



Local Government Association of Tasmania

Annual Report
2015-16



Local Government Association Tasmania



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Local Government Association of Tasmania Annual Report 2015-2016

Contents

2.	About this Annual Report Member Profile Our Vision, Mission and Objectives LGAT's Strategic Priorities Annual Plan
3.	Year in Review
5.	President's Report
6.	Chief Executive Officer's Report
7.	Organisational Structure
9.	Reporting Against the Annual Operational Plan (Key Initiatives)
	Priority Areas
14.	1 - Strategic Relationships
15.	2 - Sector Profile and Reform 3 - Financial Sustainability
16.	4 - Sector Capacity
17.	5 - Land Use Planning and Environmental Sustainability
18.	Financial Report
46.	Public Interest Disclosures
47.	Local Government Representatives

About this Annual Report

This report documents the Local Government Association of Tasmania's (LGAT) performance during 2015-2016, against our 2012-2017 Strategic Plan (Version 2.0) and the 2015-2016 budget. It highlights achievements and challenges in key strategic areas, and provides the detailed audited financial statements.

The Annual Report caters for a wide readership including members, peak bodies, government agencies and other interested parties. The report also provides staff with an overall picture of how we have performed and contributed to the organisation during the year.

To obtain a copy of this report, please visit the LGAT website at www.lgat.tas.gov.au, or phone (03) 6233 5966.

Your feedback is invited via email to reception@lgat.tas.gov.au, or by post to:

The Chief Executive Officer
Local Government Association of Tasmania
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Member Profile

During the 2015-2016 financial year, the Local Government Association of Tasmania represented all 29 Tasmanian councils. The LGAT is the voice of Local Government to other governments, interested stakeholders and the wider community.

We work collaboratively with our members to support elected members and council staff. The communities our member councils serve are represented by 263 elected members and supported by over 4,000 staff.

Our Vision, Mission and Aims

Vision

For Local Government to be an independent, representative, sustainable sphere of government, demonstrating leadership and participating fully in local governance for the benefit of Tasmanian communities.

Mission

LGAT will deliver strong leadership, support, representation and direction to member councils, to help secure the social, environmental and economic future of Local Government. LGAT will achieve this through the efficient and effective utilisation of resources.

Aims

The Local Government Association aims to:

- Act as a facilitator (of best practice, change, reform);
- Be a powerful representative and advocate;
- Provide an environment for leadership and catalyst for improved council and community outcomes;
- Assist elected members to understand their roles and responsibilities;
- Identify issues, analyse data and develop possible responses; and
- Collaborate with the State and Federal Governments for improvements for the community and for the sector.

LGAT's Strategic Priorities

The LGAT Strategic Plan outlines the broad direction for the Association over the period 2012-17. The plan contains seven priority areas and associated strategies. A focus on the identified priority areas and strategies is essential for LGAT if the organisation is to achieve its specified aims, vision and mission.

LGAT's current priority areas are:

1. Strategic relationships
2. Sector profile and reform
3. Financial sustainability
4. Sector capacity
5. Land use planning and environmental sustainability

Annual Plan 2015-2016

The Strategic Plan does not describe the particular activities that LGAT will undertake annually. This detail is held in the Annual Plan, a 12-month Operational Plan that is updated and agreed annually. The Annual Plan identifies the actions that will be taken over the financial year, how success against actions will be measured and specifies a target completion date for the action, where appropriate. Actions are set out so they are in line with the priority areas and strategies identified in the Strategic Plan.

Priority Areas	Key Achievements	Challenges
<p>Strategic Relationships</p> <p>For more information see page 14.</p>	<p>Significant collaboration and partnership building with LG Professionals (Tas), the three regional authorities, HIA, TasCOSS, TCCI, Heart Foundation, COTA Engineers Aust, Tas. and others.</p> <p>Successful establishment of the Regional Breakfast Forums.</p> <p>Almost every council visited by the CEO and President, and an annual schedule established.</p>	<p>Not all critical stakeholders interested in a partnership approach.</p> <p>Difficulty in servicing all new relationships to a consistent level with current resourcing and priorities.</p>
<p>Sector Profile and Reform</p> <p>For more information see page 15.</p>	<p>Development of the <i>Better Councils, Better Communities</i> TV advertisement – for use in 2017.</p> <p>2015 Local Government Awards for Excellence.</p> <p>Significant increase in opinion pieces and other sector profile raising articles</p> <p>Development of a strategic communications plan to ensure our communications on behalf of the sector are being delivered as efficiently and effectively as possible.</p> <p><i>LGAT News</i> magazine.</p>	<p>Limited progress on some of the key initiatives regarding economic development within the Role of Local Government Project.</p> <p>The impact of reform initiated by other levels of Government can undermine sector priorities.</p> <p>Negative perception of Local Government generated through local governance issues.</p> <p>The sheer volume of reform impacting on the sector including emergency management, cat management, climate change and coastal hazards, preventative health, planning and building, liquor licensing and bio-security.</p> <p>A fall in the level of magazine advertising is making the <i>LGAT News</i> magazine harder to sustain.</p>

<p>Financial Sustainability</p> <p>For more information see page 15.</p>	<p>Significant savings for councils as a result of LGAT's National Procurement Network (NPN) membership, estimated at \$720,000 on a \$3.9 million spend.</p> <p>Savings for the sector of around \$500,000 per annum as a consequence of the LED lighting projects.</p>	<p>Continued community and State Government expectation to deliver more services within current revenue.</p> <p>Limited uptake of the LGAT Financial Sustainability Practice Notes.</p>
<p>Sector Capacity</p> <p>For more information see page 16.</p>	<p>Development of Workforce Planning Guidelines for Local Government in Tasmania.</p> <p>Further development of the HR Workplace Behaviours Toolkit for councils, including a number of related training sessions.</p> <p>Continued support provided to councils in the assessment of local road infrastructure for heavy vehicle access as part of a joint project with State Growth focused on addressing ongoing national heavy vehicle regulatory reform.</p> <p>The 2015 LGAT Annual Conference and a significant array of professional development opportunities for elected members and council officers throughout the year.</p>	<p>An unmet need for on-line training resources.</p> <p>Failure to conclude the establishment of an Employee Assistance Program for the sector.</p> <p>Limited progress on a Lean Thinking project.</p>
<p>Land Use Planning and Environmental Sustainability</p> <p>For more information see page 17.</p>	<p>Significant involvement in the Planning Reform agenda.</p> <p>Strong engagement in the Building Regulatory Framework Review</p> <p>State Government commitment to fund the next stage of the iPlan roll out.</p>	<p>The major changes in planning and building processes for councils dominating the resources of LGAT.</p> <p>The lack of a waste levy and strategic consideration of waste issues statewide.</p>

