To advocate for a more streamlined planning system.

#### Key Priorities

1. Review and manage the assets and infrastructure Council currently owns in line with community needs.
2. Continue regular maintenance of Council infrastructure facilities.
3. Deliver vibrancy programs, such as street art and shop front activation projects.
4. Initiative projects to increase the vibrancy of and links to main streets and key places (in particular Macquarie Street, Regent Square and York Cove).
5. Prepare strategic plans for vibrant towns across the municipality.
6. Improve signage, interpretation and way finding, both within the municipality and on the transport corridors into George Town.
7. Ensure that Council's facilities meet the (access) needs of the community.
8. Ensure that planning for new areas takes into account the accessibility to water, sewage and other infrastructure.

## Strategic Plan Goal 04

**Strengthen the vibrancy of our towns and enhance the benefits of living in a rural setting and living close to the river and coast.**

### **Key Priorities (Cont.)**

9. Upgrade parks to include outdoor recreational facilities.
10. Identify key development sites around the George Town municipality to facilitate investment.
11. Continue to provide an efficient animal control service promoting the amenity and safety of the community and animal welfare.
12. Promote, implement and monitor public health standards.

## Strategic Plan Goal 05

### Ensure Council listens to and understands community needs and continues to make responsible decisions on behalf of the community.

#### Outcome

Council will continue to work on a trusted relationship with the community. Council's decisions are to contribute to community resilience and independence. Council will continue to engage intensely with the community, remain a sustainable organisation, ensure transparency in decision making, meet or exceed its statutory obligations and minimise risk.

Some indicators of success are:

- Increased community satisfaction with Council's accountability and transparency.
- Increased community satisfaction in regards to interaction with Council.
- Regular regional cooperation between councils in regards to advocacy, economic development, strategic planning and/or resource sharing.
- Council's performance in influencing others at regional and State Government levels.
- Council actively engaging with the community through social media.
- Reduced staff turnover.
- Increased community satisfaction with George Town Council services.

#### Key Objectives

1. Continue to improve Council communication with the community, including celebrating the successes and achievements.
2. Consistently communicate the role of Council to the community (i.e. what Council does and does not do).
3. Strengthen working relationships and cooperation with neighbouring councils.
4. Consistently achieve a high standard of internal financial and governance arrangements.
5. Initiate a conversation with the community about any aspects of Local Government reform.
6. Attract, retain and value a highly skilled and committed workforce.

#### Key Priorities

1. Manage and seek to minimise risk throughout Council.
2. Build the strategic capacity of Council to effectively communicate with the community.
3. Monitor Council's performance against all objectives, including community objectives.
4. Initiate at least one regional project involving neighbouring councils.
5. Be actively involved and seek to influence decisions made at regional and State Government levels.

## GOVERNANCE

### LEAD OFFICER – GENERAL MANAGER

| Strategic Plan Goal<br>Key Objective &<br>Key Priority | Actions   | Outcomes  | Progress as at 30.06.2017   |
|--|---|---|---|
| 1.1.1<br>1.1.5<br>1.1.7                                | Promote the municipality as a place for investment through the creation and future implementation of an economic development plan.          | Number, value and quality of investment and new business/s attracted to the municipality;<br>Development and promotion of partnerships and alliances with key stakeholders;<br>Development of an economic and social prospectus for industry, business and residents/liveability.   | Bell Bay Industrial Precinct Plan progressed. Draft Plan expected to be finalised 23 June.<br><br>Four week public exhibition period 22 July through 18 August 2017.  |
| 1.1.1<br>1.1.7   | Work with Government, Northern Tasmania Development and Bell Bay stakeholders to upgrade Bell Bay infrastructure.                           | Participation in joint projects and partnership agreements with stakeholders, Northern Tasmania Development and the State Government.   | Membership of NTDC (formerly NTD) maintained. General Manager/Acting General Manager and Mayor pursued opportunities to meet with the Government representatives promoting the Bell Bay area with key stakeholders.   |
| 1.1.1<br>5.1.2   | Proactively liaise with the media.  | Positive media releases published;<br>Active promotion of Council's activities and achievements through the media.  | Council activities promoted via Council's website and the Examiner Newspaper.   |
| 1.1.5  | Identify and target new activities and businesses that add value to the sustainability of local centres.                                    | Council engagement with businesses and the provision of regular updates on emerging issues affecting the municipality's economic development. Ongoing liaison with the George Town Chamber of Commerce.   | General Manager attended Chamber of Commerce meetings and functions.  |
| 1.4.5<br>1.4.7   | Work collaboratively with Federal and State Government departments and non-government organisations to provide services to meet unmet need. | Participation in joint projects and partnership agreements with stakeholders, Bell Bay Economic Development Group, Northern Tasmania Development and the State and Federal Governments.<br>Assist in the formation of the industry led Bell Bay Economic Development Group.<br>Complete the Bell Bay Structure Plan with State Growth through a Steering Committee. | Membership of NTDC maintained.<br><br>Bell Bay Industrial Precinct Plan progressed. Draft Plan expected to be finalised 23 June. Four week public exhibition period 22 July through 18 August 2017.<br><br>Economic development opportunities promoted to Government representatives by Mayor and General Manager/Acting General Manager. |

| Strategic Plan Goal<br>Key Objective &<br>Key Priority | Actions  | Outcomes  | Progress as at 30.06.2017  |
|--|--|---|--|
| 1.4.5<br>1.4.7<br>1.4.12                               | Meet with industry representatives who are in a position of influencing government policy.   | Participation in local and regional initiatives with key industry representatives.  | General Manager met regularly with industry representatives. Industry representation at Elected Member Workshops. Attendance by General Manager at regional economic development and industry meetings.  |
| 1.4.10   | Work with key stakeholders to develop transport management strategy that maximises transport efficiency and minimises local impacts.   | Participation in joint projects and partnership agreements with regional Councils, Northern Tasmania Development and the State Government.  | Participation in NTDC (formerly NTD) projects maintained.  |
| 2.1.5  | Facilitate development of strong governance and leadership skills to build capacity in community groups.   | Participation in the activities of community groups.  | Regular attendance by General Manager and Council officers at community group activities and events.   |
| 5.2.2  | Improve community awareness of Council's strategies, decisions, facilities and services.   | Council's website utilised to improve Community awareness of Council's strategies, decisions, facilities and services;<br>Increased engagement with the community via the delivery of two externally held Council meetings within the municipality. High level of community satisfaction with the quality of information provided by the Council. | Meeting Agendas and Minutes made publicly available. Council services promoted via Council website and Council officers.<br><br>Improvements to Council's website design currently under review.   |
| 5.2.2  | Increase and promote community participation in Council activities, promote business and industry associations and foster improved liaison between community groups and other relevant stakeholders. | Demonstrated involvement and participation in community group activities and liaison with other relevant stakeholders, business and industry groups.  | Regular attendance by the General Manager and Council officers at community group meetings and activities. General Manager continued to meet with relevant stakeholders on economic development opportunities eg. George Town Chamber of Commerce.<br><br>Community Consultation Policy to be developed. |
| 5.3.4  | Actively participate with other Councils on regional matters and support the development and implementation of regional strategies between the Northern Tasmania Councils.                           | Participation in regional activities and liaison with neighbouring Councils as required;<br>Input into regional strategies that support the development within the George Town municipal area;<br>Participation with Northern Tasmania Development.   | Participation in NTDC activities.<br><br>General Manager/Acting General Manager attended regional General Manager Group meetings.  |

| Strategic Plan Goal<br>Key Objective &<br>Key Priority | Actions   | Outcomes   | Progress as at 30.06.2017   |
|--|---|--|---|
| 5.3.4<br>5.3.5<br>5.5.4                                | Explore opportunities for common service provision with other Councils and relevant organisations.  | Opportunities for resource sharing and shared services with other Councils.  | Resource sharing arrangements (Building Surveyor and Plumbing Inspector) in place with West Tamar Council. Pre-feasibility study commenced (merger George Town Council & West Tamar Council).<br><br>Participated in Northern Councils shared services review.                                    |
| 5.3.4<br>5.3.5<br>5.5.4                                | Participate in a benchmarking/shared services review with Northern Councils and the State Government as part of State Government Local Government Reform. | Review completed.  | Participated in Northern Region shared services review. Report expected in July/August 2017.  |
| 5.4.1  | Maintain Council's responsibility for community recovery.   | The George Town Municipal Emergency Management Plan implemented and the development of Council's business continuity plan. | Business continuity plan developed. Testing to be undertaken in November 2017.  |
| 5.4.1  | Compliance with the requirements of relevant Acts and Regulations in implementing Council's business activities.  | General Manager and Officers fulfil their duties in accordance with legislative requirements.                              | Staff performance against Council policies and legislation monitored and areas of non-compliance addressed and/or reported where they are likely to impact on the operations of Council.  |
| 5.4.2  | Provide sound strategic decision-making, governance, leadership and professional management.  | High level of community satisfaction with the performance of the Mayor and Councillors.                                    | Monthly Council meetings held.<br>Public attendance and participation during public question time.<br><br>2016 AGM held in December 2016. Annual Report released in November and adopted by Council (December 2016).<br><br>Agendas and Minutes of open Council meetings made publicly available. |
| 5.4.2  | Promote a positive image for Council and provide excellent customer service.  | A high level of customer service satisfaction;<br>Review of Council's Customer Service Charter.                            | Customer services requests actioned in a timely manner.<br>Customer Service Charter Policy No. 8 reviewed November 2016.  |
| 5.4.3  | Implement Council's Strategic Plan.   | Annual Plan 2016-2017 outcomes achieved and reported to Council during the year.   | Six monthly reports against the Annual Plan submitted to Council.   |
| 5.4.3  | Provide an ongoing program of professional development for Councillors.   | Ongoing professional development undertaken by Councillors.  | Participated in LGAT and other related industry events and professional development sessions/seminars.  |

| Strategic Plan Goal<br>Key Objective &<br>Key Priority | Actions   | Outcomes  | Progress as at 30.06.2017   |
|--|---|---|---|
| 5.4.3  | Continue to review processes for Councillor support, including the provision of professional and timely advice.             | Information and advice provided to Councillors (within legal constraints) as soon as possible.                        | Professional support and advice to Councillors on Council matters maintained.<br><br>Council agendas and minutes and workshop papers provided to Councillors in a timely manner.                  |
| 5.4.3  | Facilitate continuous improvement in Council operations and service delivery.   | Council operations and services delivered in accordance with community expectations.                                  | Positive and negative feedback circulated to Council staff. Improvements identified and implemented where required.   |
| 5.4.3  | Review and develop Council policies and ensure that policies, procedures and practices are effective, open and transparent. | All Council policies, strategies and procedures reviewed by July 2017;<br>New Council policies developed as required. | Reviewed and newly developed policies regularly workshopped and submitted to Council meetings.<br><br>Remaining policies to be reviewed in accordance with requirements of 2017/2018 Annual Plan. |
| 5.4.5  | Meet with relevant State and Federal Government Ministers and Departments.  | Meetings held.  | Meetings held with various Government representatives to promote economic development and investment in the region as opportunities arise.  |
| 5.4.5  | Development of Council's Strategic Priority Projects.   | Continue to promote and seek funding for George Town Council Strategic Priorities Projects.                           | Council's Strategic Priority Projects promoted to Government representatives as opportunities arise.  |
| 5.4.5  | Support and participate in activities of the Local Government Association of Tasmania.                                      | Membership and participation in the Local Government Association of Tasmania's activities.                            | Supported and participated in LGAT activities.  |
| 5.6.3  | Enhance and promote employee satisfaction, health, safety and wellbeing.  | WHS Policies, Practices, Procedures and legislative requirements reviewed and adhered to.                             | Action to be taken to improve and promote WHS policies, practices and procedures.   |
| 5.6.3  | Ensure adequate resourcing to meet the changing needs of Council and the community.   | Resourcing requirements reviewed in accordance with Council's budget.   | Resourcing requirements met accordance with Council's 2016/2017 budget.   |
| 5.6.3  | Encourage a professional, innovative, responsible harmonious and effective working relationship within Council.             | Demonstrated effective organisational outcomes;<br>Retention of staff.  | Staffing level maintained.<br>Action to be taken to promote a positive cohesive culture amongst Council staff.  |

**CORPORATE/ADMINISTRATION**  
**LEAD OFFICER - DIRECTOR CORPORATE SERVICES**

| Strategic Plan Goal<br>Key Objective & Key Priority | Actions  | Outcomes  | Progress as at 30.6.2017   |
|---|--|---|--|
| 1.1.5   | Contribute to the economic development activities adopted by Council.  | Economic development opportunities are further developed and implemented subject to the legislative, resource and funding constraints.  | Support provided to General Manager or delegated personnel.  |
| 4.1.1   | Review and make recommendations on plant and equipment usage, economic justifications and financing options, including whole of life cost analysis.                    | Plant inventory supports the activities of Council at best value for money.   | Plant utilisation analysis completed ready for plant audit.<br><br>Draft plant fleet management policy prepared for feedback.  |
| 4.1.1   | Manage the financial modelling and data collection process required to support the development of the long term asset management plan/s, and long term financial plan. | Plans updated as required.  | Modelling completed for transport infrastructure and drainage asset classes and input to asset management plans and long term financial plan.<br><br>Building data under review. |
| 5.1.2   | Provide reception services for the organisation in accordance with the Customer Charter and council policies and procedures generally.                                 | Enquiries and queries received and customers to Council are efficiently and professionally managed to receive a response to their concerns from the identified responsible officer. | Customer service maintained in accordance with Council's Customer Service Charter Policy No. 8.  |
| 5.4.1   | Facilitate maintenance of the risk register and progress risk assessments and risk mitigation control strategies as required.  | Risks identified, ongoing risk assessments performed, risk outcomes minimised.  | Regular risk assessment interviews held and risk register updates processed, some mitigation plans developed.  |
| 5.4.1   | Prepare reporting and updates on risk matters for the General Manager, Audit Panel and Council as required.  | Parties updated on risk matters and able to make informed decisions.  | Risk reporting provided to council via reporting to the Audit Panel.<br><br>Risk considerations noted on agenda reports by officers as required.                                 |
| 5.4.3   | Coordinate the provision of advice and reporting to the Audit Panel.   | Agenda and reports prepared and provided to the Audit Panel in accordance with the regulations and the Panel's activities.  | Reports and advice prepared and provided.  |
| 5.4.3   | Further develop a long term financial plan supported by a financial strategy to sustain Council's financial position.  | Long term financial plan reviewed, updated, adopted and implemented.<br>Financial sustainability improved.  | Long term financial plan updated for Council consideration as a guiding document for budget preparations.  |

| Strategic Plan Goal<br>Key Objective & Key Priority | Actions   | Outcomes   | Progress as at 30.6.2017  |
|---|---|--|---|
| 5.4.3   | Manage and implement a borrowing strategy that supports Council's strategic goals that meets accepted sustainability measures.  | Sustainable debt levels that support the delivery of Council's strategic goals.  | Loan borrowings in place that remain within the parameters contained within Council's financial strategy.   |
| 5.4.3   | Collate and record fees and charges for the full range of Council services, based on the user pays principle and community service obligations.   | Council's fees and charges reviewed annually and adopted by Council.   | Fees and charges reviewed and adopted as part of budget deliberations.<br><br>Further updates to Council based on legislative changes.  |
| 5.4.3   | Review banking and investment products regularly.   | Banking and investment products reviewed, products selected to provide the best value for money.                             | Investment accounts monitored for most attractive interest return.  |
| 5.4.3   | Develop and facilitate the use of purchasing and supply practices that maximise value for money.  | Council's Code for Tenders and Contracts reviewed, updated as required and implemented. Value for money achieved.            | Code updated and distributed to employees, sign off required from officers as to compliance with purchases over \$15,000.<br><br>Online local government ordering system in use. Audits of compliance with the code for tenders and contracts conducted on an ad hoc basis. |
| 5.4.3   | Ensure that Council's business information systems are maintained, secure and meet Council's service needs.   | Maintained, secure business systems that respond to Council's service delivery requirements.                                 | Business systems maintained.  |
| 5.4.3   | Coordinate the installation of upgraded software and associated procedures for the Authority finance software/ the ECM Data Works records management software/and the Microsoft Office upgrade to 2010. | Application software installed to support the business needs of the organisation.  | ECM/DataWorks upgrade planned for approximately March 2017.<br><br>Microsoft Office and Authority upgrades will follow.   |
| 5.4.3   | Coordinate the installation of replacement servers and back up hardware.  | Council's network hardware is capable of meeting its service delivery requirements and data backup is assured and available. | New ECM/DataWorks server and backup software installed and in operation.  |
| 5.4.3   | Apply and review Council resolutions, rating policy and Local Government Act requirements to rating administration.   | Rate administration complies with Council resolutions, policy and Legislation.   | Council rating resolution applied to rating notices and administration.<br><br>Local Government Act rating legislation applied as required.   |

| Strategic Plan Goal<br>Key Objective & Key Priority | Actions   | Outcomes   | Progress as at 30.6.2017  |
|---|---|--|---|
| 5.4.3   | Process business transactions for accounts payable and accounts receivable in a timely and accurate manner.   | Accounts payable and receivable records and reporting are accurate and updated, agreed terms complied with, cash flow managed. Supplier and debtors complaints minimised. Materials and services are supplied as needed. | Transactions processed on a regular basis.  |
| 5.4.3   | Process and record payroll transactions that reflect the terms agreed with employees and in accordance with legislative requirements.   | Employees financially rewarded in accordance with the agreed terms and legislative compliance achieved.  | Transactions processed and recorded on a regular basis.   |
| 5.4.3   | Provide administrative and strategic human resources support to the organisation that complies with legislative requirements and supports the achievement of Council's goals. | Human resource practices and procedures that support Council's goals promote work place harmony and comply with legislation.   | HR policies, practices and procedures continued to be reviewed and promoted within the organisation.  |
| 5.4.3   | Budgets developed and implemented in accordance with Council decisions and the long term financial plan, and annual plan.   | Financial resources provided to support the approved activities of Council within the constraints of the Long Term Financial Plan.   | 2017/2018 budget adopted but not in compliance with the long term financial plan based on Council decision.   |
| 5.4.3   | Process business transactions in accordance with taxation legislation, administrative requirements and timeframes.  | Tax compliance is achieved, no fines for non-compliance.   | Tax transactions and compliance processed on a regular basis.   |
| 5.4.3   | Manage cash flow so that Council's funds are invested and released to meet Council's financial commitments.   | Investment in co supplier payment terms avoided.   | Cash flow managed on a regular basis. Cash moved as required to meet budget commitments.  |
| 5.4.3   | Manage the insurance renewal and claims process.  | Council's assets and activities insured and claims processed as required.  | Insurance claims processed as required. Insurance renewed for 2016/2017 based on broker's recommendations.  |
| 5.4.3   | Financial reporting regularly provided including key performance indicators against targets, variance analysis and recommended actions.                                       | Council and responsible officers informed as to the financial status of their programs against budget and performance targets, recommended corrective actions considered by Council and responsible officers.            | Financial reporting provided on a monthly basis to Council.<br><br>Regular reports provided to Council officers responsible for specific budgets.       |
| 5.4.3   | Contribute to the development of the annual plan, strategies and review Council policies.   | Plans, strategies, policies further developed, reviewed and adopted by Council where necessary.  | Departmental reports and policies reviewed and adopted by Council.  |
| 5.4.3   | Provide administrative and technical support to the records management process and systems. Further develop records management procedures in accordance with business needs.  | Council records maintained so that they can be quickly and easily retrieved to support business needs. Compliance with legislative requirements for records management.  | Administrative and technical support provided on a regular basis.<br><br>Records management procedures to be reviewed in line with the planned upgrade. |

| Strategic Plan Goal Key Objective & Key Priority | Actions  | Outcomes   | Progress as at 30.6.2017  |
|--|--|--|---|
| 5.4.6  | Allocate budget expenditure for staff professional development and training.   | Training budget approved, officers demonstrate skills and knowledge to successfully undertake their duties in a professional manner in accordance with legislative requirements. | Budget allocated.   |
| 5.4.6  | Undertake all necessary HR processes for the Corporate Services Department and assist the General Manager with the HR systems and processes of the organisation. | HR organisational systems and processes reviewed and implemented throughout the Corporate Services Department and the organisation.  | Undertaken and provided.  |
| 5.4.6  | Encourage the service delivery and development potential of the corporate services team.   | Enhanced ability of the team to support each other, greater professional capabilities and reduction in the need for casual or agency support staff and consultants.              | Mentoring support provided.<br>Some training undertaken to fill knowledge gaps. |

**COMMUNITY DEVELOPMENT SERVICES**  
**LEAD OFFICER - MANAGER COMMUNITY DEVELOPMENT**

| Strategic Plan Goal<br>Key Objective &<br>Key Priority | Actions  | Outcomes   | Progress as at 30.6.2017  |
|--|--|--|---|
| 1.1.1  | Monitor and manage the Visitor Information Centre and oversee development, business plan and strategic direction to maintain Industry accreditation and alignment with Council's strategic plan, TVIN accreditation and strategy and Tourism Industry Council Tasmania accreditations. | Industry accreditation maintained business plan and strategic direction aligned with Council's strategic plan and Industry standards.  | Accreditation current for 2016-17.  |
| 1.1.5  | Engage in marketing and promotion of the George Town municipality to visitors through marketing strategies and campaigns within budget constraints.  | Identified digital and print marketing opportunities in line with Tourism Tasmania's tourism strategy and visitor statistics including focus on the Asian market; continue to support the Destination Action Plan facilitated through TNT. | Council participating in development of Draft Destination Action Plan which will be presented to Council once Steering Group have completed review of branding.                                   |
| 1.1.5<br>1.3.5   | Manage Council's tourism website Provincial Tamar to ensure currency of information and optimisation to current trends.  | Increased page visits and hits to the website. Updated search engine optimisation cues and links to deliver increased visitor numbers to Provincial Tamar website.   | The Provincial Tamar Website has now been incorporated into the new George Town Council website.<br><br>This action was achieved prior to migration and achieved increased visitors to the pages. |
| 1.3.6<br>1.3.10  | Work collaboratively with the George Town Chamber of Commerce to increase the knowledge and understanding of current tourism trends, opportunities and benefits.   | Active participation in appropriate Chamber of Commerce activities; promotion of tourism opportunities and benefits through the Provincial Tamar website and other forums.   | Regular meetings held with Chamber representatives; Chamber participating in TNT and other tourism campaigns  |
| 1.3.8<br>1.3.10<br>3.4.8                               | Actively engage with Tourism Northern Tasmania and develop strategy in line with regional project opportunities identified by TNT; liaise with regional and sub regional tourism organisations to maximise cooperative marketing and industry development activities.                  | Regular meetings with industry stakeholders and regional tourism organisations. Participation with Tourism Northern Tasmania projects.   | Participation in summer marketing campaign, Tourism Tribe, photography initiative.  |
| 1.3.10<br>3.3.5<br>3.3.8                               | Coordinate destination development opportunities within the municipal area including the Watch House, trails, private investment, and include associated interpretive signage opportunities  | Ongoing oversight of the Watch House; Interpretive signage opportunities reviewed; industry operators engaged in developing destination experiences.   | Picnic Trail in development stage; Watch House destination experience improved with stamping machine operating; Mountain bike trails preliminary assessment completed.                            |

| Strategic Plan Goal<br>Key Objective &<br>Key Priority | Actions   | Outcomes   | Progress as at 30.6.2017   |
|--|---|--|--|
| 2.1<br>5.1   | Review, revise where necessary, and implement Council's community grants and sponsorship policy and guidelines and administrative processes to deliver best outcomes for community in line with Strategic Plan.               | Policies reviewed. Grants and sponsorships awarded by Council in accordance with policy and budget.  | Draft policy under consideration; new sponsorship policy drafted.  |
| 2.1.1<br>2.2.1   | Support community groups when planning and organising events in the municipality to develop community organisation capacity.  | Community organisations from within George Town and elsewhere deliver successful events in George Town LGA.  | Future impact Group established, Charter adopted. First event – Stories Festival supported.  |
| 2.1.3  | Review volunteer protocols, processes and performance measures including induction and training; maintain a Council volunteer recognition program; promote volunteering and opportunities for community members to volunteer. | Review completed; Events hosted by Council to recognise and acknowledge volunteer contribution publicly including Australia Day Awards, Volunteer of the Year Awards and Service Acknowledgement events; Continuous liaison with community groups regarding volunteering opportunities within the community. | Volunteer acknowledgement event conducted; volunteering opportunities promoted through organisations.  |
| 2.1.5  | Support youth leadership programs; facilitate participation in Council auspiced activities and services.  | Youth leadership program continued and leadership demonstrated in community activities.  | Youth holiday activities successfully planned and undertaken in conjunction with other community organisations; youth leadership program discontinued due to insufficient number of young people able to commit time to program. |
| 2.1.5<br>5.4.3   | Review Council Youth Strategy.  | Strategy reviewed and reported to Council.   | Council's Youth policy is being reviewed first. The Strategy will be considered once the policy has been revised or rescinded.   |
| 2.2.1<br>2.2.2   | Manage Council events in line with the Events Calendar to deliver vibrant, inclusive events according to financial accountability and risk management principles.   | Events delivered within budget to meet standards including vibrancy, inclusiveness, financial and risk management.   | Annual program executed.   |
| 2.2.2<br>2.2.4<br>5.1.2<br>5.1.2                       | Maintain, and where possible, improve communication opportunities to share community information, by working with other community organisations   | Currency of community contacts; improved co-ordination between community organisations in the dissemination of information   | Database updated and to the extent that community groups respond to Council, dissemination of information has improved.  |
| 2.3.6  | Facilitate provision of health, education and allied services to the George Town municipality specifically addressing the needs of the George   | Satisfactory access to services for community members facilitated.   | Future Impact Group, of which Council is a participant is working to improve delivery through integration of services.   |

| Strategic Plan Goal<br>Key Objective &<br>Key Priority  | Actions  | Outcomes  | Progress as at 30.6.2017   |
|---|--|---|--|
| 2.3.6<br>2.5.6<br><br>2.3.6<br>2.3.7<br><br>2.4.5<br>2.4.6<br><br>2.5.6<br>4.1.1<br>4.1.2<br><br>2.6.6<br>2.6.5<br>2.6.10<br><br>2.6.7<br>2.6.8 | Town community including children and young people.  |   | Tas Medicare Local has funded RFDS to deliver improved mental health services for young people.  |
|   | Work with George Town Strategic Action group to identify health needs of the George Town community; promote healthy lifestyle and engage in preventative health initiatives.             | Initiatives of the George Town Strategic Action Group supported by Council.   | The George Town Strategic Action group no longer meets; however both the George Town Interagency Group and the Tas Medicare Funded Rural Health worker are working to promote healthy lifestyles and engage in preventative health initiatives.                              |
|   | Engage with regional, state and federal representatives and departments in relation to assistance in the delivery of Council endorsed projects and programs.                             | Successful partnerships negotiated between Council and other jurisdictions to deliver projects and/or programs.             | Limited opportunities in this financial year.  |
|   | Work with the George Town community to support family friendly initiatives, programs and environment.  | Increased community awareness and participation in family friendly initiatives.   | Being addressed through Future Impact Group planning and strategic projects plan. The Future Impact Group is supporting and auspicing the 'Stories Festival', which is inclusive, participatory and aimed at increasing community pride. Events scheduled to include family. |
|   | Liaise with user groups to identify best community use of sporting facilities; facilitate implementation of facilities review as per Budget.   | Increased community use of facilities; initiatives to improve sporting facilities implemented.                              | George Town Sports Complex Development Plan yet to have a Council endorsed implementation plan.  |
|   | Facilitate and support the delivery of community identified collaborative partnerships, particularly where those initiatives address social issues which impact on economic development. | Number of service providers working together to achieve more effective and targeted outcomes for the George Town community. | Being addressed through Future Impact Group planning and strategic projects plan which is under development  |
|   | Participate in forums and discussions to progress opportunities to meet the needs of children, families and the aged   | The needs of these groups are understood by state and federal governments   | Youth programs delivered in conjunction with other community organisations; participation in development of Future Impact Group; worked in conjunction with George Town Neighbourhood House to deliver activities.   |

| Strategic Plan Goal<br>Key Objective &<br>Key Priority | Actions   | Outcomes  | Progress as at 30.6.2017   |
|--|---|---|--|
| 2.7.11   | Facilitate and support Council's Community Safety Committee; work with community and agencies responsible for crime prevention, antisocial behaviour deterrence and emergency situations as determined by the Community Safety Committee. | Administrative support provided in accordance with committee requirements; Continued support and discussions with relevant agencies.  | Community Safety Committee continues to meet monthly. Minutes reported in Council Meeting Agenda   |
| 4.1.1<br>4.1.2<br>4.1.7                                | Manage community facilities, including maintaining to appropriate standard and make available to the community through an efficient booking and fee payment process.  | Facilities maintained to safe and user appropriate standard; Annual maintenance inspections undertaken; Reports to Council on state of facilities as required; Booking processes continuously reviewed for efficiency and accuracy. | Facilities managed in response to annual maintenance plan and maintenance requests from user groups.<br><br>Facilities review completed; implementation plan yet to be developed and funded.                       |
| 5.4.1  | Maintain Council's responsibility for community recovery including Tasmania Visitor Information Network (TVIN) Tourist Recovery strategy.   | Participation in Emergency Management Recovery Coordination, Northern Regional Social Recovery Coordination, TVIN and Council's Community Recovery Plan.  | VIC volunteer training undertaken; Community Recovery Plan updated in line with current best practice.   |
| 5.4.3  | Review and report on Council's Tourism Strategy in line with Federal, State and Regional policies and strategies.   | Review completed and report to Council.   | Department of State Growth program to develop the Destination Action Plan will need to be considered in a review of Council's Tourism Strategy.<br><br>Strategy review postponed until adoption of DAP by Council. |

**DEVELOPMENT & REGULATORY SERVICES**  
**LEAD OFFICER - MANAGER DEVELOPMENT SERVICES**

| Strategic Plan Goal<br>Key Objective & Key Priority | Key Actions  | Outcomes   | Progress as at 30.6.2017  |
|---|--|--|---|
| 1.4.7<br>4.1.10                                     | Maximise opportunities for new business and industry development.  | Where required assist businesses and industry within the municipality; Relevant officers provide accurate advice, ensuring all opportunities are maximised for new and existing businesses.  | Council officers continued to work closely and assist the business community, Industry, developers and entrepreneurs to navigate their way through legislation and policy, providing advice, education and relevant assistance.   |
| 2.<br>4.1.12  | Take action to control the risks to the safety of drinking water; Take action to protect human health by preventing transfer of pathogenic organisms during contact with recreational water. | Compliance with all legislative and statutory requirements through the planning, building, plumbing and environmental health assessment processes; Best practice and risk management processes observed through regular water sampling in accordance with legislated and statutory requirements. | Council officers carried out regular water sampling in accordance with relevant legislation.<br><br>Regular communication occurred between the Council, the Department of Health and TasWater to ensure a prompt, combined response to complaints and any abnormal test results in order to ensure the Community's health remains a priority. |
| 2.2   | Ensure that places of assembly do not pose a threat to the health and safety of the public.  | Best practice and risk management processes observed in line with Environmental guidelines.  | A risk assessment was undertaken as part of the application process for a place of assembly licence.  |
| 2.3.1<br>2.7.1                                      | Provide appropriate opportunities to ensure that all school-age children are vaccinated.   | Work with parents and schools in order to run the vaccination program in a manner that is accessible by the majority of the community.   | Council ran the school vaccination program in line with the guidelines provided by the Department of Health and Human Services.<br><br>Council officers were actively involved and attend on vaccination days and assist parents/schools with alternative options if children miss scheduled vaccinations.                                    |

| Strategic Plan Goal Key Objective & Key Priority | Key Actions  | Outcomes  | Progress as at 30.6.2017  |
|--|--|---|---|
| 2.7  | Regulate and monitor the preparation and sale of food to the public. Ensure best practice and risk management processes are observed.  | 100% of Food preparation businesses within the Municipality regularly inspected, and where required, education provided, in order to ensure best practice principles are upheld.  | 100% of the food preparation businesses registered within the municipal area were inspected in accordance with relevant Legislation, policy and procedure.<br><br>Council officers have also educated a number of new business owners in regards to the legal responsibilities associated with running a food based business. |
| 3.1<br>4.1.12                                    | Ensure domestic wastewater is managed safely.  | Compliance with all legislative and statutory requirements; Best practice and risk management processes are observed; Policies and procedures developed to support and environmentally sustainable principles adopted whilst undertaking Council activities.  | Council officers continued to work on a number of issues associated with old septic tank systems installed in the coastal areas.  |
| 3.1<br>4.1.12                                    | Minimise the risk of airborne threats to human health.   | Support provided to the George Town Air Monitoring System (GAMS) both financially and through committee attendance.   | Council officers attended all GAMS meetings and actively participate in discussions with various industry parties through the air monitoring process.<br><br>Council continued to provide financial support to the upkeep and running of the air monitoring system.   |
| 3.1.1<br>3.2.3<br>3.5.9                          | Support local community environmental initiatives; Develop partnerships with environmental agencies and the community in the conservation and protection of our beaches and waterways; Continue to promote and support the initiatives and recommendations of coastal management plans; Encourage catchment management and support Natural Resource Management groups. | Facilitation of partnerships with environmental agencies such as Tamar NRM and Community Land Care groups in the conservation and protection of our Coastal regions, beaches and waterways; Policies and procedures developed to support and adopt environmentally sustainable principles whilst undertaking Council activities; Facilitation of a 26 week round of Green Army Land Care program in partnership with Tamar NRM and Conservation Volunteers Australia. | Council officers actively participated in a number of natural resource management activities including tree planting for penguin habitat, weed management, workshops and forums.  |

| Strategic Plan Goal Key Objective & Key Priority | Key Actions  | Outcomes  | Progress as at 30.6.2017   |
|--|--|---|--|
| 3.1.6<br>3.1.9                                   | Continue to identify the Town's heritage assets in consultation with the Tasmania Heritage Council.  | Compliance with all legislative and statutory requirements; Policies developed and implemented to improve the identification and retention of heritage areas and collections; Municipal signage audited and historical sites promoted.  | Council officers worked with Tasmanian Heritage in regards to development applications and referrals involving heritage listed property and places.  |
| 3.1.7<br>4.1.11<br>4.1.12                        | Maintain Animal Management procedures and practices in accordance with Council's Policy; Raise awareness of environmental health services including animal management, noise abatement and fire abatement.                                   | Council Officers are trained and competent in all legislative and statutory requirements; Establishment of a Responsible Dog Management education program through local Schools; Council's Environmental Health Services promoted through the development of a range of information pamphlets including noise abatement, fire abatement and responsible animal ownership. | Council officers attended and delivered relevant training and information sessions specific to their area of expertise when able.  |
| 3.3.4  | Increase the community's awareness of environmental practices through media.   | Council's website and newsletters utilised to share relevant environmental information with the community.  | The George Town Coastal Management Plan was reviewed and the Action Plan updated so as to ensure environmental issues are prioritised, monitored and addressed where needed.   |
| 4.1.1<br>4.1.5<br>4.2.4<br>4.2.5                 | Improved streetscape amenity.  | Municipal signage audited and historical sites promoted; Opportunities identified and prioritised to revitalise existing neighbourhoods to meet the changing needs of the community; Promotion of urban design that creates attractive, distinctive and sustainable amenity.  | Council are currently undertaking a landscaping review of Regent Square, a development strategy for York Cove and a review of Windmill point.  |
| 4.1.4<br>4.1.5<br>4.2.5                          | Consider the development of an overall plan to make the municipality more attractive including developing streetscapes, street dining and lighting; enhancing community safety; appropriately managing buildings, infrastructure and spaces. | Development of information on the establishment of a suite of strategic documents to form the George Town Municipality Settlement Strategy.   | As part of the Tasmanian State Scheme reform, Council officers are required to prepare a number of strategic documents (Local Provision Schedules) which will be used to populate the scheme. Associated work will include the development of an Urban Growth Boundary and a review of zoning in line with the definitions provided within the Regional Land Use Strategy. |

| Strategic Plan<br>Goal<br>Key Objective & Key<br>Priority | Key Actions   | Outcomes   | Progress as at 30.6.2017  |
|---|---|--|---|
| 4.1.8   | Promote economic sustainability and attractive features, strengths and opportunities for business in local centres. | Encouragement of sound sustainable developments which result in economic benefits to the community; Regular interaction with business owners to ensure an understanding of the regulatory process required for economic growth; Council recognition that attractive features are an asset to the municipality and built upon existing strengths, in creating vibrant centres for local business. | Council officers assessed all developments in accordance with a suite of legislation covering planning, building, plumbing and environment.<br><br>Preliminary discussions are welcomed and encouraged by staff in order to assist developers determine the most appropriate application process and pathway toward achieving a positive outcome.   |
| 4.1.8<br>4.2.1<br>4.2.5<br>4.2.8                          | Promote urban design that creates attractive, distinctive and sustainable amenity.                                  | Encouragement of sound urban design, whilst ensuring the municipality retains its distinctive and attractive features; Regular review of the planning scheme to ensure developments have improved amenity, in order to achieve a distinctive and attractive community; Provision of regular and accurate advice, assisting members of the community in achieving sustainable results.            | Council officers assessed all developments in accordance with a suite of legislation covering planning, building, plumbing, heritage and environment.<br><br>Comprehensive feedback is formulated by the team when opportunities arise to comment on changes to relevant legislation.<br><br>This feedback is provided with the best interest of both Council and its constituents in mind. |
| 4.2.4<br>4.2.5<br>4.2.11<br>4.2.12                        | Positively influence attitudes associated with living and doing business in the municipality.                       | Undertake all regulatory operations in a transparent manner; Provide customers with a high level of guidance and assistance through the planning, building, plumbing, environmental health and animal control application processes.   | Council officers provided a preliminary consultation process which serves to guide customers through all regulatory services provided by Council.   |
| 4.3   | Continue to finalise the George Town Interim Planning Scheme.   | Participation in Northern Regional Interim Planning Scheme finalisation processes including hearings and peer meetings in order to finalise the Interim Planning Scheme.   | While Council officers participated in the interim planning scheme process, the Interim Scheme will now be replaced by the Tasmanian State Scheme and it is unlikely that the George Town Interim Scheme 2013 will be declared before the adoption of the new scheme.   |