President's Report - Reflecting on 2015-2016



Mayor Doug Chipman

I took up the LGAT Presidency in October 2015 after the sad and sudden death of my predecessor, Barry Jarvis and the Acting Presidency of Vice President Mayor Daryl Quilliam. I was very grateful for Daryl's steady hands while the election was conducted, as this year has been a busy one for the Association.

As we are currently hot on the heels of the Federal Election, I will start my report with our engagement there. Close cooperation through the

Australian Local Government Association resulted in strong bipartisan support for restoring indexation to the Financial Assistance Grants program from 2017, and increases to the Roads to Recovery program.

LGAT also worked closely with councils, regional bodies and TasWater to produce a Federal Election advocacy document, *Partnering for Prosperity*, which sharpened the focus on specific Tasmanian projects. The CEO and I met with key federal members and candidates while General Management Committee members used the document to support their local meetings and advocacy work. That work will continue, to ensure all election promises are delivered by the Government following the Election.

The partnership approach to developing a more compelling advocacy agenda was also used when developing our State Budget submission, *Better Councils, Better Communities*. The Association worked with several peak bodies to establish common priorities. This collaboration produced clear priorities of benefit to the sector and the communities we represent. In response, the State Government committed to fully implementing the Planning Schemes Online Project, a Community Infrastructure Fund and assisting councils to generate economic opportunities within their Municipal Areas.

This partnership approach was also apparent through new and stronger working relationships with Local Government Professionals Tasmania (LG Professionals Tas), and the three regional Local Government organisations. Our relationship with LG Professionals Tas, underpinned by a MOU, was cemented through LGAT hosting and employing their new Executive Officer. This year, the LG Professionals Tas President addressed our AGM, providing an overview of their activities and priorities. LGAT was also delighted to welcome the CEO of the Southern Tasmanian Councils Authority as a tenant at our Hobart office.

The Premier's Local Government Council continued to be an important vehicle for the ongoing relationship between State and Local Government, providing a forum to discuss the many reform agendas in Tasmania.

The Tasmanian Planning Scheme Amendment Bill 2015 received Royal Assent on 4 December 2015 and the State Planning Provisions were exhibited in March. LGAT ran five regional workshops with council planners, NRM staff and others to capture concerns to inform a whole of sector submission. There have been numerous meetings undertaken as members of the Planning Taskforce and the Technical Reference Group, and also with the Planning Policy Unit and the Tasmanian Planning Commission.

A great deal of time has also been dedicated to supporting the implementation of the National Heavy Vehicle Regulations and the implementation of the bridge assessment project. LGAT successfully advocated for \$1.7 million in State funding through the 2015 Budget Process and worked closely with councils and the State Government to deliver that project. As a result, councils have been able to develop and implement a series of heavy vehicle access networks across their local roads and gain a better understanding of their bridge assets.

At our General Meeting, the Minister announced his intent to undertake a targeted review of the *Local Government Act* which is now in full swing. Going forward, LGAT will continue to support consultation with all councils on the issues raised about the revised legislation and we will continue to give voice to sectoral concerns.

LGAT also played a significant role with the Code of Conduct provisions which came into force earlier this year. The new provisions are more practical, particularly in relation to the handling of frivolous and vexatious complaints, and with its sliding scale of possible sanctions. Other policy and advocacy activities included proposed changes to the SES, cat management, the arts, coastal hazards, Healthy Tasmania, the *Building Act*, liquor licensing, the Integrity Commission, and bio-security.

The Association continued to deliver a variety of professional development opportunities for elected members and council staff including our annual Elected Members' Weekend, Good Governance Forums, two Regional Breakfast Series, 2IC Forums, General Managers' and Mayors' Workshops, financial and asset management, planning and governance workshops. The 2015 LGAT Annual Conference was expanded to become a Local Government 'Week', taking advantage of the move to Launceston to deliver something a little different.

Our investment in procurement related activity continues to bear fruit for members. For example, the whole of sector energy contract for public street lighting delivers about \$500,000 savings annually to the sector and a number of councils are saving more than the cost of their LGAT membership fees.

The CEO and I have almost completed a full round of council visits and we have enjoyed the opportunity to meet so many elected members, to build our understanding of local issues and concerns, and to provide feedback on the work LGAT is undertaking.

In the year ahead, the Association will continue to have a full policy and advocacy load as work continues in the planning and building spaces, and with a renewed State Government focus on climate change, cat management and emergency management, progressing the State Roads Audit and our own legislation through the review of the Act.

I would like to thank Dr Katrena Stephenson and her small but talented and dedicated team who work extremely hard in defending and representing our interests, promoting continuous improvement within our sector, and providing quality services to support councils across the State. I would also like to thank the members of the General Management Committee for their support and guidance during some very challenging times.

A handwritten signature in black ink that reads "Doug Chipman". The signature is written in a cursive, flowing style.

Chief Executive Officer's Report - Anticipating 2016-2017



Dr Katrena Stephenson

I hope that there are not too many years where the Association is dealing with so many significant reforms. This year, we have grappled with the challenges of planning and building reform, a review of the *Local Government Act* and feasibility studies to support potential structural reforms - and next year looks equally, if not more challenging.