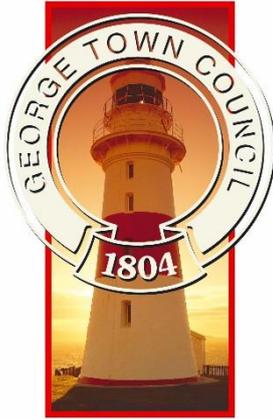
| Strategic Plan<br>Goal<br>Key Objective & Key<br>Priority | Key Actions  | Outcomes  | Progress as at 30.6.2017   |
|---|--|---|--|
| 4.3   | Provide feedback on the implementation of the State Planning Scheme which seeks to achieve State uniformity. | Provision of feedback to the Tasmanian State Planning Taskforce on sections of the Single State Scheme as they are released for comment by the Technical reference group. | Council officers participated in the State Scheme process through involvement in the technical reference group, formulation of a comprehensive written submission and providing verbal submissions at the hearings run by the Tasmanian Planning Commission. |

## INFRASTRUCTURE & ENGINEERING

### LEAD OFFICER - MANAGER INFRASTRUCTURE & ENGINEERING

| Strategic Plan Goal<br>Key Objective & Key Priority | Key Actions   | Outcomes   | Progress as at 30.6.2017  |
|---|---|--|---|
| 4.1   | Manage and implement adopted infrastructure projects and programmes.                                    | Project and programme objectives achieved within set parameters of safety, time, quality and cost.   | Some project delays experienced due to flow on effects from the 2016 flood event, machinery breakdown and shortage of contractor availability.  |
| 4.1   | Develop and promote procedures to involve the community in recycling.                                   | Enhanced community awareness and participation in recycling best practice principles and actions.  | Work with Northern Tasmanian Waste Management Group continued, residents assisted with waste management and recycling.  |
| 4.1.1   | Planning and upgrade of the Waste Transfer Station at the existing George Town site.                    | Improved opportunity for community participation in recycling, waste minimisation and responsible waste disposal.  | Works progressed on the installation of weighbridges and the construction of Waste Transfer Shed and Tip Shop.  |
| 4.1.1<br>5.4.1                                      | Renewal and maintenance of Works Department plant and equipment.  | Plant and equipment renewed and maintained to required operational and safety standards; Achievement of asset longevity and minimisation of life-cycle cost. Maintain levels of service, meeting customer expectations.                                  | Ongoing mechanical breakdowns were experienced on a variety of machinery including the Garbage Truck and Volvo Prime mover.<br><br>Assets require priority replacement within the next 12 months. |
| 4.1.2<br>5.4  | Coordinate and maintain our asset management system through routine inspection and reporting processes. | Assets managed and maintained to required quality and safety benchmarks via prompt identification and rectification of infrastructure defects; Achievement of asset longevity and minimisation of life-cycle cost; Increased satisfaction of ratepayers. | Risks identified and mitigated, unit replacement rates and asset lives reviewed.<br><br>Regular inspections, by Council staff, Moloney and AusSpan undertaken and Customer Requests actioned.     |
| 4.1.6   | Create, maintain and improve appropriate signage.   | Increased regulatory, directional and interpretative signage providing information to the community and visitors.  | Following recent audits, the program of works to install required signs is ongoing.<br><br>Installation of Curve Warning signage on Dalrymple Road complete.                                      |
| 4.1.7<br>3.4.8                                      | Undertake Council's maintenance of footpath and trail programme.  | Provision of pedestrian and cycling linkages for residents and tourists with proactive identification and rectification of hazards ensuring the safety of users.   | Upgrade of footpath along York Rivulet between Friend Street and Macquarie Street completed.  |

| Strategic Plan Goal Key Objective & Key Priority | Key Actions  | Outcomes  | Progress as at 30.6.2017   |
|--|--|---|--|
|  |  |   | Program to replace footpath hazards ongoing.   |
| 4.1.8  | Implement stormwater drainage upgrade and maintenance programme.   | Improved facilities and increased efficiency of stormwater management; Improved level of service for ratepayers.  | Drainage works were undertaken in Regent Square and Ryan Street, Beechford.  |
| 4.1.12   | Manage kerbside waste collection and recycling.  | Provision of waste services to reduce waste volumes, increase recycling rates and maintain public health standards.   | Council service maintained.  |
| 4.2.4  | Maintain public amenity and enhance community safety through the development of streetscapes and lighting.     | Pedestrian friendly environment maintained and provision of safety and security of public places. Reduction of accidents and incidents.   | Revitalisation of landscaped areas along York Cove between Bathurst Street and Elizabeth Street. Lighting installed at Hillwood bus stop.  |
| 4.2.9  | Develop and implement a programme for the renewal and maintenance of parks infrastructure and areas.           | Areas maintained to acceptable standards creating attractive areas for the public to congregate and enjoy; Increased opportunity for recreation and development of skills and fitness of users. | Seats installed along Esplanade South and playgrounds installed at Parish Crescent and Harris Crescent.  |
| 5.4.3  | Develop specific long term asset management plans for infrastructure to ensure long term asset sustainability. | Projects developed and prioritised ensuring continued viability and enhancing asset service potential in the long-term; Maintained levels of service, meeting customer expectations.            | Condition data has been analysed and prioritised. An integrated asset management strategy is at the early stages of development.   |
| 5.4.3  | Undertake road maintenance and construction programme (sealed and unsealed roads).                             | Required standards maintained preserving the value of road assets. Construction undertaken increasing functionality, performance and improving safety for road users.                           | Gravel re-sheeting program complete. Road reseal program complete. Road rehabilitation works at Beechford and Bellingham complete.   |
| 5.4.5  | Pursue State and Federal Government grants.  | Funds sourced from Roads to Recovery, Black Spot etc. Achievement of project goals via funding partnerships.  | Submissions lodged for Black Spot, Roads to Recovery and Maritime and Safety Tasmania (MAST) funding for 2017/18 FY. MAST funded pontoon upgrade at York Cove complete. Grant application has been submitted to the Australian Government for the replacement of the Weymouth Road Bridge in 2018/19.<br><br>Council is expected to be notified of the assessment outcome later in 2017. |



### General Manager's Declaration

The financial report presents fairly the financial position of the George Town Council as at 30 June 2017, 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.

A handwritten signature in blue ink, appearing to read "J. Brooks-Bedelph".

Justine Brooks-Bedelph  
General Manager

Date: 22-9-17.

# George Town Council

## Financial Report

### For the year ended 30 June 2017

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| <b>CONTENTS</b>   | <b>Page</b> |
|---|-------------|
| General Manager's Declaration                               | 73          |
| Statement of Profit and Loss and Other Comprehensive Income | 75          |
| Statement of Financial Position                             | 76          |
| Statement of Changes in Equity                              | 77          |
| Statement of Cash Flows                                     | 78          |
| Notes to the Financial Report                               | 79          |
| Independent Audit Report                                    | 129         |

## Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2017

| (Amounts shown in \$)  | Note | Budget<br>2017      | Actual<br>2017      | Actual<br>2016      |
|--|------|---------------------|---------------------|---------------------|
| <b>Income from continuing operations</b>                                     |      |                     |                     |                     |
| <b>Recurrent Income</b>  |      |                     |                     |                     |
| Rates and charges  | 2.2a | 7,778,007           | 7,817,806           | 7,548,971           |
| Statutory fees and fines   | 2.2b | 255,826             | 267,002             | 231,977             |
| User fees  | 2.2c | 178,977             | 204,016             | 180,315             |
| Grants - Recurrent   | 2.2d | 2,006,102           | 2,695,848           | 1,114,003           |
| Interest   | 2.2e | 90,000              | 94,005              | 102,899             |
| Other income   | 2.2f | 164,189             | 133,444             | 183,534             |
| Investment revenue from water corporation                                    | 2.2g | 339,000             | 339,000             | 336,884             |
|  |      | <b>10,812,101</b>   | <b>11,551,121</b>   | <b>9,698,583</b>    |
| <b>Net Capital Income</b>  |      |                     |                     |                     |
| Grants - capital   | 2.2h | 686,617             | 475,829             | 649,697             |
| Contributions  | 2.2i | -                   | 99,772              | 28,145              |
| Net gain/(loss) on disposal of property, plant, equipment and infrastructure | 2.2j | -                   | 140,483             | (222,023)           |
| Initial recognition of Land Under Roads                                      | 2.2k | -                   | -                   | 5,946,759           |
| Loss on revaluation of assets - Footpaths                                    | 2.2k | -                   | -                   | (198,116)           |
| Land recognised at fair value  | 2.2k | -                   | 115,000             | -                   |
|  |      | <b>686,617</b>      | <b>831,084</b>      | <b>6,204,462</b>    |
| <b>Total income from continuing operations</b>                               |      | <b>11,498,718</b>   | <b>12,382,205</b>   | <b>15,903,045</b>   |
| <b>Expenses from continuing operations</b>                                   |      |                     |                     |                     |
| Employee benefits  | 2.3a | (3,869,403)         | (4,211,522)         | (3,873,387)         |
| Materials and services   | 2.3b | (2,747,305)         | (2,990,181)         | (2,904,510)         |
| Impairment of receivables  | 2.3c | (140,000)           | 3,791               | (63,961)            |
| Depreciation and amortisation  | 2.3d | (2,969,280)         | (2,970,843)         | (2,862,809)         |
| Finance costs  | 2.3e | (139,232)           | (116,745)           | (117,029)           |
| Other expenses   | 2.3f | (1,578,947)         | (1,461,557)         | (1,395,976)         |
| <b>Total expenses from continuing operations</b>                             |      | <b>(11,444,167)</b> | <b>(11,747,057)</b> | <b>(11,217,672)</b> |
| <b>Result from continuing operations</b>                                     |      | <b>54,551</b>       | <b>635,148</b>      | <b>4,685,373</b>    |
| <b>Other comprehensive income</b>  |      |                     |                     |                     |
| <b>Items that will not be reclassified to surplus or deficit</b>             |      |                     |                     |                     |
| Net asset revaluation increment/(decrement)                                  | 3.6  | -                   | (2,891,417)         | (26,097,124)        |
| <b>Items that may be reclassified subsequently to surplus or deficit</b>     |      |                     |                     |                     |
| Financial assets available for sale reserve                                  |      |                     |                     |                     |
| - Fair Value adjustment on Available for Sale Assets                         | 3.5  | -                   | 125,120             | 324,179             |
| <b>Total Other Comprehensive Income</b>                                      |      | <b>-</b>            | <b>(2,766,297)</b>  | <b>(25,772,945)</b> |
| <b>Total Comprehensive Result</b>  |      | <b>54,551</b>       | <b>(2,131,149)</b>  | <b>(21,087,572)</b> |

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

## Statement of Financial Position

as at 30 June 2017

| (Amounts shown in \$)                         | Note | Actual<br>2017     | Actual<br>2016     |
|---|------|--------------------|--------------------|
| <b>Assets</b>                                 |      |                    |                    |
| <b>Current assets</b>                         |      |                    |                    |
| Cash and cash equivalents                     | 3.1  | 4,987,116          | 4,480,271          |
| Trade and other receivables                   | 3.2  | 223,462            | 272,004            |
| Assets held for sale                          | 3.3  | -                  | 100,000            |
| Other assets                                  | 3.4  | 57,779             | 55,250             |
| <b>Total current assets</b>                   |      | <b>5,268,357</b>   | <b>4,907,525</b>   |
| <b>Non-current assets</b>                     |      |                    |                    |
| Investment in water corporation               | 3.5  | 19,494,078         | 19,368,958         |
| Property, plant, equipment and infrastructure | 3.6  | 96,523,972         | 99,612,937         |
| <b>Total non-current assets</b>               |      | <b>116,018,050</b> | <b>118,981,895</b> |
| <b>Total assets</b>                           |      | <b>121,286,407</b> | <b>123,889,420</b> |
| <b>Liabilities</b>                            |      |                    |                    |
| <b>Current liabilities</b>                    |      |                    |                    |
| Trade and other payables                      | 3.7  | 524,576            | 638,267            |
| Trust funds and deposits                      | 3.8  | 111,093            | 352,027            |
| Employee provisions                           | 4.1  | 718,643            | 621,706            |
| Interest-bearing loans and borrowings         | 5.1  | 136,787            | 217,001            |
| <b>Total current liabilities</b>              |      | <b>1,491,099</b>   | <b>1,829,001</b>   |
| <b>Non-current liabilities</b>                |      |                    |                    |
| Employee provisions                           | 4.1  | 261,168            | 260,519            |
| Interest-bearing loans and borrowings         | 5.1  | 2,729,557          | 2,864,168          |
| <b>Total non-current liabilities</b>          |      | <b>2,990,725</b>   | <b>3,124,687</b>   |
| <b>Total liabilities</b>                      |      | <b>4,481,824</b>   | <b>4,953,688</b>   |
| <b>Net Assets</b>                             |      | <b>116,804,583</b> | <b>118,935,732</b> |
| <b>Equity</b>                                 |      |                    |                    |
| Accumulated Surplus                           |      | 58,452,776         | 57,468,203         |
| Reserves                                      | 6.1  | 58,351,807         | 61,467,529         |
| <b>Total Equity</b>                           |      | <b>116,804,583</b> | <b>118,935,732</b> |

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

## Statement of Changes in Equity

for the year ended 30 June 2017

| (Amounts shown in \$)                         | Note | Total              | Accumulated       | Asset             | Fair Value         | Other          |
|---|------|--------------------|-------------------|-------------------|--------------------|----------------|
|   |      | Surplus            | Surplus           | Revaluation       | Reserve            | Reserves       |
|   |      |                    |                   | Reserve           |                    |                |
| <b>Balance as at 30 June 2015</b>             |      | 140,023,304        | 51,880,167        | 88,264,953        | (1,922,623)        | 1,800,807      |
| Result from continuing operations             |      | 4,685,373          | 4,685,373         | -                 | -                  | -              |
| Other comprehensive income                    | 3.5  | 324,179            | -                 | -                 | 324,179            | -              |
| Net revaluation reserve increment/(decrement) | 3.6  | (26,097,124)       | -                 | (26,097,124)      | -                  | -              |
| Transfers between reserves                    |      | -                  | 902,663           | -                 | -                  | (902,663)      |
| <b>Balance as at 30 June 2016</b>             |      | <b>118,935,732</b> | <b>57,468,203</b> | <b>62,167,829</b> | <b>(1,598,444)</b> | <b>898,144</b> |
| Result from continuing operations             |      | 635,148            | 635,148           | -                 | -                  | -              |
| Other comprehensive income                    | 3.5  | 125,120            | -                 | -                 | 125,120            | -              |
| Net revaluation reserve increment/(decrement) | 3.6  | (2,891,417)        | -                 | (2,891,417)       | -                  | -              |
| Transfers between reserves                    |      | -                  | 349,425           | -                 | -                  | (349,425)      |
| <b>Balance as at 30 June 2017</b>             |      | <b>116,804,583</b> | <b>58,452,776</b> | <b>59,276,412</b> | <b>(1,473,324)</b> | <b>548,719</b> |

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

## Statement of Cash Flows

for the year ended 30 June 2017

| (Amounts shown in \$)   | Note | Actual<br>2017     | Actual<br>2016     |
|---|------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                         |      |                    |                    |
| Rates   |      | 7,870,139          | 7,577,747          |
| Statutory fees and charges  |      | 267,002            | 231,977            |
| User charges and other fines  |      | 229,052            | 164,064            |
| Grant   |      | 2,695,848          | 1,114,003          |
| Interest  |      | 94,005             | 102,899            |
| Investment revenue from water corporation                           |      | 339,000            | 336,884            |
| Other receipts  |      | 156,444            | 385,039            |
| Net GST refund/payment  |      | 582,395            | 563,925            |
| Payments to suppliers   |      | (5,198,389)        | (5,132,016)        |
| Payments to employees   |      | (4,113,936)        | (3,711,903)        |
| Finance costs   |      | (116,745)          | (117,028)          |
| <b>Net cash from (used in) operating activities</b>                 | 2.4  | <b>2,804,815</b>   | <b>1,515,591</b>   |
| <b>Cash flows from investing activities</b>                         |      |                    |                    |
| Payments for property, plant, equipment and infrastructure          |      | (2,666,995)        | (2,890,613)        |
| Proceeds from sale of property, plant, equipment and infrastructure |      | 20,683             | 24,480             |
| Developer contributions for capital works                           |      | 99,772             | 28,145             |
| Capital grants  |      | 475,829            | 649,697            |
| <b>Net cash from (used in) investing activities</b>                 |      | <b>(2,070,711)</b> | <b>(2,188,291)</b> |
| <b>Cash flows from financing activities</b>                         |      |                    |                    |
| Trust funds and deposits  |      | (12,434)           | (8,509)            |
| Proceeds from interest bearing loans and borrowings                 |      | -                  | 993,000            |
| Repayment of interest bearing loans and borrowings                  |      | (214,825)          | (77,782)           |
| <b>Net cash from (used in) financing activities</b>                 |      | <b>(227,259)</b>   | <b>906,709</b>     |
| Net increase (decrease) in cash and cash equivalents                |      | 506,845            | 234,009            |
| Cash and cash equivalents at the beginning of the financial year    |      | 4,480,271          | 4,246,262          |
| <b>Cash and cash equivalents at the end of the financial year</b>   | 3.1  | <b>4,987,116</b>   | <b>4,480,271</b>   |

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

## Notes to the Financial Report

for the year ended 30 June 2017

### 1 About the financial statements

This section outlines the basis on which the Council's financial statements have been prepared including key judgements and estimates and any events which occurred subsequent to balance date that required reporting.

#### 1.1 Reporting entity

- (a) George Town Council is a body corporate with perpetual succession and a common seal. Council's main office is located at Anne Street, George Town.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
  - to improve the overall quality of life of people in the local community;
  - promote appropriate business and employment opportunities

#### 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).

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 dollar.

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

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.

The financial report includes transactions for all special Committees of Council. Council does not control any subsidiary or participate in any joint venture.

## Notes to the Financial Report for the year ended 30 June 2017

### 1.3 Use of judgements and estimates

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 4.1.

#### ***Defined benefit superannuation fund obligations***

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 4.3.

#### ***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 3.6.

#### ***Investment in water corporation***

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 3.5.

#### ***Landfill / Tip Rehabilitation***

Council's landfill site is licensed to receive inert waste for many years to come and part of the site is utilised as a waste transfer station, therefore no rehabilitation provision has been allowed for at this stage. (Refer to note 6.4)

### 1.4 Events occurring after balance date

No significant events occurred after balance date that require reporting.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 2 Financial performance

This section outlines the financial performance of Council including its functions/activities. Details of operating income, expenses, cash flow information, management indicators compared with benchmarks and significant business activities are disclosed in the notes.

##### 2.1 Functions/Activities of the Council

2.1a Revenue, expenses and assets attributable to each function as categorised in Note 2.1c below:

| (Amounts shown in \$)         | Income from continuing operations |                   | Expenses from continuing operations |                   | Result from continuing operations |                  | Assets             |                    |
|-------------------------------|-----------------------------------|-------------------|-------------------------------------|-------------------|-----------------------------------|------------------|--------------------|--------------------|
|                               | 2017                              | 2016              | 2017                                | 2016              | 2017                              | 2016             | 2017               | 2016               |
| Roads, streets and bridges    | 1,653,330                         | 6,932,853         | 3,796,022                           | 3,805,248         | (2,142,692)                       | 3,127,605        | 63,715,477         | 64,285,510         |
| Drainage                      | -                                 | -                 | 262,835                             | 273,212           | (262,835)                         | (273,212)        | 9,916,163          | 12,924,602         |
| Waste management              | 1,150,864                         | 947,003           | 1,005,456                           | 932,099           | 145,408                           | 14,904           | 1,786,757          | 1,169,503          |
| Community amenities           | 52,811                            | 80,627            | 1,220,233                           | 1,235,969         | (1,167,422)                       | (1,155,342)      | 10,576,914         | 10,905,217         |
| Environmental health          | 11,702                            | 13,995            | 69,399                              | 66,089            | (57,697)                          | (52,094)         | -                  | -                  |
| Planning services             | 91,031                            | 92,064            | 389,695                             | 287,654           | (298,664)                         | (195,590)        | -                  | -                  |
| Building control              | 96,840                            | 104,760           | 897,359                             | 936,563           | (800,519)                         | (831,803)        | -                  | -                  |
| Economic development          | 44,430                            | 33,686            | 264,750                             | 205,003           | (220,320)                         | (171,317)        | -                  | -                  |
| Community services            | 1,319                             | 5,134             | 101,978                             | 243,183           | (100,659)                         | (238,049)        | -                  | -                  |
| Recreation facilities         | 27,393                            | 29,763            | 428,393                             | 345,826           | (401,000)                         | (316,063)        | 1,750,874          | 1,596,553          |
| Governance and administration | 8,927,851                         | 7,354,154         | 2,173,591                           | 1,959,709         | 6,754,260                         | 5,394,445        | 32,965,449         | 32,412,951         |
| Other - non attributable      | 324,634                           | 309,006           | 1,137,346                           | 927,117           | (812,712)                         | (618,111)        | 574,773            | 595,084            |
|                               | <b>12,382,205</b>                 | <b>15,903,045</b> | <b>11,747,057</b>                   | <b>11,217,672</b> | <b>635,148</b>                    | <b>4,685,373</b> | <b>121,286,407</b> | <b>123,889,420</b> |

##### Grants included in Income from continuing operations:

|                               | 2017             | 2016             |
|-------------------------------|------------------|------------------|
| Roads, streets and bridges    | 1,510,446        | 1,219,567        |
| Drainage                      | -                | -                |
| Waste management              | 164,026          | 20,063           |
| Community amenities           | 13,000           | -                |
| Environmental health          | -                | -                |
| Planning services             | -                | -                |
| Building control              | -                | -                |
| Economic development          | -                | -                |
| Community services            | -                | -                |
| Recreation facilities         | 1,818            | 20,105           |
| Governance and administration | 1,482,387        | 503,966          |
| Other - non attributable      | -                | -                |
|                               | <b>3,171,677</b> | <b>1,763,701</b> |

##### 2.1b Reconciliation of Assets with the Statement of Financial Position at 30 June:

|                    | 2017               | 2016               |
|--------------------|--------------------|--------------------|
| Current assets     | 5,268,357          | 4,907,525          |
| Non-current assets | 116,018,050        | 118,981,895        |
|                    | <b>121,286,407</b> | <b>123,889,420</b> |

## Notes to the Financial Report for the year ended 30 June 2017

### 2.1 Functions/Activities of the Council (continued)

#### 2.1c Nature and objective of functions/activities

##### *Roads, streets and bridges*

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

##### *Drainage*

Operation and maintenance of open or deep drainage systems in urban areas, including the lining of piping of creeks but excludes drainage associated with road works, flood mitigation and agriculture.

##### *Waste Management*

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

##### *Community amenities*

Operation and maintenance of housing for aged persons and persons of limited means, Civic Centre, Council halls (excluding indoor sports complexes).

##### *Environmental Health/Environmental Management*

Environmental Health includes disease control, food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries. Environmental Management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment.

##### *Planning Services*

Administration of the town planning scheme, subdivisions and urban and rural renewal programs.

##### *Building control*

The development and maintenance of building constructions standards.

##### *Economic development*

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

##### *Community services*

Administration and operation of dog registration, operation of pounds, control of straying stock, and noxious weeds. Operation of the Child Care Centre, operation and support of the performing arts, museum and the presentation of festivals. Community Development which provides for the implementation of a process by which strategies and plans can be developed so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

##### *Recreation facilities*

Operation and maintenance of sporting facilities (includes swimming pools, active and passive recreation and recreation centres).

##### *Governance and administration*

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

##### *Other - not attributable*

Rates and charges and work not attributed elsewhere.

## Notes to the Financial Report for the year ended 30 June 2017

### 2.2 Income from continuing operations

| (Amounts shown in \$)   | 2017              | 2016             |
|---|-------------------|------------------|
| <b>Recurrent income</b>   |                   |                  |
| <b>2.2a Rates and charges</b>                                       |                   |                  |
| General   | 6,650,973         | 6,430,714        |
| Fire levy   | 250,701           | 237,216          |
| Garbage charge  | 898,019           | 851,326          |
| Rates and charges in advance  | 18,113            | 29,715           |
| <i>Total rates and charges</i>                                      | <b>7,817,806</b>  | <b>7,548,971</b> |
| <b>2.2b Statutory fees and fines</b>                                |                   |                  |
| Animal control and environmental fees                               | 24,617            | 21,016           |
| Town planning fees  | 166,146           | 143,580          |
| Land information certificates                                       | 76,239            | 67,381           |
| <i>Total statutory fees and fines</i>                               | <b>267,002</b>    | <b>231,977</b>   |
| <b>2.2c User fees</b>   |                   |                  |
| Town planning fees  | 19,446            | 16,519           |
| Other fees and charges  | 184,570           | 163,796          |
| <i>Total user fees</i>  | <b>204,016</b>    | <b>180,315</b>   |
| <b>2.2d Grants - Recurrent</b>                                      |                   |                  |
| Australian Government Financial Assistance Grants - General Purpose | 1,482,387         | 351,308          |
| Australian Government Financial Assistance Grants - Roads           | 1,102,696         | 503,966          |
| Australian Government Financial Assistance Grants - Bridges         | 108,947           | 34,981           |
| Australian Government - Roads to Recovery                           | -                 | 207,068          |
| Tasmanian Government - Sports Grounds - Stronger Communities        | -                 | 6,830            |
| MAST - Solar Light for Low Head Boat Ramp                           | -                 | 9,850            |
| Other   | 1,818             | -                |
| <i>Total recurrent grants</i>                                       | <b>2,695,848</b>  | <b>1,114,003</b> |
| <b>2.2e Interest</b>  |                   |                  |
| Interest on cash and cash equivalents                               | 94,005            | 102,899          |
| <i>Total interest</i>   | <b>94,005</b>     | <b>102,899</b>   |
| <b>2.2f Other income</b>  |                   |                  |
| Reimbursements  | 80,681            | 152,053          |
| Fuel rebate   | 22,870            | 14,727           |
| Sundry  | 29,893            | 16,754           |
| <i>Total other income</i>   | <b>133,444</b>    | <b>183,534</b>   |
| <b>2.2g Investment revenue from water corporation</b>               |                   |                  |
| Dividend revenue received   | 219,859           | 229,757          |
| Tax equivalent received   | 102,105           | 81,839           |
| Guarantee fee received  | 17,036            | 25,288           |
| <i>Total investment revenue from water corporation</i>              | <b>339,000</b>    | <b>336,884</b>   |
| <b>Total recurrent income</b>                                       | <b>11,551,121</b> | <b>9,698,583</b> |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 2.2 Income from continuing operations (continued)

| (Amounts shown in \$)  | 2017              | 2016              |
|--|-------------------|-------------------|
| <b>2.2h Net capital income</b>   |                   |                   |
| <b>Grants - capital</b>  |                   |                   |
| Australian Government - Roads to Recovery  | 66,985            | 516,360           |
| Australian Government - Waste Transfer Station Upgrade                                   | 140,000           | -                 |
| Australian Government - Safer Streets Program  | 13,000            | -                 |
| Tasmanian Government - The Glen and Soldier Settlement Roads                             | 200,000           | -                 |
| Tasmanian Government - Lagoon Beach Playground   | -                 | 13,275            |
| Tasmanian Government - Windmill Point  | -                 | 100,000           |
| Tasmanian Government - Black Spot Funding  | 31,818            | -                 |
| Northern Tasmanian Waste Management Group - Baler  | -                 | 20,062            |
| Other  | 24,026            | -                 |
| <i>Total grants - capital</i>  | <b>475,829</b>    | <b>649,697</b>    |
| <b>2.2i Contributions</b>  |                   |                   |
| Developer contributions  | 99,772            | 28,145            |
| <i>Total contributions</i>   | <b>99,772</b>     | <b>28,145</b>     |
| <b>2.2j Net gain/(loss) on disposal of property, plant, equipment and infrastructure</b> |                   |                   |
| Proceeds of sale   | 249,182           | 24,480            |
| Assets held for sale disposed  | (100,000)         | -                 |
| Written down value of non-current assets disposed  | (8,699)           | (246,503)         |
| <i>Total gain/(loss)</i>   | <b>140,483</b>    | <b>(222,023)</b>  |
| <b>2.2k Other capital income (refer to note 3.6)</b>                                     |                   |                   |
| Initial recognition of Land Under Roads  | -                 | 5,946,759         |
| Loss on revaluation of assets - Footpaths  | -                 | (198,116)         |
| Land recognised at fair value  | 115,000           | -                 |
| <i>Total other capital income</i>  | <b>115,000</b>    | <b>5,748,643</b>  |
| <b>Total net capital income</b>  | <b>831,084</b>    | <b>6,204,462</b>  |
| <b>Total income from continuing operations</b>   | <b>12,382,205</b> | <b>15,903,045</b> |

## Notes to the Financial Report for the year ended 30 June 2017

### 2.2 Income from continuing operations (continued)

(Amounts shown in \$)

#### 2.2i Grants received by funding source and conditions attached

##### Funding source

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Australian Government funded grants | 2,914,015        | 1,613,683        |
| Tasmanian Government funded grants  | 231,818          | 120,105          |
| Other                               | 25,844           | 29,912           |
| <b>Total</b>                        | <b>3,171,677</b> | <b>1,763,700</b> |

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2014-15 the Commonwealth made early payment of the two quarterly instalments for the following 2015-16 year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. In the 2016-17 year the Australian Government again made an early payment of two instalments for the following 2017-18 year. This has impacted the Statement of Profit or Loss and Other Comprehensive Income resulting in the Surplus/(deficit) being higher in 2016-17 by \$913,846 (2015-16 lower by \$888,715).

##### Conditions on grants

The unexpended balances of non-reciprocal grants which were obtained on the condition that they be expended for specified purposes and/or in a future period, are as follows:

|   |                |                |
|---|----------------|----------------|
| Tasmanian Government - Windmill Point                                   | 78,763         | 100,000        |
| Tasmanian Government - Soldier Settlement Road                          | 91,353         | -              |
| Tasmanian Government - The Glen Road                                    | 102,221        | -              |
| <b>Total</b>  | <b>272,337</b> | <b>100,000</b> |
| Net increase (decrease) in unexpended balances of non-reciprocal grants | <b>172,337</b> | <b>100,000</b> |

#### 2.2m Recognition and measurement

##### Rates and charges

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. The date of the last general revaluation of land for rating purposes within the municipality was 1 July 2013. Adjusted capital values were provided by the Valuer General in 2015.

##### Statutory fees and fines

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

##### User fees

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

## Notes to the Financial Report for the year ended 30 June 2017

### 2.2 Income from continuing operations (continued)

#### **Grants - recurrent 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.

#### **Interest**

Interest is recognised progressively as it is earned.

#### **Other income**

##### **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.

##### **Operating leases as lessor**

Council is a lessor and enters into agreements with a number of lessees. These include only 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.

##### **Investment revenue from water corporation**

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

#### **Contributions**

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 discloses the amount of unused contribution from prior years that was expended on Council's operations during the current year. 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. Non-monetary contributions below the thresholds are recorded as revenue.

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

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

## Notes to the Financial Report for the year ended 30 June 2017

### 2.3 Expenses from continuing operations

(Amounts shown in \$)

|   | 2017             | 2016             |
|---|------------------|------------------|
| <b>2.3a Employee benefits</b>   |                  |                  |
| Wages and salaries  | 3,286,020        | 3,210,633        |
| Workers compensation  | 63,026           | 40,219           |
| Annual leave and long service leave   | 419,926          | 292,793          |
| Personal leave  | 171,452          | 126,044          |
| Time in lieu  | 2,619            | -                |
| Allowances  | 46,527           | 36,015           |
| Superannuation  | 430,047          | 411,303          |
| Fringe benefits tax   | 56,714           | 58,819           |
| Payroll tax   | 204,937          | 162,894          |
| Uniforms  | 23,073           | 21,238           |
|   | <b>4,704,341</b> | <b>4,359,958</b> |
| Less amounts capitalised  | (492,819)        | (486,571)        |
| <b>Total employee benefits</b>  | <b>4,211,522</b> | <b>3,873,387</b> |
| <b>2.3b Materials and services</b>  |                  |                  |
| Building maintenance  | 144,261          | 171,016          |
| Information technology  | 144,280          | 104,061          |
| Grounds maintenance   | 91,659           | 200,054          |
| Office administration   | 127,601          | 115,446          |
| Plant operating   | 302,062          | 327,517          |
| Private works   | 1,670            | 1,830            |
| Professional services   | 476,330          | 390,597          |
| Roads and infrastructure maintenance  | 322,155          | 353,285          |
| Swimming pool operation   | 125,655          | 126,046          |
| Waste management disposal   | 773,033          | 692,978          |
| Other materials and contracts   | 481,475          | 421,680          |
| <b>Total materials and services</b>   | <b>2,990,181</b> | <b>2,904,510</b> |
| <i>Auditors remuneration</i>  |                  |                  |
| The base audit fee for the audit of the financial statements for the current year was \$24,140 (2016: \$23,660) |                  |                  |
| <b>2.3c Impairment of receivables</b>   |                  |                  |
| Provision for impairment movement   | (3,791)          | 63,469           |
| Other debtors   | -                | 492              |
| <b>Total impairment of receivables</b>  | <b>(3,791)</b>   | <b>63,961</b>    |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 2.3 Expenses from continuing operations (continued)

| (Amounts shown in \$)                            | 2017              | 2016              |
|--|-------------------|-------------------|
| <b>2.3d Depreciation and amortisation</b>        |                   |                   |
| Property   |                   |                   |
| Buildings  | 559,691           | 560,036           |
| Plant and equipment                              |                   |                   |
| Plant and machinery                              | 239,869           | 178,533           |
| Furniture and fixtures                           | 47,261            | 54,142            |
| Domestic waste                                   | 16,866            | 16,928            |
| Infrastructure                                   |                   |                   |
| Roads  | 1,376,190         | 1,359,005         |
| Kerb and gutter                                  | 107,029           | 106,767           |
| Footpaths and cycleways                          | 81,119            | 80,282            |
| Light poles                                      | 21,525            | 21,322            |
| Bridges  | 191,993           | 191,178           |
| Drainage   | 185,394           | 186,945           |
| Parks and reserves                               | 69,716            | 70,906            |
| Playground equipment                             | 38,891            | 26,162            |
| Waste transfer station                           | 35,299            | 10,603            |
| <i>Total depreciation and amortisation</i>       | <b>2,970,843</b>  | <b>2,862,809</b>  |
| <b>2.3e Finance costs</b>                        |                   |                   |
| Interest - Borrowings                            | 116,745           | 117,029           |
| <i>Total finance costs</i>                       | <b>116,745</b>    | <b>117,029</b>    |
| <b>2.3f Other expenses</b>                       |                   |                   |
| Advertising                                      | 73,575            | 53,710            |
| Bank fees and charges                            | 11,164            | 14,303            |
| Government levies                                | 256,873           | 266,055           |
| Community grants                                 | 19,343            | 19,196            |
| Course seminar & conference registration         | 42,655            | 49,095            |
| Elected members allowances                       | 181,308           | 163,032           |
| Electricity                                      | 314,503           | 309,603           |
| Insurance  | 138,237           | 164,422           |
| Land tax   | 33,620            | 31,873            |
| Telephone charges                                | 55,973            | 62,805            |
| Vehicle registration                             | 50,178            | 45,104            |
| Plant hire costs and recovery                    | (87,470)          | (138,014)         |
| Software licences                                | 89,596            | 81,743            |
| Sponsorships                                     | 21,431            | 43,091            |
| Subscriptions and memberships                    | 77,818            | 74,767            |
| TasWater charges                                 | 38,522            | 52,073            |
| Other  | 144,231           | 103,118           |
| <i>Total other expenses</i>                      | <b>1,461,557</b>  | <b>1,395,976</b>  |
| <b>Total expenses from continuing operations</b> | <b>11,747,057</b> | <b>11,217,672</b> |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 2.3 Expenses from continuing operations (continued)

##### 2.3g Recognition and measurement

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. Further details of the nature and method of recognition and measurement of each expense item are set out below.

##### **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. See also note 4.1.

##### **Materials and services**

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.

##### **Impairment of receivables**

An impairment expense is recognised when there is objective evidence that amounts owed to Council are not probable of collection and resulting impairment loss has occurred.

##### **Depreciation and amortisation**

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

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

Land and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life. 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.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

|                               | Period        |
|-------------------------------|---------------|
| Buildings                     | 30 - 75 years |
| Plant and equipment           |               |
| Plant and machinery           | 3 - 20 years  |
| Furniture and fixtures        | 5 - 20 years  |
| Domestic waste                | 3 - 5 years   |
| Roads                         |               |
| road pavements and seals      | 10 - 80 years |
| road formation and earthworks | Unlimited     |
| road kerb and gutter          | 25 - 80 years |
| Bridges                       |               |
| bridges substructure          | 10 - 80 years |
| bridges superstructure        | 10 - 80 years |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 2.3 Expenses from continuing operations (continued)

|                         |                |
|-------------------------|----------------|
| Other Infrastructure    |                |
| Footpaths and cycleways | 30 - 80 years  |
| Drainage                | 20 - 100 years |
| Waste transfer station  | 30 years       |
| Light poles             | 40 years       |
| Parks and reserves      | 10 - 50 years  |
| Playground equipment    | 10 - 20 years  |
| Waste transfer station  | 30 years       |

#### Finance costs

Finance costs represent interest on interest-bearing loans and borrowings

#### Other expenses

Other expenses represent items which individually are not material for separate disclosure on the Statement or Profit or Loss and Other Comprehensive Income.