It makes me especially glad that the Association has spent some time this year focusing

on internal governance and organisational improvement projects. This has included: a review of the Strategic Plan and development of a new annual plan; developing a new governance framework including an asset management plan and risk register; producing a strategic communications plan and strategic technology plan; and commencing an upgrade of the ICT systems. The aim of this work was to ensure a robust and future proofed working environment with the ability to prioritise work and appropriately allocate resources as we deliver our services to our members.

Our focus on building services for our members will continue. In the year ahead, the LGAT team will commence development on a range of training tools, including online tools, with a particular view to councillor induction requirements in 2018, including in relation to land use planning. Of course we will continue to offer our broad range of professional development offerings including our annual Elected Member Weekend, Conference, Mayor and General Manager workshops, regional breakfast forums and technically focused officer forums.

Building on the successful return to the sector from our investment of resources in the procurement space, the next twelve months will include a focus on a range of new products including: employee assistance programs; information, computing and technology; parks and playground equipment; and asphalt.

We already have a strong indication of the advocacy agenda moving forward. Our strong engagement in land use planning will continue throughout 2016-2017, as councils grapple with developing Local Provisions Schedules and as the Government progresses work on major project approvals and develops State planning policies.

We will continue to have a full policy and advocacy load as we work with a renewed State Government focus on climate change, cat management and emergency management, and with the progression of the State Roads Audit and our own legislation through the Review of the *Act*. LGAT is also intending to take a more proactive role in the areas of waste management and economic development in the year ahead.

Having concluded the initial consultation with the sector and the community, LGAT will play a key role in ensuring legislative changes resulting from the targeted review of the *Local Government Act* are workable, robust, yet flexible and delivering clear improvements.

Inevitably there are some decisions to be made in relation to structural reforms such as resource-sharing and amalgamation. The Association is currently building a compendium of research and tools around voluntary amalgamations based on the experience in other States, and will be making that available through our extranet, which you can access via the LGAT website.

The Association has also been working to improve the image of Local Government by sharing widely some of the wonderful work being done on a day-to-day basis by our member councils.

Also, thanks to collegial working relationships established with interstate Associations, LGAT has produced a new television campaign which will go to air during 2016-2017, supported by new web materials and documentation for use by councils. We are also reviewing our broad suite of communications tools including the *LGAT News* magazine and *The Pulse* e-newsletter, and hope to bring some fresh looks and great stories to councils and communities in the year ahead.

The delivery of all this simply would not be possible without the support of the President, General Management Committee and amazing team of staff at LGAT. I am continually astounded by their dedication to their work and the quality of their work product.

A handwritten signature in black ink, appearing to read 'Katrena Stephenson'.

Organisational Structure

General Management Committee

The General Management Committee (GMC) is elected by member council representatives of the Local Government Association of Tasmania (LGAT) every two years. The GMC comprises the popularly elected President and six other members elected by regional groupings of councils. The Vice President is elected by the GMC. The GMC oversees the administration of Local Government policy, provides strategic direction to the LGAT in accordance with policies resolved by member councils, appoints Local Government representatives to boards, committees and working groups, and oversees the financial management of the Association.

The GMC members as at 30 June 2016 were:

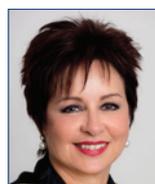


Mayor
Doug Chipman
President

Members



Mayor
Daryl Quilliam
Vice President



Lord Mayor
Sue Hickey



Mayor
Deirdre Flint



Mayor
Jan Bonde



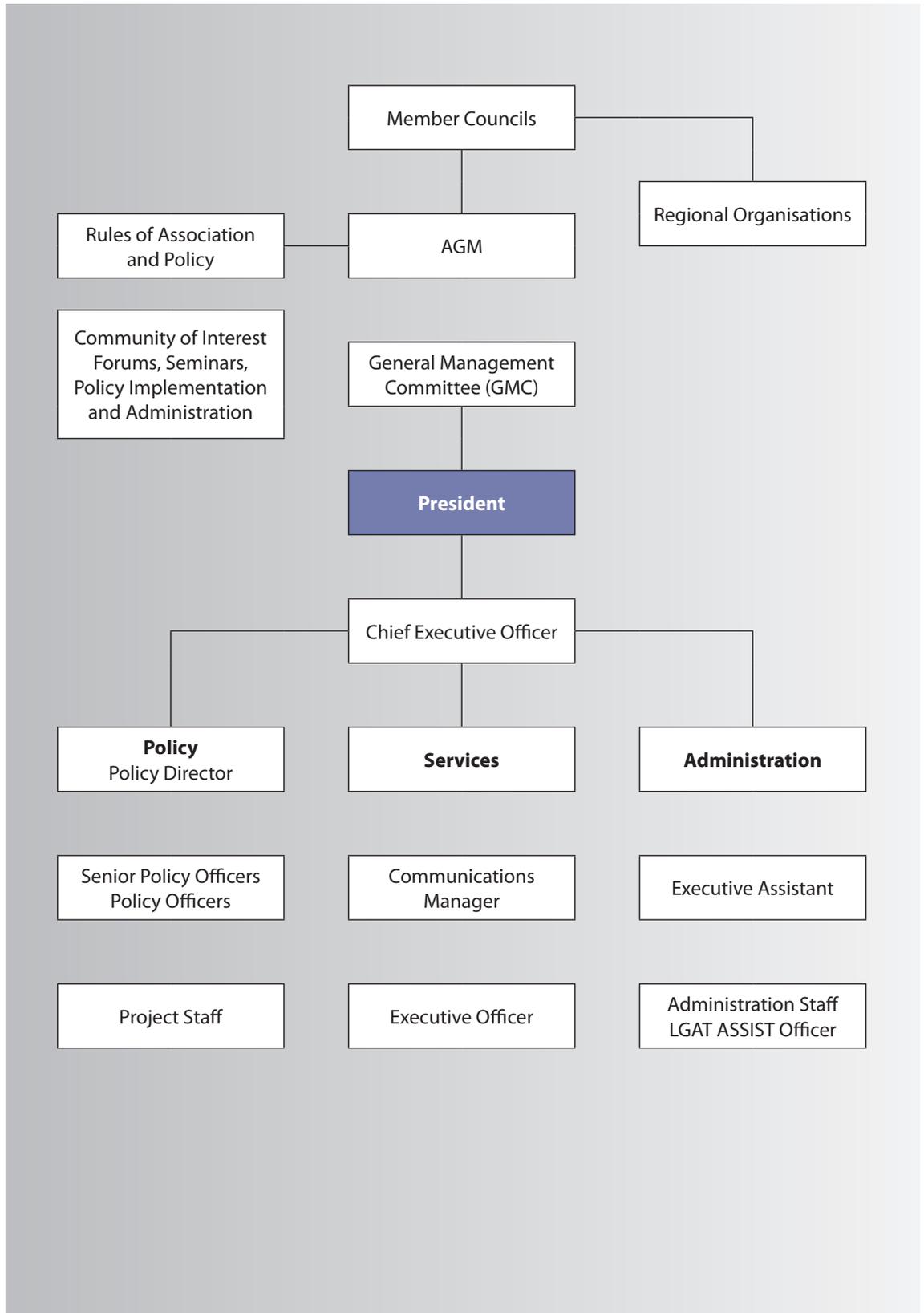
Mayor
Craig Perkins



Mayor
Christina Holmdahl



Our Organisation



Reporting Against the Annual Operational Plan (Key Initiatives)

Progress Key: **Green** = met targets, **Orange** = not quite complete, **Red** = failed to complete

Priority Area 1		
Action	Progress	Comment
Regular engagement, communication and interaction with member councils via a range of activities and mediums. Each member council to have received at least one visit from a LGAT representative within the 2015-2016 financial year.	Green	In the first 12 months of this initiative, only three councils had not had a visit - Glenorchy City Council, Huon Valley Council and Flinders Island. This related to a difficulty in finding a time that fitted in with their agendas. Second visits have commenced.
Deliver the 2015-2016 LGAT Annual Conference in Launceston	Green	The conference was successfully delivered. Two hundred and thirteen delegates attended the 103rd LGAT Annual Conference. Feedback received from attendees was very positive, with 40% rating the event as 'excellent', and 60% rating it as 'good'.
Continue to facilitate the appropriate allocation of staff resourcing and support to deliver the LGAT Assist Program.	Green	During the 12 month period, 55 loans were provided.
Provide a central point of contact for external stakeholders wishing to communicate with the sector.	Green	During the past 12 months, LGAT provided a central point of advice for external parties wishing to gain an understanding of the sector and also facilitated communication with the sector on behalf of a number of groups and individuals through our various communication channels.
Continue to provide support to the LGAT Standards Panel until the <i>Local Government Amendment (Code of Conduct) Act 2015</i> is enacted and secretariat duties are transferred to the Local Government Division.	Green	The <i>Local Government Amendment (Code of Conduct) Act 2015</i> commenced on 13 April 2016. There were no outstanding complaints for the LGAT Standards Panel and so our role transitioned to providing support for training and the development of template materials.
Continue to deliver a LGAT breakfast speaker series for members on a regional basis.	Green	Two series of Regional Breakfast Forums were held over the last 12 months, with the next series scheduled for October 2016.
Represent Local Government interests in key policy priority areas of State Government as they relate to the sector. During this planning period, they will include : <ul style="list-style-type: none">• Planning reform• Emergency management• Sectoral reform• Economic development• Participate in and seek representation on State forums• Demand sufficient consultation periods	Green	<p>The Policy Director has continued to be heavily engaged with the planning reform (both informing and representing the sector). The sector has indicated a high level of appreciation for the active role being played by LGAT. The CEO remains a member of the State Government's Planning Taskforce.</p> <p>The CEO and President participate on the Steering Committee for the targeted review of the <i>Local Government Act</i> and the CEO also co-chairs the General Manager's Technical Reference Group. LGAT developed a sector submission, hosted two General Managers' Reference Group meetings and facilitated a Mayors' Workshop to ensure a high level of sector engagement and input over this period.</p> <p>The LGAT CEO has been engaging with the regional bodies about what possible future role they may play in supporting regional economic development and the Association is hosting twice yearly meetings.</p> <p>The CEO's reports and LGAT monthly report show the high level of representation and advocacy work throughout the year.</p>
Represent Local Government interests in key policy priority areas of Federal Government as they relate to the sector. Such as: <ul style="list-style-type: none">• The national review of the Federation and taxation;• Indexation of Local Government Financial Assistance Grants;• The direct funding relationship between the Commonwealth and Local Government.	Green	LGAT provided input into the ALGA 2016 election document and 2016-17 Budget Submission. Further, LGAT developed a Tasmania specific federal advocacy document this year.
Facilitate Local Government representation on government and community boards and committees to ensure representation and a voice for our sector	Green	Thirteen appointments have been facilitated over this 12-month period.
Invite key government, industry and community decision-makers to Local Government events to build relationships and mutual understanding	Green	The Conference, General Meeting, Regional Breakfast Series, Elected Members' Professional Development Weekend and General Managers' Workshops undertaken throughout the year have all featured, to varying levels, key decision-makers. The LGAT CEO initiated an annual CEO networking breakfast in March 2016.