#### 2.4 Reconciliation of cash flows from operating activities to surplus (deficit)

| (Amounts shown in \$)  | 2017             | 2016             |
|--|------------------|------------------|
| Result from continuing operations  | 635,148          | 4,685,374        |
| Depreciation and amortisation  | 2,970,843        | 2,862,809        |
| Net gain/(loss) on disposal of property, plant, equipment and infrastructure | (140,483)        | 222,023          |
| Grants - capital   | (475,829)        | (649,697)        |
| Initial recognition of Land Under Roads                                      | -                | (5,946,759)      |
| Loss on revaluation of assets - Footpaths                                    | -                | 198,116          |
| Land recognised at fair value  | (115,000)        | -                |
| Developer contributions  | (99,772)         | (28,145)         |
| Change in assets and liabilities:  |                  |                  |
| Decrease/(increase) in trade and other receivables                           | 48,542           | 246,592          |
| Decrease/(increase) in other assets  | (2,529)          | 179,032          |
| Increase/(decrease) in trade and other payables                              | (113,691)        | (370,266)        |
| Increase/(decrease) in employee provisions                                   | 97,586           | 116,512          |
| <i>Net cash provided by/(used in) operating activities</i>                   | <b>2,804,815</b> | <b>1,515,591</b> |
| <b>Reconciliation of cash and cash equivalents</b>                           |                  |                  |
| Cash and cash equivalents  | 4,987,116        | 4,480,272        |
| <b>Total reconciliation of cash and cash equivalents</b>                     | <b>4,987,116</b> | <b>4,480,272</b> |

## Notes to the Financial Report for the year ended 30 June 2017

### 2.5 Management indicators

(Amounts shown in \$)

|   | Benchmark | 2017               | 2016               | 2015           | 2014           |
|---|-----------|--------------------|--------------------|----------------|----------------|
| <b>2.5a Underlying surplus or deficit</b> |           |                    |                    |                |                |
| Recurrent income* less                    |           | 10,634,195         | 10,158,208         | 10,558,513     | 9,925,021      |
| recurrent expenditure                     |           | 11,747,057         | 11,217,671         | 10,163,770     | 9,699,044      |
| Underlying surplus/deficit **             | \$ Nil    | <b>(1,112,862)</b> | <b>(1,059,463)</b> | <b>394,743</b> | <b>225,977</b> |

\* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature as set out below:

|   |                   |
|---|-------------------|
| Income from continuing operations                           | 12,382,205        |
| Less non-operating income                                   |                   |
| Australian Government Financial Assistance Grant in advance | (913,846)         |
| Grants - Capital  | (475,829)         |
| Developer contributions                                     | (99,772)          |
| Land recognised at fair value                               | (115,000)         |
| Gain from land held for resale                              | (128,500)         |
| Proceeds from insurance claims                              | (15,063)          |
| Recurrent income  | <b>10,634,195</b> |

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

The underlying deficit in the current and prior year compared with surplus results in 2015 and 2014 was driven by increased depreciation expense following infrastructure revaluations. The further increase in the deficit in the current year compared with the prior year reflects increased operating costs with a stable revenue base.

### 2.5b Underlying surplus or deficit ratio

|                               |             |             |            |           |      |
|-------------------------------|-------------|-------------|------------|-----------|------|
| Underlying surplus or deficit | (1,112,862) | (1,059,463) | 394,743    | 225,977   |      |
| Recurrent income*             | 10,634,195  | 10,158,208  | 10,558,513 | 9,925,021 |      |
| Underlying surplus ratio %    | 0%          | -10.5%      | -10.4%     | 3.7%      | 2.3% |

This ratio serves as an overall measure of financial operating effectiveness. The reasons for the result in the current year are consistent with the comments at note 2.5a.

### 2.5c Net financial liabilities

|                           |            |           |           |           |          |
|---------------------------|------------|-----------|-----------|-----------|----------|
| Liquid assets less        | 5,210,578  | 4,752,276 | 4,764,858 | 4,034,683 |          |
| total liabilities         | 4,481,824  | 4,953,689 | 4,300,733 | 4,120,825 |          |
| Net financial liabilities | 0% - (50%) | 728,754   | (201,413) | 464,125   | (86,142) |

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. The primary reason for the increase in the current year was the early receipt of the Australian Government Financial Assistance Grant of \$913,846.

## Notes to the Financial Report for the year ended 30 June 2017

### 2.5 Management indicators (continued)

| (Amounts shown in \$)                       | Benchmark  | 2017       | 2016       | 2015       | 2014      |
|---|------------|------------|------------|------------|-----------|
| <b>2.5d Net financial liabilities ratio</b> |            |            |            |            |           |
| Net financial liabilities                   |            | 728,754    | (201,413)  | 464,125    | (86,142)  |
| Recurrent income*                           |            | 10,634,195 | 10,158,208 | 10,558,513 | 9,925,021 |
| Net financial liabilities ratio %           | 0% - (50%) | 6.9%       | -2.0%      | 4.4%       | -0.9%     |

This ratio indicates the net financial obligations of Council compared to its recurrent income. The reason for the improvement in the current year was consistent with the comments in note 2.5c.

### 2.5e Asset consumption ratio

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

#### **Transport Infrastructure**

|                              |             |             |             |            |
|------------------------------|-------------|-------------|-------------|------------|
| Depreciated replacement cost | 57,022,830  | 56,752,194  | 82,430,492  | 67,762,904 |
| Current replacement cost     | 102,121,897 | 100,094,930 | 109,946,420 | 91,168,181 |
| Asset consumption ratio %    | 55.8%       | 56.7%       | 75.0%       | 74.3%      |

#### **Buildings**

|                              |            |            |            |            |
|------------------------------|------------|------------|------------|------------|
| Depreciated replacement cost | 10,345,526 | 10,905,217 | 10,766,135 | 10,700,897 |
| Current replacement cost     | 23,429,145 | 23,429,145 | 11,212,163 | 11,028,409 |
| Asset consumption ratio %    | 44.2%      | 46.5%      | 96.0%      | 97.0%      |

#### **Drainage**

|                              |            |            |            |            |
|------------------------------|------------|------------|------------|------------|
| Depreciated replacement cost | 9,846,531  | 12,888,092 | 12,935,912 | 10,317,300 |
| Current replacement cost     | 16,295,064 | 18,768,798 | 18,629,672 | 14,843,910 |
| Asset consumption ratio %    | 60.4%      | 68.7%      | 69.4%      | 69.5%      |

This ratio indicates the level of service potential available in Council's existing asset base. The decrease in the ratio for Drainage in the current year relates to the revaluation of this asset class which resulted in a reduction in the current replacement cost and a re-assessment of the depreciated replacement cost.

### 2.5f 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**      | 17,027,247 | 11,570,778 | 13,243,056 | 14,516,701 |        |
| Projected capital expenditure funding*** | 17,027,152 | 8,523,214  | 9,212,000  | 10,752,000 |        |
| Asset renewal funding ratio %            | 90-100%    | 100.0%     | 135.8%     | 143.8%     | 135.0% |

#### **Buildings**

|  |               |         |         |         |
|--|---------------|---------|---------|---------|
| Projected capital funding outlays**      | 5,320,005     | 749,866 | 862,417 | 971,690 |
| Projected capital expenditure funding*** | Not available | 160,000 | 160,000 | 160,000 |
| Asset renewal funding ratio %            | 90-100%       | 468.7%  | 539.0%  | 607.3%  |

## Notes to the Financial Report

for the year ended 30 June 2017

### 2.5 Management indicators (continued)

| (Amounts shown in \$)                    | Benchmark | 2017    | 2016    | 2015    | 2014    |
|--|-----------|---------|---------|---------|---------|
| <b>Drainage</b>                          |           |         |         |         |         |
| Projected capital funding outlays**      |           | 844,800 | 240,000 | 280,000 | 320,000 |
| Projected capital expenditure funding*** |           | 844,800 | 240,000 | 280,000 | 320,000 |
| Asset renewal funding ratio %            | 90-100%   | 100.0%  | 100.0%  | 100.0%  | 100.0%  |

\*\* 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.

### 2.5g Asset sustainability ratio

|   |        |           |           |           |           |
|---|--------|-----------|-----------|-----------|-----------|
| Capex on replacement/renewal of existing assets |        | 1,349,734 | 1,924,376 | 1,976,737 | 1,804,663 |
| Annual depreciation expense                     |        | 2,970,843 | 2,862,809 | 2,312,026 | 2,128,018 |
| Asset sustainability ratio %                    | 100.0% | 45.4%     | 67.2%     | 85.5%     | 84.8%     |

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

| (Amounts shown in \$)                    | Capital renewal expenditure | Capital new /upgrade expenditure | Total Capital Expenditure |
|--|-----------------------------|----------------------------------|---------------------------|
| <b>2017</b>                              |                             |                                  |                           |
| Buildings                                | 170,611                     | 60,777                           | 231,388                   |
| Plant and machinery                      | 40,569                      | 206,806                          | 247,375                   |
| Furniture and fixtures                   | -                           | -                                | -                         |
| Domestic waste                           | -                           | 669,419                          | 669,419                   |
| Roads                                    | 771,203                     | 139,397                          | 910,600                   |
| Kerb and gutter                          | 37,388                      | -                                | 37,388                    |
| Footpaths and cycleways                  | 111,024                     | 1,190                            | 112,214                   |
| Light poles                              | 1,215                       | -                                | 1,215                     |
| Bridges                                  | 100,871                     | 25,225                           | 126,096                   |
| Drainage                                 | 45,079                      | 23,293                           | 68,372                    |
| Parks and reserves                       | 71,774                      | 191,154                          | 262,928                   |
| <b>Total</b>                             | <b>1,349,734</b>            | <b>1,317,261</b>                 | <b>2,666,995</b>          |
| <b>2016</b>                              |                             |                                  |                           |
| Roads                                    | 1,091,129                   | 709,693                          | 1,800,822                 |
| Bridges                                  | 41,477                      | 7,850                            | 49,327                    |
| Drainage                                 | 35,953                      | 4,938                            | 40,891                    |
| Footpaths and kerbs                      | 119,875                     | 243,756                          | 363,631                   |
| Buildings, plant, furniture and fittings | 376,476                     | -                                | 376,476                   |
| Light poles                              | 17,484                      | -                                | 17,484                    |
| Waste disposal                           | 70,369                      | -                                | 70,369                    |
| Parks and reserves                       | 171,613                     | -                                | 171,613                   |
| <b>Total</b>                             | <b>1,924,376</b>            | <b>966,237</b>                   | <b>2,890,613</b>          |

## Notes to the Financial Report for the year ended 30 June 2017

### 2.6 Significant business activities

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

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3 Asset base

This section outlines the assets held by Council used to generate its financial performance and services for the community and operating liabilities incurred as a result, excluding employee provisions and interest bearing long term debts which are discussed in section 4 *People* and 5 *Debt and Risk Management* respectively.

##### 3.1 Cash and cash equivalents

| (Amounts shown in \$)                  | 2017             | 2016             |
|--|------------------|------------------|
| Cash on hand                           | 2,306            | 1,901            |
| Cash at bank                           | 530,339          | 314,752          |
| Money market call account              | 4,454,471        | 4,163,618        |
| <i>Total cash and cash equivalents</i> | <b>4,987,116</b> | <b>4,480,271</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. From time to time Council resolves to reserve or restrict cash funds for a particular purpose. The value of the funds is recorded as a reserve until such time as the funds are required for the particular purpose for, at which time the reserve is reduced. These following amounts represent the balance of restricted funds:

|  |                  |                  |
|--|------------------|------------------|
| - Trust funds and deposits (note 3.8)        | 111,093          | 352,027          |
| - Leave provisions (note 4.1)                | 979,811          | 882,225          |
| - Reserves (note 6.1)                        | 548,719          | 898,144          |
| Restricted funds                             | <b>1,639,623</b> | <b>2,132,396</b> |
| Total unrestricted cash and cash equivalents | <b>3,347,493</b> | <b>2,347,875</b> |

##### Recognition and measurement

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other liquid investments.

##### 3.2 Trade and other receivables

| (Amounts shown in \$)                    | 2017           | 2016           |
|--|----------------|----------------|
| Rates debtors                            | 239,753        | 276,845        |
| Provision for impairment - rate debtors  | (112,364)      | (172,991)      |
| Payroll suspense                         | (3,735)        | (6,904)        |
| Other debtors                            | 44,822         | 56,703         |
| Provision for impairment - other debtors | (240)          | (240)          |
| Net GST receivable                       | 55,226         | 118,591        |
| <i>Total trade and other receivables</i> | <b>223,462</b> | <b>272,004</b> |

##### Recognition and measurement

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. Uncollected rates are recorded as receivables.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3.3 Assets held for sale

| (Amounts shown in \$)             | 2017     | 2016           |
|-----------------------------------|----------|----------------|
| Internal transfer from Land       | -        | 100,000        |
| <i>Total assets held for sale</i> | <u>-</u> | <u>100,000</u> |

The asset held for sale in the prior year was treated as sold in the current year.

##### Recognition and measurement

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

#### 3.4 Other assets

| (Amounts shown in \$)     | 2017          | 2016          |
|---------------------------|---------------|---------------|
| Prepayments               | 55,544        | 53,333        |
| Accrued income            | 2,235         | 1,917         |
| <i>Total other assets</i> | <u>57,779</u> | <u>55,250</u> |

##### Recognition and measurement

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

#### 3.5 Investment in water corporation

| (Amounts shown in \$)                        | 2017              | 2016              |
|--|-------------------|-------------------|
| Opening Balance                              | 19,368,958        | 19,044,779        |
| Change in fair value of investment           | 125,120           | 324,179           |
| <i>Total investment in water corporation</i> | <u>19,494,078</u> | <u>19,368,958</u> |

##### Recognition and measurement

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 2017, Council held a 1.23% (2016: 1.23%) 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 6.1). 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.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3.6 Property, plant, equipment and infrastructure

| (Amounts shown in \$)  | Gross book value   |                    | Accumulated depreciation |                     | Total             |                   |
|--|--------------------|--------------------|--------------------------|---------------------|-------------------|-------------------|
|  | 2017               | 2016               | 2017                     | 2016                | 2017              | 2016              |
| <b>Property</b>  |                    |                    |                          |                     |                   |                   |
| <b>At fair value</b>   |                    |                    |                          |                     |                   |                   |
| Land   | 6,174,500          | 6,059,500          | -                        | -                   | 6,174,500         | 6,059,500         |
| Land under roads   | 5,946,759          | 5,946,759          | -                        | -                   | 5,946,759         | 5,946,759         |
| Buildings  | 23,429,145         | 23,429,145         | (13,083,619)             | (12,523,928)        | 10,345,526        | 10,905,217        |
| <b>Total property</b>  | <b>35,550,404</b>  | <b>35,435,404</b>  | <b>(13,083,619)</b>      | <b>(12,523,928)</b> | <b>22,466,785</b> | <b>22,911,476</b> |
| <b>Plant and equipment</b>                                   |                    |                    |                          |                     |                   |                   |
| <b>At cost</b>   |                    |                    |                          |                     |                   |                   |
| Plant and machinery  | 3,942,526          | 3,877,170          | (2,305,979)              | (2,155,891)         | 1,636,547         | 1,721,279         |
| Furniture and fixtures                                       | 665,142            | 665,142            | (522,096)                | (474,835)           | 143,046           | 190,307           |
| Domestic waste   | 168,815            | 168,815            | (95,312)                 | (78,446)            | 73,503            | 90,369            |
| <b>Total plant and equipment</b>                             | <b>4,776,483</b>   | <b>4,711,127</b>   | <b>(2,923,387)</b>       | <b>(2,709,172)</b>  | <b>1,853,096</b>  | <b>2,001,955</b>  |
| <b>Infrastructure</b>  |                    |                    |                          |                     |                   |                   |
| <b>At fair value</b>   |                    |                    |                          |                     |                   |                   |
| Roads  | 76,052,996         | 74,258,758         | (32,855,634)             | (31,479,444)        | 43,197,362        | 42,779,314        |
| Kerb and gutter  | 8,521,608          | 8,484,220          | (4,239,263)              | (4,132,234)         | 4,282,345         | 4,351,986         |
| Footpaths and cycleways                                      | 5,469,373          | 5,373,104          | (2,763,372)              | (2,682,253)         | 2,706,001         | 2,690,851         |
| Light poles  | 836,522            | 836,522            | (277,659)                | (256,133)           | 558,863           | 580,389           |
| Bridges  | 12,077,920         | 11,978,848         | (5,240,798)              | (5,048,805)         | 6,837,122         | 6,930,043         |
| Drainage   | 16,295,064         | 18,768,798         | (6,448,533)              | (5,880,706)         | 9,846,531         | 12,888,092        |
| Parks and reserves   | 1,856,915          | 1,819,191          | (924,053)                | (854,337)           | 932,862           | 964,854           |
| Playground equipment   | 709,718            | 685,398            | (160,217)                | (121,326)           | 549,501           | 564,072           |
| Waste transfer station                                       | 1,058,219          | 1,058,219          | (84,753)                 | (49,454)            | 973,466           | 1,008,765         |
| <b>Total infrastructure</b>                                  | <b>122,878,335</b> | <b>123,263,058</b> | <b>(52,994,282)</b>      | <b>(50,504,692)</b> | <b>69,884,053</b> | <b>72,758,366</b> |
| <b>Work in progress</b>                                      |                    |                    |                          |                     |                   |                   |
| Buildings  | 231,388            | -                  | -                        | -                   | 231,388           | -                 |
| Plant and machinery  | 126,873            | 43,334             | -                        | -                   | 126,873           | 43,334            |
| Furniture and fixtures                                       | 122,048            | 122,048            | -                        | -                   | 122,048           | 122,048           |
| Domestic waste   | 739,788            | 70,369             | -                        | -                   | 739,788           | 70,369            |
| Roads  | 580,520            | 1,464,158          | -                        | -                   | 580,520           | 1,464,158         |
| Kerb and gutter  | -                  | -                  | -                        | -                   | -                 | -                 |
| Footpaths and cycleways                                      | 89,017             | 73,072             | -                        | -                   | 89,017            | 73,072            |
| Light poles  | 15,910             | 14,695             | -                        | -                   | 15,910            | 14,695            |
| Bridges  | 76,351             | 49,327             | -                        | -                   | 76,351            | 49,327            |
| Drainage   | 69,632             | 36,510             | -                        | -                   | 69,632            | 36,510            |
| Parks and reserves   | 268,511            | 67,627             | -                        | -                   | 268,511           | 67,627            |
| <b>Total work in progress</b>                                | <b>2,320,038</b>   | <b>1,941,140</b>   | <b>-</b>                 | <b>-</b>            | <b>2,320,038</b>  | <b>1,941,140</b>  |
| <b>Total property, plant, equipment &amp; infrastructure</b> | <b>165,525,260</b> | <b>165,350,729</b> | <b>(69,001,288)</b>      | <b>(65,737,792)</b> | <b>96,523,972</b> | <b>99,612,937</b> |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3.6 Property, plant, equipment and infrastructure (continued)

| (Amounts shown in \$)  | Balance at beginning of financial year | Acquisition of assets | Revaluation increase (decrease) | Depreciation and amortisation | Written down value of disposals | Impairment losses in profit or loss | Transfers          | Balance at end of financial year |
|--|--|-----------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------------|--------------------|----------------------------------|
| <b>2017</b>  |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| <b>Property</b>  |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| Land   | 6,059,500                              | 115,000               | -                               | -                             | -                               | -                                   | -                  | 6,174,500                        |
| Land under roads   | 5,946,759                              | -                     | -                               | -                             | -                               | -                                   | -                  | 5,946,759                        |
| Buildings  | 10,905,217                             | -                     | -                               | (559,691)                     | -                               | -                                   | -                  | 10,345,526                       |
| <b>Total property</b>  | <b>22,911,476</b>                      | <b>115,000</b>        | <b>-</b>                        | <b>(559,691)</b>              | <b>-</b>                        | <b>-</b>                            | <b>-</b>           | <b>22,466,785</b>                |
| <b>Plant and equipment</b>                                   |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| Plant and machinery  | 1,721,279                              | -                     | -                               | (239,869)                     | (8,699)                         | -                                   | 163,836            | 1,636,547                        |
| Furniture and fixtures                                       | 190,307                                | -                     | -                               | (47,261)                      | -                               | -                                   | -                  | 143,046                          |
| Domestic waste   | 90,369                                 | -                     | -                               | (16,866)                      | -                               | -                                   | -                  | 73,503                           |
| <b>Total plant and equipment</b>                             | <b>2,001,955</b>                       | <b>-</b>              | <b>-</b>                        | <b>(303,996)</b>              | <b>(8,699)</b>                  | <b>-</b>                            | <b>163,836</b>     | <b>1,853,096</b>                 |
| <b>Infrastructure</b>  |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| Roads  | 42,779,314                             | -                     | -                               | (1,376,190)                   | -                               | -                                   | 1,794,238          | 43,197,362                       |
| Kerb and gutter  | 4,351,986                              | -                     | -                               | (107,029)                     | -                               | -                                   | 37,388             | 4,282,345                        |
| Footpaths and cycleways                                      | 2,690,851                              | -                     | -                               | (81,119)                      | -                               | -                                   | 96,269             | 2,706,001                        |
| Light poles  | 580,388                                | -                     | -                               | (21,525)                      | -                               | -                                   | -                  | 558,863                          |
| Bridges  | 6,930,043                              | -                     | -                               | (191,993)                     | -                               | -                                   | 99,072             | 6,837,122                        |
| Drainage   | 12,888,092                             | -                     | (2,891,417)                     | (185,394)                     | -                               | -                                   | 35,250             | 9,846,531                        |
| Parks and reserves   | 964,854                                | -                     | -                               | (69,716)                      | -                               | -                                   | 37,724             | 932,862                          |
| Playground equipment   | 564,072                                | -                     | -                               | (38,891)                      | -                               | -                                   | 24,320             | 549,501                          |
| Waste transfer station                                       | 1,008,765                              | -                     | -                               | (35,299)                      | -                               | -                                   | -                  | 973,466                          |
| <b>Total infrastructure</b>                                  | <b>72,758,365</b>                      | <b>-</b>              | <b>(2,891,417)</b>              | <b>(2,107,156)</b>            | <b>-</b>                        | <b>-</b>                            | <b>2,124,261</b>   | <b>69,884,053</b>                |
| <b>Work in progress</b>                                      |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| Buildings  | -                                      | 231,388               | -                               | -                             | -                               | -                                   | -                  | 231,388                          |
| Plant and machinery  | 43,334                                 | 247,375               | -                               | -                             | -                               | -                                   | (163,836)          | 126,873                          |
| Furniture and fixtures                                       | 122,048                                | -                     | -                               | -                             | -                               | -                                   | -                  | 122,048                          |
| Domestic waste   | 70,370                                 | 669,419               | -                               | -                             | -                               | -                                   | -                  | 739,789                          |
| Roads  | 1,464,158                              | 910,600               | -                               | -                             | -                               | -                                   | (1,794,238)        | 580,520                          |
| Kerb and gutter  | -                                      | 37,388                | -                               | -                             | -                               | -                                   | (37,388)           | -                                |
| Footpaths and cycleways                                      | 73,072                                 | 112,214               | -                               | -                             | -                               | -                                   | (96,269)           | 89,017                           |
| Light poles  | 14,695                                 | 1,215                 | -                               | -                             | -                               | -                                   | -                  | 15,910                           |
| Bridges  | 49,326                                 | 126,096               | -                               | -                             | -                               | -                                   | (99,072)           | 76,350                           |
| Drainage   | 36,510                                 | 68,372                | -                               | -                             | -                               | -                                   | (35,250)           | 69,632                           |
| Parks and reserves   | 67,627                                 | 262,928               | -                               | -                             | -                               | -                                   | (62,044)           | 268,511                          |
| <b>Total work in progress</b>                                | <b>1,941,140</b>                       | <b>2,666,995</b>      | <b>-</b>                        | <b>-</b>                      | <b>-</b>                        | <b>-</b>                            | <b>(2,288,097)</b> | <b>2,320,038</b>                 |
| <b>Total property, plant, equipment &amp; infrastructure</b> | <b>99,612,936</b>                      | <b>2,781,995</b>      | <b>(2,891,417)</b>              | <b>(2,970,843)</b>            | <b>(8,699)</b>                  | <b>-</b>                            | <b>-</b>           | <b>96,523,972</b>                |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3.6 Property, plant, equipment and infrastructure (continued)

| (Amounts shown in \$)  | Balance at beginning of financial year | Acquisition of assets | Revaluation increase (decrease) | Depreciation and amortisation | Written down value of disposals | Impairment losses in profit or loss | Transfers          | Balance at end of financial year |
|--|--|-----------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------------|--------------------|----------------------------------|
| <b>2016</b>  |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| <b>Property</b>  |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| Land   | 6,506,031                              | -                     | (446,531)                       | -                             | -                               | -                                   | -                  | 6,059,500                        |
| Land under roads   | -                                      | 5,946,759             | -                               | -                             | -                               | -                                   | -                  | 5,946,759                        |
| Buildings  | 10,766,135                             | -                     | 625,892                         | (560,036)                     | (76,779)                        | -                                   | 150,005            | 10,905,217                       |
| <b>Total property</b>  | <b>17,272,166</b>                      | <b>5,946,759</b>      | <b>179,361</b>                  | <b>(560,036)</b>              | <b>(76,779)</b>                 | <b>-</b>                            | <b>150,005</b>     | <b>22,911,476</b>                |
| <b>Plant and equipment</b>                                   |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| Plant and machinery  | 1,099,196                              | 368,508               | -                               | (178,533)                     | (26,319)                        | -                                   | 458,427            | 1,721,279                        |
| Furniture and fixtures                                       | 214,735                                | -                     | -                               | (54,142)                      | -                               | -                                   | 29,714             | 190,307                          |
| Domestic waste   | 107,297                                | -                     | -                               | (16,928)                      | -                               | -                                   | -                  | 90,369                           |
| <b>Total plant and equipment</b>                             | <b>1,421,228</b>                       | <b>368,508</b>        | <b>-</b>                        | <b>(249,603)</b>              | <b>(26,319)</b>                 | <b>-</b>                            | <b>488,141</b>     | <b>2,001,955</b>                 |
| <b>Infrastructure</b>  |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| Roads  | 57,565,683                             | 216,961               | (15,608,704)                    | (1,359,005)                   | -                               | -                                   | 1,964,379          | 42,779,314                       |
| Kerb and gutter  | 5,966,729                              | 26,733                | (1,595,588)                     | (106,767)                     | -                               | -                                   | 60,879             | 4,351,986                        |
| Footpaths and cycleways                                      | 6,480,022                              | 264,104               | (4,290,171)                     | (80,282)                      | -                               | (198,116)                           | 515,294            | 2,690,851                        |
| Light poles  | 588,456                                | 2,789                 | -                               | (21,322)                      | -                               | -                                   | 10,465             | 580,388                          |
| Bridges  | 11,829,603                             | -                     | (4,782,022)                     | (191,178)                     | (127,138)                       | -                                   | 200,778            | 6,930,043                        |
| Drainage   | 12,935,912                             | 37,804                | -                               | (186,945)                     | -                               | -                                   | 101,321            | 12,888,092                       |
| Parks and reserves   | 843,244                                | 84,693                | -                               | (70,906)                      | (16,267)                        | -                                   | 124,090            | 964,854                          |
| Playground equipment   | 452,184                                | -                     | -                               | (26,162)                      | -                               | -                                   | 138,050            | 564,072                          |
| Waste transfer station                                       | 252,333                                | -                     | -                               | (10,603)                      | -                               | -                                   | 767,035            | 1,008,765                        |
| <b>Total infrastructure</b>                                  | <b>96,914,166</b>                      | <b>633,084</b>        | <b>(26,276,485)</b>             | <b>(2,053,170)</b>            | <b>(143,405)</b>                | <b>(198,116)</b>                    | <b>3,882,291</b>   | <b>72,758,365</b>                |
| <b>Work in progress</b>                                      |  |                       |                                 |                               |                                 |                                     |                    |                                  |
| Buildings  | 199,312                                | 85,613                | -                               | -                             | -                               | -                                   | (284,925)          | -                                |
| Plant and machinery  | -                                      | 57,275                | -                               | -                             | -                               | -                                   | (13,941)           | 43,334                           |
| Furniture and fixtures                                       | 596,248                                | -                     | -                               | -                             | -                               | -                                   | (474,200)          | 122,048                          |
| Domestic waste   | 767,035                                | 70,369                | -                               | -                             | -                               | -                                   | (767,034)          | 70,370                           |
| Roads  | 1,844,676                              | 1,448,941             | -                               | -                             | -                               | -                                   | (1,829,459)        | 1,464,158                        |
| Kerb and gutter  | 60,879                                 | -                     | -                               | -                             | -                               | -                                   | (60,879)           | -                                |
| Footpaths and cycleways                                      | 515,572                                | 72,794                | -                               | -                             | -                               | -                                   | (515,294)          | 73,072                           |
| Light poles  | 10,465                                 | 14,695                | -                               | -                             | -                               | -                                   | (10,465)           | 14,695                           |
| Bridges  | 200,778                                | 49,327                | -                               | -                             | -                               | -                                   | (200,779)          | 49,326                           |
| Drainage   | 134,744                                | 3,087                 | -                               | -                             | -                               | -                                   | (101,321)          | 36,510                           |
| Parks and reserves   | 242,847                                | 86,920                | -                               | -                             | -                               | -                                   | (262,140)          | 67,627                           |
| <b>Total work in progress</b>                                | <b>4,572,556</b>                       | <b>1,889,021</b>      | <b>-</b>                        | <b>-</b>                      | <b>-</b>                        | <b>-</b>                            | <b>(4,520,437)</b> | <b>1,941,140</b>                 |
| <b>Total property, plant, equipment &amp; infrastructure</b> | <b>120,180,116</b>                     | <b>8,837,372</b>      | <b>(26,097,124)</b>             | <b>(2,862,809)</b>            | <b>(246,503)</b>                | <b>(198,116)</b>                    | <b>-</b>           | <b>99,612,936</b>                |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3.6 Property, plant, equipment and infrastructure (continued)

##### Recognition and measurement

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. Council has adopted the following valuation bases for each asset class.

|                            | Threshold | Valuation<br>Bases |
|----------------------------|-----------|--------------------|
|                            | \$        |                    |
| <b>Property</b>            |           |                    |
| Land                       | 1         | Fair value         |
| Land under roads           | 1         | Fair value         |
| Buildings                  | 10,000    | Fair value         |
| <b>Plant and equipment</b> |           |                    |
| Plant and machinery        | 5,000     | Cost               |
| Furniture and fittings     | 5,000     | Cost               |
| Domestic waste             | 5,000     | Cost               |
| <b>Infrastructure</b>      |           |                    |
| Roads                      | 10,000    | Fair value         |
| Kerb and gutter            | 10,000    | Fair value         |
| Footpaths and cycleways    | 10,000    | Fair value         |
| Light poles                | 10,000    | Fair value         |
| Bridges                    | 10,000    | Fair value         |
| Drainage                   | 10,000    | Fair value         |
| Parks and reserves         | 10,000    | Fair value         |
| Playground equipment       | 10,000    | Fair value         |
| Community facilities       | 10,000    | Fair value         |
| Waste transfer station     | 10,000    | Fair value         |

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

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

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3.6 Property, plant, equipment and infrastructure (continued)

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 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.

#### 3.7 Trade and other payables

| (Amounts shown in \$)                 | 2017           | 2016           |
|---------------------------------------|----------------|----------------|
| Trade payables                        | 298,426        | 415,508        |
| Net GST payable                       | (53,960)       | (32,279)       |
| Accrued expenses                      | 283,326        | 254,738        |
| Other                                 | (3,216)        | 300            |
| <i>Total trade and other payables</i> | <u>524,576</u> | <u>638,267</u> |

##### Recognition and measurement

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.

#### 3.8 Trust funds and deposits

| (Amounts shown in \$)                 | 2017           | 2016           |
|---------------------------------------|----------------|----------------|
| MAIB Trust Fund                       | 481            | 481            |
| Other refundable deposits             | 110,612        | 351,546        |
| <i>Total trust funds and deposits</i> | <u>111,093</u> | <u>352,027</u> |

##### Recognition and measurement

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

## Notes to the Financial Report for the year ended 30 June 2017

### 3.9 Fair value measurements

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

- Investment in water corporation as disclosed at note 3.5
- Property and infrastructure as disclosed at note 3.6

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

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise land as disclosed in note . A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Assets held for sale'.

#### (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
- Level 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability,
- 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 balance date.

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.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3.9 Fair value measurements (continued)

| (Amounts shown in \$)           | Level 1 |                | Level 2           |                   | Level 3           |                    | Total              |                    |
|---------------------------------|---------|----------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
|                                 | 2017    | 2016           | 2017              | 2016              | 2017              | 2016               | 2017               | 2016               |
| <b>Fair value measurements</b>  |         |                |                   |                   |                   |                    |                    |                    |
| <b>Recurring</b>                |         |                |                   |                   |                   |                    |                    |                    |
| Investment in water corporation | -       | -              | -                 | -                 | 19,494,078        | 19,368,958         | 19,494,078         | 19,368,958         |
| Property                        |         |                |                   |                   |                   |                    |                    |                    |
| Land                            | -       | -              | 6,174,500         | 6,059,500         | -                 | -                  | 6,174,500          | 6,059,500          |
| Land under roads                | -       | -              | 5,946,759         | 5,946,759         | -                 | -                  | 5,946,759          | 5,946,759          |
| Buildings                       | -       | -              | -                 | -                 | 10,345,526        | 10,905,217         | 10,345,526         | 10,905,217         |
| Infrastructure                  |         |                |                   |                   |                   |                    |                    |                    |
| Roads                           | -       | -              | -                 | -                 | 43,197,362        | 42,779,314         | 43,197,362         | 42,779,314         |
| Kerb and gutter                 | -       | -              | -                 | -                 | 4,282,345         | 4,351,986          | 4,282,345          | 4,351,986          |
| Footpaths and cycleways         | -       | -              | -                 | -                 | 2,706,001         | 2,690,851          | 2,706,001          | 2,690,851          |
| Light poles                     | -       | -              | -                 | -                 | 558,863           | 580,389            | 558,863            | 580,389            |
| Bridges                         | -       | -              | -                 | -                 | 6,837,122         | 6,930,043          | 6,837,122          | 6,930,043          |
| Drainage                        | -       | -              | -                 | -                 | 9,846,531         | 12,888,092         | 9,846,531          | 12,888,092         |
| Parks and reserves              | -       | -              | -                 | -                 | 932,862           | 964,854            | 932,862            | 964,854            |
| Playground equipment            | -       | -              | 549,501           | 564,072           | -                 | -                  | 549,501            | 564,072            |
| Waste transfer station          | -       | -              | -                 | -                 | 973,466           | 1,008,765          | 973,466            | 1,008,765          |
| <b>Total recurring</b>          | -       | -              | <b>12,670,760</b> | <b>12,570,331</b> | <b>99,174,156</b> | <b>102,468,469</b> | <b>111,844,916</b> | <b>115,038,800</b> |
| <b>Non-recurring</b>            |         |                |                   |                   |                   |                    |                    |                    |
| Assets held for sale            | -       | 100,000        | -                 | -                 | -                 | -                  | -                  | 100,000            |
| <b>Total non-recurring</b>      | -       | <b>100,000</b> | -                 | -                 | -                 | -                  | -                  | <b>100,000</b>     |

#### 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

AASB 13 requires the fair value of non-financial assets to be calculated based on their "highest and best use". Council considers that all assets in this note are being used for their highest and best use.

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

##### Investment in water corporation

Refer to 3.5 for details of valuation techniques used to derive fair values.

##### Land

Land fair values were determined by a qualified independent valuer. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

## Notes to the Financial Report for the year ended 30 June 2017

### 3.9 Fair value measurements (continued)

#### **Land held for sale**

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

#### **Land under roads**

Land under roads valuation at balance date is based on an average per square metre property rates supplied by the Tasmanian Valuer General.

#### **Buildings**

Council considers that all its buildings are of a specialist nature (eg heritage buildings) and there is no active market for the assets. Fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values have been derived from reference to market data for recent projects and costing guides.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3).

#### **Infrastructure assets**

All Council infrastructure assets were fair valued using written down current replacement cost (CRC). This valuation comprises the asset's gross replacement cost 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 2.3.

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation.

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

#### **Roads, including kerb and gutter, footpaths and cycleways and light poles**

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Roads are managed in segments. All road segments are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 3.9 Fair value measurements (continued)

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. Construction estimates, material and services prices are based on supplier price lists and labour wage rates are deemed to be applicable to industry wide standards. Unit prices were estimated by Moloney Asset Systems.

##### **Bridges**

Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

##### **Drainage**

Similar to roads, drainage 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.

##### **Other Infrastructure**

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position.

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

The changes in level 3 property and infrastructure assets with recurring fair value measurements are detailed in note 3.6 (Property, plant, equipment and infrastructure). Investment in water corporation, which is classified as level 3 has been separately disclosed in note 3.5.

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

##### **(e) Valuation processes**

At the end of each year Council assess whether the carrying amount of its assets varies significantly from the fair value. This is done by consideration of changes in utilisation, obsolescence, assessment of unit rates, patterns of consumption, residual life, useful life, condition and remaining useful life.

Based on this assessment assets may need to be revalued and/or depreciation rates changed.

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

##### **(f) 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.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 5.3 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).

## Notes to the Financial Report

for the year ended 30 June 2017

### 4 People

This section outlines the amounts provided for employee benefits during and post employment and related party transactions.

#### 4.1 Employee provisions

(Amounts shown in \$)

|  | 2017           | 2016           |
|--|----------------|----------------|
| <b>Current</b>   |                |                |
| Annual leave   | 444,240        | 387,185        |
| Long service leave   | 207,299        | 172,467        |
| Personal   | 64,484         | 62,054         |
| Other  | 2,620          | -              |
| <b>Total current</b>   | <b>718,643</b> | <b>621,706</b> |
| <b>Non-current</b>   |                |                |
| Long service leave   | 247,188        | 239,887        |
| Personal   | 13,980         | 20,632         |
| <b>Total non-current</b>   | <b>261,168</b> | <b>260,519</b> |
| <b>Total employee provisions</b>   | <b>979,811</b> | <b>882,225</b> |
| <b>Description of current and non-current components of employee provisions</b>  |                |                |
| <b>Current</b>   |                |                |
| All annual leave and the long service leave entitlements representing 10 or more years of continuous service:                    |                |                |
| - Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value.            | 511,344        | 449,239        |
| - Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value. | 207,299        | 172,467        |
|  | <b>718,643</b> | <b>621,706</b> |
| <b>Non-current</b>   |                |                |
| Long service leave representing less than 10 years of continuous service measured at present value.                              | 247,188        | 239,887        |
| Other long term employee benefits  | 13,980         | 20,632         |
|  | <b>261,168</b> | <b>260,519</b> |
| <b>Number of employees (full time equivalents)</b>   | <b>48</b>      | <b>48</b>      |

## Notes to the Financial Report

for the year ended 30 June 2017

### 4.1 Employee Provisions (continued)

#### *Movements in employee provisions during the financial year*

| (Amounts shown in \$)            | Annual leave   |                | Long service leave |                | Personal & Other |               | Total          |                |
|----------------------------------|----------------|----------------|--------------------|----------------|------------------|---------------|----------------|----------------|
|                                  | 2017           | 2016           | 2017               | 2016           | 2017             | 2016          | 2017           | 2016           |
| Balance at beginning of the year | 387,185        | 341,179        | 412,354            | 350,547        | 82,686           | 73,986        | 882,225        | 765,712        |
| Additional provisions            | 290,837        | 248,505        | 86,680             | 103,862        | 9,848            | 14,869        | 387,365        | 367,236        |
| Amounts used                     | (233,782)      | (202,499)      | (44,547)           | (42,055)       | (11,450)         | (6,169)       | (289,779)      | (250,723)      |
| Balance at end of the year       | <b>444,240</b> | <b>387,185</b> | <b>454,487</b>     | <b>412,354</b> | <b>81,084</b>    | <b>82,686</b> | <b>979,811</b> | <b>882,225</b> |

#### Recognition and measurement

##### *Short term obligations*

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

##### *Other long term employee benefit obligations*

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

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

##### *Personal leave*

An accrual is made for personal leave up to 20% of the balance accrued for an individual as an entitlement exists in circumstances where the employee resigns and has been employed for at least 5 years under the current Enterprise Bargaining Agreement.