<p>Maintain and strengthen existing relationship with State Government and other key non-government entities. Specifically, LGAT will:</p> <ul style="list-style-type: none"> • Develop cooperative arrangements with LGPA, the STCA, NTD and CCA • Collaborate with the Governance Institute, ACELG, PIA, Engineers Australia and IPWEA 		<p>The MOU with LG Professionals Tasmania was completed and LGAT is now employing and hosting the LG Professionals Executive Officer under a secondment arrangement.</p> <p>LGAT has hosted two meetings with the regional CEOs and worked collaboratively with them on the State Budget Submission and Federal Election advocacy document. These documents also involved collaboration with other peak bodies such as TasCOSS, HIA, COTA, TIC and others.</p> <p>LGAT is housing the STCA CEO.</p> <p>The joint workforce planning project with ACELG is progressing well, with the outcomes including LG workforce planning guidelines for Tasmania.</p> <p>LGAT partnered with Engineers Australia on a Local Government Forum and is currently finalising a second series of annual workshops for Audit Panels with the Institute of Governance.</p> <p>The Policy Director is contributing an ongoing column to the Planning Institute of Australia's quarterly magazine.</p>
<p>Identify and promote Local Government networking opportunities to provide better cross sectoral information sharing and support.</p>		<p>Throughout the past 12 months, LGAT organised 16 workshops and training sessions, regional breakfasts, the Annual Conference and a host of other networking opportunities for the sector.</p>
<p>Facilitate strategic policy discussion at General Meetings to enable active engagement and decision-making by members on key issues.</p>		<p>Each General Meeting throughout the past 12 months had one or more key leaders present. The meeting agenda also had a large number of items for discussion and decision, compared with items for noting.</p>

Priority Area 2		
Action	Progress	Comment
<p>Strategically highlight positive Local Government activities and successes via appropriate communication methods such as: TV, print media, social media, LGAT publications and events.</p>		<p><i>The Think Big, Work Local</i> advertising campaign concluded in late 2015, to an 80% 'reach' of commercial/SBS audience. The advertisement screened over a two and a half month period. A new advertisement has been developed, to be aired at a later date. Supporting web materials will also be developed.</p>
<p>Work with the Local Government Division (LGD) to ensure appropriate data collection, identification of key sectoral performance indicators and analysis, and reporting</p>		<p>Feedback has been provided to the LGD on a feasible approach for the combination of the workforce survey into the Consolidated Data Collection in 2017. This process is aiming at reducing the amount of survey work councils are asked to do but to increase the possible reporting functions through electronic analysis. The ability for LGAT to deliver on this project is reliant on work being undertaken by the LGD. Their resources have been diverted to support the review of the <i>Act</i> and the Boards of Inquiry.</p>
<p>Advocate for the Local Government sector and the communities it serves through:</p> <ul style="list-style-type: none"> • The current Local Government reform process • The review of the <i>Local Government Act</i>. 		<p>The CEO and President participate on the Steering Committee for the review of the <i>Local Government Act</i>, and the CEO also co-chairs the General Manager's Technical Reference Group. LGAT developed a sector submission, hosted two General Managers' Reference Group Meetings and facilitated a Mayor's Workshop to ensure a high level of sector engagement and input over this period.</p> <p>At this stage of the structural reform process, there has been little call on LGAT, however we anticipate the sector may require more by way of research, tools and best practice notes next year.</p>
<p>Continue to progress key initiatives of the Role of Local Government Project to improve the sustainability and effectiveness of Local Government.</p>		<p>The LGAT CEO has been engaging with the regional bodies about what possible future role they may play in supporting regional economic development, however this project has dropped off at the LGD level due to other Government priorities.</p> <p>The Policy Director has had some initial discussions with the three regional authorities regarding the re-forming of the Economic Development Working Group and how it could support their activities.</p>

Priority Area 3

Action	Progress	Comment
Support councils in implementing Audit Panel requirements.		LGAT is working with the LGD and Integrity Commission to develop a Code of Conduct for Audit Panel members. A draft Code is near completion and will be provided to councils for consultation. A second series of workshops for Audit Panels is due to be delivered in September 2016.
Raise member awareness of the LGAT Financial Sustainability Practice Notes. Work with regional groups of councils to identify appropriate sectoral project opportunities in this area.		In early 2016, LGAT attended a Northern Asset Management Group meeting to promote the Practice Notes to council Finance Managers who were present. In addition to the Practice Notes, LGAT engaged a consultant to develop a Strategic Asset Management Plan (SAMP) template for use by councils that meets the <i>Local Government Act</i> requirements for a SAMP. There is a need to revisit the work to establish the next steps.
Provide input and work with Infrastructure Tasmania on its audit of the State's road network, including consideration of future arrangements for Forestry and Parks and Wildlife Service roads		The State Road Audit was released in March 2016. It contained a number of specific recommendations relating to Local Government. LGAT will continue to work with the sector in this space.
Work with procurement areas in other Local Government Associations and Tasmanian councils to develop and implement improved procurement practices including: <ul style="list-style-type: none"> • Standard documentation and templates; • Access to training programs; • Value for money, locally based purchasing; and • Whole of sector analysis of procurement and expenditure patterns. 		The National Procurement Network (NPN) has collaborated on a number of successful contracts – 13 are currently available for councils to purchase goods and services from. During the last 12 months, a further three have been established (personal protective equipment and work gear, specialised trucks and plant machinery equipment). There are a further five that are soon to be advertised. LGAT has recently contributed to the funding of a temporary Project Manager for the NPN, whose key functions will include: <ul style="list-style-type: none"> • Perform the functions of a Project Management Office; • Create and maintain group control systems and processes; • Review all existing NPN contracts and propose other potential NPN contracts; and • Develop and coordinate the group's compliance procedures and processes, and forward procurement planning. Work has commenced on the preparation of standard documentation, with other associations having provided example templates
Establish a partnership with MAV Procurement that supports and builds LGAT's procurement capacity. Initial areas to investigate procurement support include LED lighting contract and employee assistance program.		A joint tender for electricity provision is currently being scoped and a tender for the provision of permanent recruitment services is being investigated. LGAT and MAV have been collaborating very successfully on procurement and, as a result, have begun to establish the key principles for the MOU. It is expected that this MOU will be finalised in the latter part of this year.
Continue to work with councils to identify and capitalise on opportunities for energy efficiency and financial savings. Contribute to the delivery of the City of Launceston and Northern Councils LED Project and work towards extending to other councils.		Energy contracts for the eight participating councils have been signed. The Northern Councils LED project is progressing well and work is continuing in relation to extending to other councils
Work with councils to identify and capitalise on opportunities for shared services.		The March General Managers' Workshop included a session on shared services but it has been difficult to establish how LGAT can best assist in this space. The 2016-17 Annual Plan reframes this to involve development of information and resources to support councils in determining the benefits of shared services.
Establish a Lean Thinking Pilot Project in at least one council to determine applicability to the sector and whether a broader roll out would be of benefit		This project was not able to be progressed this financial year, although it has been noted that a number of councils on the North West Coast are already implementing Lean Thinking in their operations. In light of this, the 2016-2017 Annual Plan includes a project to establish and document the benefits of Lean Thinking for Local Government, prior to determining whether a broader roll-out is warranted.