## Notes to the Financial Report

for the year ended 30 June 2017

### 4.2 Related party transactions

#### Responsible Persons

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

|  |                                  |               |    |              |
|--|----------------------------------|---------------|----|--------------|
| <b>Councillors</b>                                     | Councillor Archer (Mayor)        | 1 July 2016   | to | 30 June 2017 |
|  | Councillor Harris (Deputy Mayor) | 1 July 2016   | to | 30 June 2017 |
|  | Councillor Ashley                | 1 July 2016   | to | 30 June 2017 |
|  | Councillor Barwick               | 1 July 2016   | to | 30 June 2017 |
|  | Councillor Burt                  | 1 July 2016   | to | 30 June 2017 |
|  | Councillor Dawson                | 1 July 2016   | to | 30 June 2017 |
|  | Councillor Glisson               | 1 July 2016   | to | 30 June 2017 |
|  | Councillor Parish                | 1 July 2016   | to | 30 June 2017 |
|  | Councillor Parkes                | 1 July 2016   | to | 30 June 2017 |
| <b>General Manager</b>                                 | Mr John Martin                   | 1 July 2016   | to | 13 May 2017  |
| <b>Acting General Manager</b>                          | Mr Raoul Harper                  | 23 March 2017 | to | 30 June 2017 |
| <b>Director Corporate Services</b>                     | Mr Kim Barker                    | 1 July 2016   | to | 30 June 2017 |
| <b>Manager Development Services</b>                    | Ms Justine Brooks - Bedelph      | 1 July 2016   | to | 30 June 2017 |
| <b>Manager Community Development</b>                   | Mrs Anne Cameron                 | 1 July 2016   | to | 30 June 2017 |
| <b>Manager Infrastructure &amp; Engineering</b>        | Mr Paul O'Grady                  | 1 July 2016   | to | 30 June 2017 |
| <b>Acting Manager Infrastructure &amp; Engineering</b> | Mr David Jolly                   | 20 June 2017  | to | 30 June 2017 |

#### Councillor Remuneration

(Amounts shown in \$)

|                                  | Allowances     | Compensation<br>AASB 124 | Kilometre<br>reimbursements | Communications | Consumables  | Total Allowances<br>and Expenses<br>section 72 |
|----------------------------------|----------------|--------------------------|-----------------------------|----------------|--------------|--|
| <b>2017</b>                      |                |                          |                             |                |              |  |
| Councillor Archer (Mayor)        | 61,462         | 61,462                   | 5,645                       | 2,500          | 67           | 69,674   |
| Councillor Harris (Deputy Mayor) | 23,516         | 23,516                   | -                           | 1,276          | 65           | 24,857   |
| Councillor Ashley                | 12,020         | 12,020                   | 290                         | 1,276          | 64           | 13,650   |
| Councillor Barwick               | 12,020         | 12,020                   | 4,260                       | 1,276          | 577          | 18,133   |
| Councillor Burt                  | 12,020         | 12,020                   | -                           | 1,276          | 297          | 13,593   |
| Councillor Dawson                | 12,020         | 12,020                   | -                           | 1,276          | 65           | 13,361   |
| Councillor Glisson               | 12,020         | 12,020                   | 1,995                       | 1,276          | 65           | 15,356   |
| Councillor Parish                | 12,020         | 12,020                   | -                           | 1,276          | 655          | 13,951   |
| Councillor Parkes                | 12,020         | 12,020                   | -                           | 1,276          | 564          | 13,860   |
| <b>Total</b>                     | <b>169,118</b> | <b>169,118</b>           | <b>12,190</b>               | <b>12,708</b>  | <b>2,419</b> | <b>196,435</b>                                 |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 4.2 Related party transactions (continued)

##### Councillor Remuneration

(Amounts shown in \$)

|                                  | Allowances     | Compensation<br>AASB 124 | Kilometre<br>reimbursements | Communications | Consumables  | Total Allowances<br>and Expenses<br>section 72 |
|----------------------------------|----------------|--------------------------|-----------------------------|----------------|--------------|--|
| <b>2016</b>                      |                |                          |                             |                |              |  |
| Councillor Archer (Mayor)        | 47,003         | 47,003                   | 2,886                       | 2,440          | 100          | 52,429   |
| Councillor Harris (Deputy Mayor) | 22,987         | 22,987                   | 894                         | 1,249          | 136          | 25,266   |
| Councillor Ashley - Part Year    | 987            | 987                      | -                           | 105            | 86           | 1,178  |
| Councillor Barwick               | 11,747         | 11,747                   | 3,875                       | 1,249          | 309          | 17,180   |
| Councillor Burt                  | 11,747         | 11,747                   | -                           | 1,249          | 14           | 13,010   |
| Councillor Dawson                | 11,747         | 11,747                   | 91                          | 1,249          | 112          | 13,199   |
| Councillor Glisson               | 11,747         | 11,747                   | 2,491                       | 1,249          | 116          | 15,603   |
| Councillor Nicholls - Part Year  | 9,773          | 9,773                    | 647                         | 1,039          | 14           | 11,473   |
| Councillor Parish                | 11,747         | 11,747                   | -                           | 1,249          | 14           | 13,010   |
| Councillor Parkes                | 11,747         | 11,747                   | 913                         | 1,249          | 112          | 14,021   |
| <i>Total</i>                     | <b>151,232</b> | <b>151,232</b>           | <b>11,797</b>               | <b>12,327</b>  | <b>1,013</b> | <b>176,369</b>                                 |

**Allowances** - statutory allowances as paid in accordance with the Local Government Act 1993.

**Kilometre reimbursements** - reimbursement for kilometres travelled while on Council business at a rate per kilometre.

**Communications** - allowances paid to Councillors to reimburse telephone and internet usage costs.

**Consumables** - cost of stationery and computer consumables provided.

##### Key Management Personnel Remuneration

|                          |                  | Short term benefits |               |                | Post employment benefits |                      |                             |                |
|--------------------------|------------------|---------------------|---------------|----------------|--------------------------|----------------------|-----------------------------|----------------|
|                          |                  | Salary              | Vehicles      | Other benefits | Superannuation           | Termination benefits | Other non-monetary benefits | Total          |
| <b>2017</b>              |                  |                     |               |                |                          |                      |                             |                |
| <b>Remuneration band</b> | <b>Employees</b> |                     |               |                |                          |                      |                             |                |
| Less than \$100 001      | 1 (part year)    | 47,432              | -             | 3,019          | 6,166                    | -                    | 3,994                       | 60,611         |
| \$120 001 - \$140 000    | 1                | 101,571             | -             | 1,631          | 13,204                   | -                    | 4,596                       | 121,002        |
| \$140 001 - \$160 000    | 1                | 121,388             | 9,884         | 1,000          | 15,780                   | -                    | 9,599                       | 157,651        |
| \$160 001 - \$180 000    | 1                | 118,279             | 22,814        | 800            | 15,376                   | -                    | 10,243                      | 167,512        |
| \$180 001 - \$200 000    | 1                | 140,517             | 10,257        | 1,000          | 13,587                   | 49,038               | (25,828)                    | 188,571        |
| \$260 001 - \$280 000    | 1 (part year)    | 164,157             | 10,955        | 32,121         | 18,565                   | 57,279               | (21,427)                    | 261,650        |
|                          |                  | <b>693,344</b>      | <b>53,910</b> | <b>39,571</b>  | <b>82,678</b>            | <b>106,317</b>       | <b>(18,823)</b>             | <b>956,997</b> |

## Notes to the Financial Report

for the year ended 30 June 2017

### 4.2 Related party transactions (continued)

#### *Key Management Personnel Remuneration*

**Salary** - includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

**Vehicles** - 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).

**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.

**Superannuation** - means the contribution to the superannuation fund of the individual.

**Termination benefits** - include all forms of benefit paid or accrued as a consequence of termination.

**Other non-monetary benefits** - include annual and long service leave movements

#### *Remuneration Principles*

##### *Councillors*

Councillor allowances are paid in accordance with those set by Regulation 42 (2) of the Local Government General Regulations 2015. Council has further determined by policy that in order to carry out their functions as a Councillor, reimbursements will be paid to Councillors for travelling while on Council related business on a kilometre travelled basis, that stationery and consumables will be provided and that a communications allowance will be paid to offset the cost of telephone and internet charges.

##### *Senior management*

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, Council also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

The performance of each senior manager, including the General Manager, is reviewed annually which includes a review of their remuneration package, which takes account of their performance against key indicators and of salary packages for similar roles in the region. Whilst not automatic, contracts can be extended.

## Notes to the Financial Report for the year ended 30 June 2017

### 4.2 Related party transactions (continued)

#### *Transactions with related parties*

During the period Council did not enter into any material transactions with related parties.

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

#### *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 citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates on a primary residence
- Dog registration

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

### 4.3 Post employment benefits

#### **Recognition and measurement**

#### *Defined contribution funds*

Council contributes to defined contribution plans on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies, if any, that may occur in those schemes. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### *Defined benefit fund*

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2017 Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, Council is required to meet its share of the deficiency.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 4.3 Post employment benefits (continued)

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2014. The review disclosed that at that time the net market value of assets available for funding member benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000, the value of total accrued benefits was \$58,093,000, and the number of members was 187. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

- Net Investment Return 7.0% p.a.
- Salary Inflation 4.0% p.a.
- Price Inflation n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2014.
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2014.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2017

The Actuary recommended that in future the Council contribute 11.0% of salaries in 2014/15 and 9.5% of salaries thereafter.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2017 and is expected to be completed late in 2017.

As required in terms of paragraph 148 of AASB 119 Employee Benefits, Council discloses the following details:

- The 2014 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is different from the method used at the previous actuarial review in 2011.  
  
Under the aggregate funding method of financing the benefits, the stability of Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 4.3 Post employment benefits (continued)

- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.
- 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. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$41,817 (2015-16, \$41,098), and the amount paid to accumulation schemes was \$388,230 (2015-16, \$370,210).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$42,862, and the amount to be paid to accumulation schemes is \$397,936.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2014. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2017.
- An analysis of the assets and vested benefits of Funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2014, showed that the Fund had assets of \$66.3 million and members' Vested Benefits were \$57.5 million. These amounts represented 8.4% and 7.5% respectively of the corresponding total amounts for the Scheme.
- As at 30 June 2016 the fund had 151 members and the total employer contributions and member contributions for the year ended 30 June 2016 were \$1,956,576 and \$284,779 respectively.

#### *Employer contributions made during the financial year:*

| (Amounts shown in \$)            | 2017    | 2016    |
|----------------------------------|---------|---------|
| <i>Defined benefit fund</i>      |         |         |
| Employer contributions           | 41,817  | 41,093  |
| <i>Defined contribution fund</i> |         |         |
| Employer contributions           | 388,230 | 370,210 |

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.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 5 Debt and risk management

This section sets out the interest bearing debts of Council and outlines Council's exposure to financial risks and how these risks are managed.

##### 5.1 Interest-bearing loans and borrowings

| (Amounts shown in \$)   | 2017             | 2016             |
|-------------------------|------------------|------------------|
| <b>Current</b>          |                  |                  |
| Borrowings - secured    | 136,787          | 217,001          |
| <b>Non-current</b>      |                  |                  |
| Borrowings - secured    | 2,729,557        | 2,864,168        |
| <i>Total borrowings</i> | <b>2,866,344</b> | <b>3,081,169</b> |

Borrowings are secured over the rate income of Council.

The maturity profile for Council's borrowings is:

|   |                  |                  |
|---|------------------|------------------|
| Not later than one year                           | 136,787          | 217,001          |
| Later than one year and not later than five years | 1,989,488        | 531,145          |
| Later than five years                             | 740,069          | 2,333,023        |
| <i>Total</i>                                      | <b>2,866,344</b> | <b>3,081,169</b> |

##### Recognition and measurement

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.

##### 5.2 Financing arrangements

| (Amounts shown in \$)         | 2017           | 2016           |
|-------------------------------|----------------|----------------|
| Credit card facility          | 50,000         | 50,000         |
| Vehicle leasing facility      | -              | 150,000        |
| IT equipment leasing facility | 470,000        | 470,000        |
| Used facilities               | (22,956)       | (2,800)        |
| <i>Unused facilities</i>      | <b>497,044</b> | <b>667,200</b> |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 5.3 Financial Instruments

##### *Accounting policy, terms and conditions*

| Recognised financial instruments                                    | Accounting policy | Terms and Conditions   |
|---|-------------------|--|
| <i>Financial assets</i>   |                   |  |
| Cash and cash equivalents   | See Note 3.1      | On call deposits returned a floating interest rate of 1.5% (1.75% in 2016). The interest rate at balance date was 1.6% (1.5% in 2016). |
| Trade and other receivables   | See Note 3.2      | General debtors are unsecured and arrears attract an interest rate of 0% (0% in 2016). Credit terms are based on 14 days.              |
| Available for sale financial assets Investment in Water Corporation | See Note 3.5      |  |
| <i>Financial Liabilities</i>  |                   |  |
| Trade and other payables  | See Note 3.7      | General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.           |
| Interest-bearing loans and borrowings                               | See Note 5.1      | Borrowings are secured by way of mortgages over the general rates of the Council.  |

## Notes to the Financial Report

for the year ended 30 June 2017

### 5.3 Financial Instruments (continued)

#### 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:

| (Amounts shown in \$)                     | Floating<br>interest rate | Fixed interest maturing in: |                           |                      | Non-interest<br>bearing | Total             |
|---|---------------------------|-----------------------------|---------------------------|----------------------|-------------------------|-------------------|
|   |                           | 1 year or<br>less           | Over 1 year<br>to 5 years | More than 5<br>years |                         |                   |
| <b>2017</b>                               |                           |                             |                           |                      |                         |                   |
| <i>Financial assets</i>                   |                           |                             |                           |                      |                         |                   |
| Cash and cash equivalents                 | 4,987,116                 | -                           | -                         | -                    | -                       | 4,987,116         |
| Trade and other receivables               | 223,462                   | -                           | -                         | -                    | -                       | 223,462           |
| Investment in water corporation           | -                         | -                           | -                         | -                    | 19,494,078              | 19,494,078        |
| <b>Total financial assets</b>             | <b>5,210,578</b>          | <b>-</b>                    | <b>-</b>                  | <b>-</b>             | <b>19,494,078</b>       | <b>24,704,656</b> |
| <i>Financial liabilities</i>              |                           |                             |                           |                      |                         |                   |
| Trade and other payables                  | -                         | -                           | -                         | -                    | 524,576                 | 524,576           |
| Trust funds and deposits                  | -                         | -                           | -                         | -                    | 111,093                 | 111,093           |
| Interest-bearing loans and borrowings     | -                         | 136,787                     | 1,989,488                 | 740,069              | -                       | 2,866,344         |
| <b>Total financial liabilities</b>        | <b>-</b>                  | <b>136,787</b>              | <b>1,989,488</b>          | <b>740,069</b>       | <b>635,669</b>          | <b>3,502,013</b>  |
| <b>Net financial assets (liabilities)</b> | <b>5,210,578</b>          | <b>(136,787)</b>            | <b>(1,989,488)</b>        | <b>(740,069)</b>     | <b>18,858,409</b>       | <b>21,202,643</b> |
| <b>2016</b>                               |                           |                             |                           |                      |                         |                   |
| <i>Financial assets</i>                   |                           |                             |                           |                      |                         |                   |
| Cash and cash equivalents                 | 4,480,272                 | -                           | -                         | -                    | -                       | 4,480,272         |
| Trade and other receivables               | 272,004                   | -                           | -                         | -                    | -                       | 272,004           |
| Investment in water corporation           | -                         | -                           | -                         | -                    | 19,368,958              | 19,368,958        |
| <b>Total financial assets</b>             | <b>4,752,276</b>          | <b>-</b>                    | <b>-</b>                  | <b>-</b>             | <b>19,368,958</b>       | <b>24,121,234</b> |
| <i>Financial liabilities</i>              |                           |                             |                           |                      |                         |                   |
| Trade and other payables                  | -                         | -                           | -                         | -                    | 638,267                 | 638,267           |
| Trust funds and deposits                  | -                         | -                           | -                         | -                    | 352,027                 | 352,027           |
| Interest-bearing loans and borrowings     | -                         | 217,001                     | 531,145                   | 2,333,024            | -                       | 3,081,170         |
| <b>Total financial liabilities</b>        | <b>-</b>                  | <b>217,001</b>              | <b>531,145</b>            | <b>2,333,024</b>     | <b>990,294</b>          | <b>4,071,464</b>  |
| <b>Net financial assets (liabilities)</b> | <b>4,752,276</b>          | <b>(217,001)</b>            | <b>(531,145)</b>          | <b>(2,333,024)</b>   | <b>18,378,664</b>       | <b>20,049,770</b> |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 5.3 Financial Instruments (continued)

##### *Fair value*

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

| (Amounts shown in \$)                 | Total carrying amount |                   | Net fair value    |                   |
|---------------------------------------|-----------------------|-------------------|-------------------|-------------------|
|                                       | 2017                  | 2016              | 2017              | 2016              |
| <i>Financial assets:</i>              |                       |                   |                   |                   |
| Cash and cash equivalents             | 4,987,116             | 4,480,272         | 4,987,116         | 4,480,272         |
| Trade and other receivables           | 223,462               | 272,004           | 223,462           | 272,004           |
| Investment in water corporation       | 19,494,078            | 19,368,958        | 19,494,078        | 19,368,958        |
| <i>Total financial assets</i>         | <b>24,704,656</b>     | <b>24,121,234</b> | <b>24,704,656</b> | <b>24,121,234</b> |
| <i>Financial liabilities:</i>         |                       |                   |                   |                   |
| Trade and other payables              | 524,576               | 638,267           | 524,576           | 638,267           |
| Trust funds and deposits              | 111,093               | 352,027           | 111,093           | 352,027           |
| Interest-bearing loans and borrowings | 2,866,344             | 3,081,170         | 3,178,350         | 3,413,523         |
| <i>Total financial liabilities</i>    | <b>3,502,013</b>      | <b>4,071,464</b>  | <b>3,814,019</b>  | <b>4,403,817</b>  |

##### *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.

##### *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.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 5.3 Financial Instruments (continued)

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 have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

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

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

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

| (Amounts shown in \$)   | 2017           | 2016           |
|---|----------------|----------------|
| Balance at the beginning of the year                          | 173,231        | 109,762        |
| New Provisions recognised during the year                     | 83,709         | 63,469         |
| Amounts already provided for and written off as uncollectible | (56,836)       | -              |
| Amounts provided for but recovered during the year            | (87,500)       | -              |
| <i>Balance at the end of the year</i>                         | <b>112,604</b> | <b>173,231</b> |

## Notes to the Financial Report for the year ended 30 June 2017

### 5.3 Financial Instruments (continued)

#### *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 (net of impaired amounts) was:

| (Amounts shown in \$)                      | 2017           | 2016           |
|--|----------------|----------------|
| Current (not yet due)                      | 56,823         | 149,092        |
| Past due by up to 30 days                  | 1,629          | 11,738         |
| Past due between 31 and 180 days           | 37,621         | 7,320          |
| Past due between 181 and 365 days          | 127,389        | 103,854        |
| Past due by more than 1 year               | -              | -              |
| <b>Total Trade &amp; Other Receivables</b> | <b>223,462</b> | <b>272,004</b> |

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

At balance date, other debtors representing financial assets with a nominal value of \$112,604 (2016: \$173,231) were impaired. The amount of the provision raised against these debtors was \$112,604 (2016: \$173,231). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Some 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:

| (Amounts shown in \$)                      | 2017           | 2016           |
|--|----------------|----------------|
| Current (not yet due)                      | -              | -              |
| Past due by up to 30 days                  | -              | -              |
| Past due between 31 and 180 days           | 32,000         | 35,752         |
| Past due between 181 and 365 days          | -              | -              |
| Past due by more than 1 year               | 80,604         | 137,479        |
| <b>Total Trade &amp; Other Receivables</b> | <b>112,604</b> | <b>173,231</b> |

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

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

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 5.3 Financial Instruments (continued)

The table below lists the contractual maturities for Financial Liabilities.