Priority Area 4		
Action	Progress	Comment
Continue to support the sector in recruitment, retention and workforce planning via policy and programs such as: <i>Think Big, Work Local</i> , workforce survey, national relations and careers fairs.		<i>The Think Big, Work Local</i> campaign was successfully completed and the website remains active and receiving ~1000 new hits per month. LGAT partnered with University of Technology Sydney (formally ACELG) in a workforce planning project for the entire State.
Scope a whole of sector Employee Assistance Program		A MAV / LGAT joint tender for services did not eventuate (MAV didn't see the need for Victoria). Consequently, LGAT is currently is scoping a Tasmania specific option. This will be picked up as a key project for next year.
Deliver the forward training program for elected members and staff, and continue to identify future requirements and opportunities. Leverage off collaborative alliances, such as Local Government Professionals Australia, in delivering integrated professional development opportunities.		LGAT continues to coordinate the strategic delivery of professional development to elected members and council officers. Partnerships with other organisations continue to be developed to deliver training in a specific area of need. Over the 2015-2016 financial year, LGAT ran 16 workshops and training sessions, with a total of 566 attendees (excluding conference).
Identify, promote and, where available, secure grant funding for training and sectoral capacity building.		LGAT will continue to deliver further outcomes using Social Determinant of Health funding. Areas currently being scoped include food security, preventative and strategic planning for community wellbeing. LGAT recently applied for Skills Tasmania funding to undertake targeted workforce planning for economic development officers, and while unsuccessful, Skills Tasmania are interested in supporting this, or a similar project.
Develop sectoral support tools and resources such as: <ul style="list-style-type: none"> • An updated compliance register • Workplace behaviours toolkit • Audit of capacity to enable gaps to be addressed. 		The workplace behaviours toolkit 'Tranche 3' policies have commenced development. A survey of all councils was undertaken to ascertain what further policies were required and also what further training support would aid in their implementation. The provider (Page Seager) will be undertaking targeted training sessions before the end of the calendar year. The Delegations and Compliance Registers were updated and new legislation added for use by councils.
Develop online training for councillor inductions and identification of council election induction material.		Work commenced on this but has not been completed during the Plan period. This task is expected to be picked up by the Executive Officer in the year ahead.
Work with Local Government Division (LGD) in its review of the <i>Local Government Highways Act</i> relating to the interface with gas infrastructure.		Consultation with councils in relation to the Municipal Standards document was initiated in January 2016. We are continuing to liaise with IPWEA (who are undertaking the technical review) and the LGD as the regulations progress through State Government drafting channels.
Work collaboratively with the Local Government sector, State Government and the National Heavy Vehicle Regulator (NHVR) to support councils in their role within the National Heavy Vehicle Regulatory Framework.		Transition to national access notice for heavy vehicles was successfully instigated in January 2016. Ongoing dialogue with NHVR, State Government, councils and industry continues. Tasmania is being held up as best practice exemplar for this work.

Priority Area 5

Action	Progress	Comment
<p>Work to ensure that the interests of the Local Government sector and the communities it serves are advanced and protected through the current planning reform process including through:</p> <ul style="list-style-type: none"> • Participation on the Planning Taskforce; and • Active engagement in the broader planning reform agenda 		<p>LGAT facilitated statewide sessions on the State Provisions of the Tasmanian Planning System to inform the whole of sector response to statutory advertising. In addition, we had a number of meetings with the new Planning Policy Unit of State Government and Tasmanian Planning Commission regarding the Tasmanian Planning System.</p> <p>LGAT's CEO and Policy Director participated on the Planning Taskforce and Technical Reference Groups respectively. Taskforce participation is ongoing.</p> <p>There were a number of submissions to the Government and Tasmanian Planning Commission, and various pieces of draft planning legislation.</p> <p>There was successful advocacy regarding the statutory timeframes for permitted applications resulting in amendments to the draft <i>Land Use Planning and Approvals Act</i> amendments.</p> <p>A high level of engagement was achieved within and across the sector and State Government.</p>
Develop a whole of sector view on a Statewide Planning System and Governance reform, and pursue that reform agenda with the State Government.		A range of planning reform ideas were collected from Local Government planners that were endorsed at the July General Meeting for progression next year.
Deliver a land use planning and planning authority training program for elected members. Where possible, use inhouse or council planners.		LGAT delivered weekend training for elected members and a special forum ahead of the LGAT Annual Conference.
Incorporate good planning outcomes delivered by councils into a strategic marketing campaign (see Priority Area 2)		A planning opinion piece picked up by the print media, with a follow-up piece regarding Airbnb.
Engage with the State Government on the State's Climate Change Action Plan and represent Local Government interests where the sector is implicated		<p>A sectoral submission was provided. LGAT is now awaiting Government feedback and a final Action Plan to be released.</p> <p>A Submission was completed regarding the review of the <i>Climate Change (State Action) Act</i>.</p>
Continue to advocate for resolution on the climate change indemnity issue for Local Government through PLGC and the Tasmanian Climate Change Office.		LGAT included reference to this issue in its response to the Draft State Climate Change Action Plan and review of the <i>Act</i> . This is also being progressed in discussions with DPAC in its project work addressing issues around natural hazard risks in land use planning.
Continue to represent councils on key State Emergency Management Steering committees		LGAT sits on a number of emergency management strategic steering committees and has been heavily engaging with the State Taskforce following the floods this year. We were successful in our advocacy regarding the use and payment for day labour.
Develop a formal relationship with Volunteering Tasmania to enable councils to access volunteers during emergencies.		A MOU with Volunteering Tasmania completed and signed.
Represent the sector in relation to the state reform of emergency management arrangements and federal emergency management funding reform		Since Malcolm Turnbull has become Prime Minister, there has been little action from the Federal Government on this issue. LGAT continues to discuss the issue with ALGA and the State Government. LGAT successfully advocated in relation to declaration of disaster following floods.
Promote opportunities and support councils in accessing funding to support them in planning for emergencies		<p>LGAT sits on the outputs steering committee for the implementation of the Justice Review recommendations. A discussion paper will be released on 5 August 2016 exploring assistance to Local Government to support them in planning for emergencies. This includes provision for three regional officers to support Local Government.</p> <p>The appointment of a Tasmanian Municipal Emergency Risk Assessment Project Officer is imminent. The officer will begin working on the project and support councils in the development of their Emergency Management Risk Assessments in the coming year.</p> <p>Discussions have commenced with SES in relation to applying for grant funding to update the <i>Forging Links</i> emergency management manual for Local Government.</p>
Represent the sector on current and emerging waste matters.		We have continued to advocate on a range of waste matters through the PLGC and, in the next 12 months, will re-establish a sectoral waste reference group to develop a clear agenda for advocacy as well as possible whole of state, whole of sector projects to be progressed.



Strategic Relationships

Strategies:

- **Build a strong association**
 - Continue to work collaboratively with members to provide a strong and relevant Association with membership of all Tasmanian councils.
- **Provide a strong united voice for Local Government**
 - Represent Local Government in relevant public debates, legislative reviews and intergovernmental forums.
- **Develop and maintain strategic alliances**
 - Identify opportunities for collaboration, resource-sharing and attracting funding for Local Government.
- **Foster collaboration and cooperation within the Local Government sector**
 - Proactively provide opportunities for councils with like issues to meet and share experiences and solutions.
 - Work with both elected members and council staff to ensure that the broader needs and position of the sector on a range of issues are being reflected in the Association's work program.

Highlights:

Collaboration

As a small organisation with limited resources, LGAT recognises the importance of collaboration and has worked hard during the past 12 months to build collaborative relationships in a number of ways. Firstly, through our meetings and forums, we support collaboration within the sector, but also between the sector and various outside bodies. For example, the Association has collaborated with the three regional authorities, Local Government Professionals Tasmania, Regional Development Australia (Tasmania) and a number of other peak bodies, such as TasCOSS, the Heart Foundation and the Housing Industry Association.

This collaboration has provided a number of diverse opportunities including reducing duplication and delivering a value added service to councils, expanding the suite of professional development opportunities provided to elected members and officers, and has allowed us to explore common issues and jointly advocate on those.

While we recognise and support the autonomy of each organisation, there is no doubt this collaboration has reduced duplication, improved efficiency and resulted in greater strategic capacity, and better advocacy and promotion for Local Government.

Representation

Throughout the last twelve months, LGAT continued to participate in over 60 different steering committees, working groups and reference groups to represent the sector's interests. These ranged across diverse legislative and policy areas including governance, social policy, public health, environment and climate change, infrastructure and planning.

Communication

The Association continued its strong communication with the sector and also on behalf of the sector to outside stakeholders through a range of regular communication vehicles including:

- The quarterly *LGAT News* magazine;
- Fortnightly electronic newsletters;
- Our public website and the extranet
- Monthly report to elected members;
- General Meetings;
- Regional breakfast events;
- General Managers', Elected Members', Mayors', 2ICs and other officer workshops;
- Direct correspondence with mayors, general managers and council officers; and
- A large variety of training sessions.

The Association faces a variety of specific challenges in its work to engage with stakeholders and represent and serve the sector, particularly in the context of the Local Government reform conversation underway. Continuing to identify new and innovative ways to promote the good work of councils and improve the perceptions of Local Government among communities will be an important theme into the future. To that end, the Association commenced a detailed review of its communications during the 2015-16 period, resulting in the development of a Strategic Communications Plan. This plan establishes the objectives and priorities of our communications program going forward and articulates how we aim to further progress and achieve these objectives

While our communications processes are yet to change, we have identified a series of specific activities and priority projects that will be undertaken in order to better understand and ultimately improve the overall communications function of LGAT over the next 12 months.



Sector Profile and Reform

Strategies:

- **Improve the image of Local Government**
 - Develop and deliver a strategic marketing campaign designed to improve public and stakeholder understanding and perceptions of the sector.
 - Provide tools and materials for members to assist in promoting Local Government and improving community understanding of council functions and services.
- **Actively participate in the Local Government reform agenda on behalf of the sector**
 - Undertake research and analysis to aid the development of reform options and allow for strategic advice.
 - Support members in responding to proposed reform agendas.

Highlights:

Better Councils, Better Communities

The *Better Councils, Better Communities* TV advertisement was created to raise the profile of the sector and what it does. It will be used as part of coordinated Local Government media campaign that includes material to support it on the LGAT website. The advertisement was developed in a cost-effective way, with the donation of intellectual property by the Local Government Association of Queensland and the use of volunteer actors and voice over.

Review of the Local Government Act

The Minister for Local Government announced a review of the *Local Government Act* in July 2015, with the *Targeted review of the Local Government Act* discussion paper released for consultation in April 2016. LGAT's CEO and President participate on the Steering Committee for the review, with the CEO also co-chairing a General Manager's Technical Reference Group. LGAT consulted broadly to develop a sector submission, hosted two General Managers' Reference Group meetings and facilitated a Mayors' Workshop to ensure a high level of sector engagement and input into the discussion paper.