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

| 2017<br>(Amounts shown in \$)         | 6 mths<br>or less | 6-12<br>months | 1-2<br>years     | 2-5<br>years   | >5<br>years      | Contracted<br>cash flow | Carrying<br>amount |
|---------------------------------------|-------------------|----------------|------------------|----------------|------------------|-------------------------|--------------------|
| Trade and other payables              | 524,576           | -              | -                | -              | -                | 524,576                 | 524,576            |
| Trust funds and deposits              | 111,093           | -              | -                | -              | -                | 111,093                 | 111,093            |
| Interest-bearing loans and borrowings | 67,704            | 69,083         | 1,845,213        | 144,178        | 740,166          | 2,866,344               | 2,866,344          |
| <b>Total financial liabilities</b>    | <b>703,373</b>    | <b>69,083</b>  | <b>1,845,213</b> | <b>144,178</b> | <b>740,166</b>   | <b>3,502,013</b>        | <b>3,502,013</b>   |
| 2016<br>(Amounts shown in \$)         | 6 mths<br>or less | 6-12<br>months | 1-2<br>years     | 2-5<br>years   | >5<br>years      | Contracted<br>cash flow | Carrying<br>amount |
| Trade and other payables              | 638,267           | -              | -                | -              | -                | 638,267                 | 638,267            |
| Trust funds and deposits              | 352,027           | -              | -                | -              | -                | 352,027                 | 352,027            |
| Interest-bearing loans and borrowings | 147,781           | 69,221         | 142,993          | 468,152        | 2,253,023        | 3,081,170               | 3,081,170          |
| <b>Total financial liabilities</b>    | <b>1,138,075</b>  | <b>69,221</b>  | <b>142,993</b>   | <b>468,152</b> | <b>2,253,023</b> | <b>4,071,464</b>        | <b>4,071,464</b>   |

#### 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 -0.5% in market interest rates (AUD) from year-end rates.

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

| 2017<br>(Amounts shown in \$)   | Balance   | Interest rate risk         |          |                            |          |
|---|-----------|----------------------------|----------|----------------------------|----------|
|   |           | -0.5%                      |          | 1%                         |          |
|   |           | -50 basis points<br>Profit | Equity   | 100 basis points<br>Profit | Equity   |
| <i>Financial assets:</i>  |           |                            |          |                            |          |
| Cash and cash equivalents   | 4,987,116 | (24,936)                   | (24,936) | 49,871                     | 49,871   |
| Trade and other receivables   | 223,462   | (1,117)                    | (1,117)  | 2,235                      | 2,235    |
| <i>Financial liabilities:</i>   |           |                            |          |                            |          |
| Interest-bearing loans and borrowings<br>(Interest bearing loans partially fixed) | 1,900,071 | 9,500                      | 9,500    | (19,001)                   | (19,001) |

## Notes to the Financial Report

for the year ended 30 June 2017

### 5.3 Financial Instruments (continued)

| (Amounts shown in \$)   | 2016      | Interest rate risk |          |                  |          |
|---|-----------|--------------------|----------|------------------|----------|
|   |           | -0.5%              |          | 1%               |          |
|   |           | -50 basis points   |          | 100 basis points |          |
|   | Balance   | Profit             | Equity   | Profit           | Equity   |
| <i>Financial assets:</i>  |           |                    |          |                  |          |
| Cash and cash equivalents   | 4,480,272 | (22,401)           | (22,401) | 44,803           | 44,803   |
| Trade and other receivables   | 272,004   | (1,360)            | (1,360)  | 2,720            | 2,720    |
| <i>Financial liabilities:</i>   |           |                    |          |                  |          |
| Interest-bearing loans and borrowings<br>(Interest bearing loans partially fixed) | 2,077,659 | 10,388             | 10,388   | (20,777)         | (20,777) |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 6 Other information

This section outlines additional financial information not included in other sections but required in accordance with accounting standards. Details of Council's reserves, commitments and contingencies are included in the notes together with other current accounting policies, changes to accounting standards adopted in the financial year and new or amended accounting standards not yet adopted.

#### 6.1 Reserves

| (Amounts shown in \$)                   | Balance as at<br>30 June 2015 | Revaluation<br>increment<br>(decrement) | Other<br>movements | Balance as at<br>30 June 2016 | Revaluation<br>increment<br>(decrement) | Other<br>movements | Balance as at<br>30 June 2017 |
|---|-------------------------------|---|--------------------|-------------------------------|---|--------------------|-------------------------------|
| <b>Asset revaluation reserve</b>        |                               |   |                    |                               |   |                    |                               |
| <i>Property</i>                         |                               |   |                    |                               |   |                    |                               |
| Land                                    | 3,348,953                     | (446,531)                               | -                  | 2,902,422                     | -                                       | -                  | 2,902,422                     |
| Buildings                               | 5,848,729                     | 625,892                                 | -                  | 6,474,621                     | -                                       | -                  | 6,474,621                     |
| <b>Total property</b>                   | <b>9,197,682</b>              | <b>179,361</b>                          | <b>-</b>           | <b>9,377,043</b>              | <b>-</b>                                | <b>-</b>           | <b>9,377,043</b>              |
| <i>Infrastructure</i>                   |                               |   |                    |                               |   |                    |                               |
| Roads                                   | 50,037,543                    | (15,608,704)                            | -                  | 34,428,839                    | -                                       | -                  | 34,428,839                    |
| Kerb and gutter                         | 6,368,738                     | (1,595,588)                             | -                  | 4,773,150                     | -                                       | -                  | 4,773,150                     |
| Footpaths and cycleways                 | 4,290,171                     | (4,290,171)                             | -                  | -                             | -                                       | -                  | -                             |
| Light poles                             | 604,655                       | -                                       | -                  | 604,655                       | -                                       | -                  | 604,655                       |
| Bridges                                 | 7,961,785                     | (4,782,022)                             | -                  | 3,179,763                     | -                                       | -                  | 3,179,763                     |
| Drainage                                | 9,245,244                     | -                                       | -                  | 9,245,244                     | (2,891,417)                             | -                  | 6,353,827                     |
| Plant replacement                       | 293,044                       | -                                       | -                  | 293,044                       | -                                       | -                  | 293,044                       |
| Other infrastructure                    | 266,091                       | -                                       | -                  | 266,091                       | -                                       | -                  | 266,091                       |
| <b>Total infrastructure</b>             | <b>79,067,271</b>             | <b>(26,276,485)</b>                     | <b>-</b>           | <b>52,790,786</b>             | <b>(2,891,417)</b>                      | <b>-</b>           | <b>49,899,369</b>             |
| <b>Total asset revaluation reserve</b>  | <b>88,264,953</b>             | <b>(26,097,124)</b>                     | <b>-</b>           | <b>62,167,829</b>             | <b>(2,891,417)</b>                      | <b>-</b>           | <b>59,276,412</b>             |
| <b>Fair value reserve</b>               |                               |   |                    |                               |   |                    |                               |
| <i>Available-for-sale assets</i>        |                               |   |                    |                               |   |                    |                               |
| Investment in water corporation         | (1,922,623)                   | -                                       | 324,179            | (1,598,444)                   | -                                       | 125,120            | (1,473,324)                   |
| <b>Total fair value reserve</b>         | <b>(1,922,623)</b>            | <b>-</b>                                | <b>324,179</b>     | <b>(1,598,444)</b>            | <b>-</b>                                | <b>125,120</b>     | <b>(1,473,324)</b>            |
| <b>Other reserves</b>                   |                               |   |                    |                               |   |                    |                               |
| Plant replacement reserve               | 125,000                       | -                                       | 78,047             | 203,047                       | -                                       | 955                | 204,002                       |
| Public open space reserve               | -                             | -                                       | 21,753             | 21,753                        | -                                       | -                  | 21,753                        |
| Airport maintenance reserve             | 113,253                       | -                                       | (16,000)           | 97,253                        | -                                       | (93,001)           | 4,252                         |
| Road development reserve                | -                             | -                                       | 5,483              | 5,483                         | -                                       | 99,772             | 105,255                       |
| Working capital reserve                 | 443,000                       | -                                       | (211,971)          | 231,029                       | -                                       | (30,000)           | 201,029                       |
| Financial assistance in advance reserve | 888,715                       | -                                       | (888,715)          | -                             | -                                       | -                  | -                             |
| Loan reduction reserve                  | 80,000                        | -                                       | -                  | 80,000                        | -                                       | (80,000)           | -                             |
| Private works reserve                   | 11,519                        | -                                       | -                  | 11,519                        | -                                       | -                  | 11,519                        |
| Special projects reserve                | -                             | -                                       | 100,000            | 100,000                       | -                                       | (100,000)          | -                             |
| Waste site rehabilitation               | 139,320                       | -                                       | 7,831              | 147,151                       | -                                       | (147,151)          | -                             |
| Footpaths reserve                       | -                             | -                                       | 909                | 909                           | -                                       | -                  | 909                           |
| <b>Total other reserves</b>             | <b>1,800,807</b>              | <b>-</b>                                | <b>(902,663)</b>   | <b>898,144</b>                | <b>-</b>                                | <b>(349,425)</b>   | <b>548,719</b>                |
| <b>Total reserves</b>                   | <b>88,143,137</b>             | <b>(26,097,124)</b>                     | <b>(578,484)</b>   | <b>61,467,529</b>             | <b>(2,891,417)</b>                      | <b>(224,305)</b>   | <b>58,351,807</b>             |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 6.1 Reserves (continued)

##### Recognition and measurement

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.

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

Other reserves have been created at the discretion of Council to capture allocations for specific purposes.

#### 6.2 Commitments

(Amounts shown in \$)

2017 2016

##### Capital expenditure contractual commitments

Contractual commitments for capital expenditure at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:

|  |                |               |
|--|----------------|---------------|
| Roads, bridges, footpaths and drainage                   | 133,615        | -             |
| Plant and equipment                                      | -              | -             |
| Waste transfer station                                   | 251,468        | 41,648        |
| Swimming pools   | -              | 364           |
| Information technology                                   | 40,472         | 9,000         |
| Recreation facilities                                    | 37,223         | -             |
| Hall and community centres                               | 1,315          | 3,813         |
| <b>Total capital expenditure contractual commitments</b> | <b>464,093</b> | <b>54,825</b> |

##### Other contractual commitments

Other contractual commitments at end of financial year but not recognised in the financial report are as follows inclusive of GST payable:

|  |         |         |
|--|---------|---------|
| Cleaning contract - George Town                              | 113,979 | 124,656 |
| Insurance  | 174,398 | 211,167 |
| Tourism Northern Tas, Tas Visitor Information Network        | 11,000  | 14,230  |
| Northern Tasmanian Development annual contribution           | 25,148  | 27,040  |
| Tamar NRM annual contribution                                | 10,000  | 14,365  |
| Local Government Association of Tasmania annual contribution | 33,500  | 32,555  |
| Annual bridge inspections                                    | 9,000   | 8,920   |
| Environmental health services                                | 45,960  | 49,046  |
| Specialist asset services and advice                         | 11,160  | 22,320  |
| Parks and reserves maintenance                               | 16,032  | -       |
| Software upgrade   | -       | 9,000   |
| Recruitment fees   | 6,345   | -       |
| Information technology software licences                     | 82,500  | 70,215  |
| Information technology technical support                     | 41,280  | 46,480  |
| Project Officer contribution                                 | 25,000  | -       |
| Advertising  | 6,000   | 4,887   |
| White Pages listing  | 2,500   | 2,309   |
| Waste collections and recycling                              | 540,000 | 541,964 |
| Benchmarking project consultancy                             | -       | 30,000  |

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 6.2 Commitments (continued)

| (Amounts shown in \$)                      | 2017             | 2016             |
|--|------------------|------------------|
| Engineering services                       | 90,948           | -                |
| After hours answering service              | 2,148            | -                |
| Copy charges                               | 31,836           | -                |
| Vehicle registration fees                  | 50,090           | -                |
| Priority economic development consultancy  | -                | 50,000           |
| Communications consultancy                 | 14,770           | 30,000           |
| Cemetery burials and maintenance contract  | 41,640           | 41,640           |
| External audit fees                        | 30,000           | 28,000           |
| Audit panel fees                           | 9,936            | 8,000            |
| Pool management contract                   | 125,991          | 122,918          |
| <i>Total other contractual commitments</i> | <b>1,551,161</b> | <b>1,489,712</b> |

#### 6.3 Operating leases

| (Amounts shown in \$)  | 2017          | 2016         |
|--|---------------|--------------|
| <b><i>Operating lease commitments</i></b>  |               |              |
| 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  | 4,928         | 2,417        |
| Later than one year and not later than five years  | 16,017        | -            |
| <i>Total operating lease commitments</i>   | <b>20,945</b> | <b>2,417</b> |

#### ***Operating lease receivables***

Council has operating leases in place for the lease of Council owned buildings or part thereof. These include the lease income received for parts of the Memorial Hall complex and lease income for a residential property located in Anne Street that is utilised as accommodation for visiting trainee medical staff. Council does not believe there is an active market for these premises and does not consider there are any lease incentives.

Council has an operating lease in place for the lease of premises to the George Town Airport Association. Council considers this to be a non-cancellable lease. Council does not believe there is an active market for these premises and does not consider there are any lease incentives.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

|   |                |                |
|---|----------------|----------------|
| Not later than one year                           | 10,630         | 10,630         |
| Later than one year and not later than five years | 42,520         | 42,520         |
| Later than five years                             | 63,780         | 74,410         |
| <i>Total operating lease receivables</i>          | <b>116,930</b> | <b>127,560</b> |

## Notes to the Financial Report for the year ended 30 June 2017

### 6.4 Contingent liabilities and contingent assets

#### *Contingent liabilities*

Council operates two transfer stations. One at George Town and one at Pipers River. Part of the George Town site used for a waste transfer station and a further section is licensed to take inert waste with this expected to continue for a number of years. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Council is involved in a confidential legal matter which is being conducted through Council's solicitors. As this matter is yet to be finalised, and the financial outcome is unable to be reliably estimated, no allowance for this contingency has been made in the financial report.

#### **Recognition and measurement**

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

### 6.5 Other significant accounting policies and new 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) 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.

#### **(c) Budget**

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

## Notes to the Financial Report

for the year ended 30 June 2017

### 6.5 Other significant accounting policies and new accounting standards (continued)

#### (d) 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:

- AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (effective from 1 July 2016)  
The amendment extends the scope of AASB 124 Related Party Disclosures to include not-for-profit public sector entities.

The standard has increased the requirement to disclose related party transactions as disclosed at Note 4.2.

- AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities (effective from 1 July 2016)  
The amendment provides relief to not-for-profit public sector entities from certain disclosures about the fair value measurement of property, plant and equipment held for their current service potential rather than to generate net cash inflows that is categorised within Level 3 of the fair value hierarchy.

There has been no material effect of the adoption of the standard by Council on Council's financial report.

#### (e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below. (Note: standards are applicable to reporting periods beginning on or after to effective date referred to below).

- AASB 9 Financial Instruments and the relevant amending standards (effective from 1 January 2018)

The main impacts of these standards on Council are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Council's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value. The amortised cost model is available for debt assets meeting both 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.

Fair value is to be used for all other financial assets. Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or an irrevocable election has been made to present in other comprehensive income changes in the fair value of an equity instrument not held for trading.

When adopted, the standard will affect, in particular, Council's accounting for its investment in TasWater which is an available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Council is likely to make an irrevocable election for its 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.

Another impact of AASB 9 relates to calculating impairment losses for Council's receivables. Assuming no substantial change in the nature of receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, Council will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised and also factor in any future changes or events.

## Notes to the Financial Report

for the year ended 30 June 2017

### 6.5 Other significant accounting policies and new accounting standards (continued)

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.

- AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers, and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities. AASB 2015-8 Amendments to Australian Accounting Standards arising from AASB 15 provides for an effective of application from 1 January 2019.

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report include:

- 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
  - Under the new standards, 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. Council is yet to evaluate the existing grant arrangements as to whether revenue from those grants could be deferred under the new requirements. At present, such grants are recognised as revenue upfront. When the new standard becomes effective, Council will evaluate all grant agreements in place at that time to determine whether revenue from those grants could be deferred under the new requirements.
  - 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 expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
  - Rates received in advance, which are currently required to be recognised as revenue when received will be deferred under the new requirements until the commencement of the rating period to which they relate.
  - Volunteer services and transactions where the consideration is significantly less than the fair value of that asset acquired, or no consideration is provided (for example below market leases) will be required to be recognised when certain recognition criteria are met. Council has not yet fully determined the impact of these requirements on its financial statements.
  - Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). Council is yet to fully complete its analysis of existing arrangements for sale of its goods and services and the impact on revenue recognition has not yet been fully determined.
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 (effective 1 January 2018)
- The amendments address an acknowledged inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2015-10 has delayed the effective date of the amendments to 1 January 2018. There is likely to be no material impact on Council of the introduction of this standard.

## Notes to the Financial Report

### for the year ended 30 June 2017

#### 6.5 Other significant accounting policies and new accounting standards (continued)

- AASB 16 Leases (effective from 1 January 2019)

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

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.

There is likely to be no material impact on Council of the introduction of this standard.

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

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (effective from 1 January 2017)

Amendments to AASB 107 will require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of a reconciliation in the notes to the Statement of Cash Flows.



## **Independent Auditor's Report**

**To the Councillors of George Town Council**

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

### **Opinion**

I have audited the financial report of George Town Council (Council), which comprises the statement of financial position as at 30 June 2017 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 General Manager's statement.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2017 and of 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.

...1 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
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My audit responsibility does not extend to the budget figures included in the statement of comprehensive income and the asset renewal funding ratio disclosed in note 2.5(f) to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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.

...2 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
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- 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 Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Jara K Dean  
**Assistant Auditor-General Financial Audit  
 Delegate of the Auditor-General**

**Tasmanian Audit Office**

27 September 2017  
 Hobart

...3 of 3

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