Financial Sustainability

Strategies:

- **Drive improvements in financial and strategic asset management across the sector.**
 - Continue to deliver training and tools to build councils' capacity to understand and plan for the long-term.
- **Develop opportunities for improvement and efficiencies.**
 - Continue to investigate, develop and embed opportunities for coordinated and cooperative procurement and resource-sharing.
 - Continue to promote to members the benefits of utilising Local Government related goods and services panels such as the National Procurement Network.

Highlights:

Procurement

In the 2015-2016 financial year, LGAT as a National Procurement Network (NPN) partner, tendered for plant machinery and equipment, specialised trucks and bodies, corporate wardrobe and work wear, and personal protective apparel. These contractually robust arrangements are in addition to existing LGAT/NPN contracts and provide councils in Tasmania the opportunity to purchase a range of goods locally, at discounted prices in an administratively simple way - saving councils that purchase through LGAT/NPN contracts time and money. Savings can be significant and this financial year, six councils in the State saved enough through using the LGAT/NPN contracts to cover LGAT membership subscriptions. Overall, Tasmanian councils saved an estimated \$720,000 on a \$3.9 million spend.

LED Lighting

This financial year, LGAT played an integral role in the Northern Lights Project which enabled councils of the northern region to participate in a LED lighting replacement program for minor public lighting. Working on a regional basis has significantly improved the bargaining power with key stakeholders, such as TasNetworks, and also realised economies of scale in regards to the purchasing of LED technology.

For Local Government, street lighting is the single largest source of greenhouse emissions and a significant proportion of the overall budget. So the energy efficient street lighting replacement project has significantly reduced participating council costs and greenhouse gas emissions. The opportunity to do similar projects in the southern and north western regions is currently being explored.

A collaborative and transparent approach between Local Government has been instrumental to the success of this project and, over many years, LGAT has worked to build our relationship with TasNetworks as an advocate for councils.



Sector Capacity

Strategies:

- **Continue to deliver programs which improve recruitment and retention.**
 - Deliver programs as appropriate, for example *Think Big, Work Local*.
 - Attract funding for training across the sector in response to identified gaps.
- **Build the capacity of elected members and staff to deliver quality outcomes.**
 - Continue to deliver the LGAT Annual Conference.
 - Provide training and networking opportunities in response to identified needs.
 - Conduct regular meetings of member councils to update, discuss and give/seek direction on areas of need.

Highlights:

LGAT Annual Conference

The 103rd LGAT Annual Conference, themed 'Big Thinking', was held at the Launceston Tramsheds, from 22-24 July 2015, and attended by 213 delegates. The Conference was held as part of a week of events for Local Government, incorporating the ACELG Researchers' Forum and a workshop for council officers.

Highlights included a cocktail function at the Queen Victoria Museum and Art Gallery, the official Conference Dinner at the Hotel Grand Chancellor Launceston, and presentations by Sir Bob Parker, Ian McBurney and Marcus Westbury.

The winners of the 2015 Local Government Awards for Excellence were announced on 23 July. Awards were presented for Dorset Council's *Blue Derby Trails* (Delivering Excellence - Smaller Councils) and Meander Valley Council's *Energy Efficiency Upgrades* (Delivering Excellence - Larger Councils). Former LGAT President, Mayor Barry Jarvis was recognised with a posthumous Councillor Exemplary Service Award at the Conference Dinner.

Careers Project – Think Big. Work Local

The *Think Big, Work Local* project which tackled workforce and skills issues for councils from 2008, was completed in June 2016. Highlights from this year include screening of the TV advertisement from August to October 2015, reaching 75% of the adult audience in Tasmania. Council careers were promoted at careers expos around the State, with public and private schools, at UTAS events, via non-government organisations, Commonwealth and State Governments, and the public.

The www.thinkbigworklocal.com.au website continued to attract 1,000-1,500 new visitors per month who watched LGAT videos on council job roles and sought information on necessary training. Over the life of the project, LGAT obtained training grants for councils totalling around \$300,000 to combat skills shortages.

Workforce Planning Guidelines for Local Government

In 2015-2016, LGAT partnered with the University of Technology Sydney's Centre for Local Government, and Burnie, Circular Head and Waratah-Wynyard Councils to undertake a project to improve sector understanding of the benefits of workforce planning and build capacity. The guidelines produced have been informed by extensive stakeholder engagement with councils and will help them develop workforce plans at local, sub-regional and regional levels to identify workforce needs for the future, and create strategies to address these needs.

Heavy Vehicles

In 2015-2016, LGAT successfully lobbied the State Government for funding to the tune of \$1.7 million to assist councils in the development of strategic road networks and the assessment of critical bridge infrastructure. The information gained helped councils in responding to recent changes to legislation on how heavy vehicle operators (the vehicle fleet that transports 'really big stuff') access the road network. For Local Government, a key challenge to providing legal access to certain heavy vehicles has been a lack of information and understanding of the load bearing capacity of critical infrastructure and bridges on local roads. The result of that funding allocation has been a highly successful and collaborative project between State and Local Government, with transport industry input along the way.

Training and Professional Development

During the 2015-2016 financial year, LGAT delivered approximately 23 workshops and sessions to approximately 400 elected members/staff, not including the Annual Conference. The programs were based on the needs of the Local Government sector and covered areas such as planning, disability, workforce planning, governance, asset management, audit panels and securing grant funding.



Land Use Planning and Environmental Sustainability

Strategies:

- **Engage in the debate on planning policy reform on behalf of the Local Government sector.**
 - Maintain relationships with key stakeholders in order to influence and inform policy and practice.
 - Participate in the State Government Planning Reform Agenda.
 - Advocate for improvements to the State Planning System.
- **Build the capacity of elected members to function as a Planning Authority.**
 - Provide access to training for members of planning authorities to support their legislative functions and understand emerging land use planning issues (e.g. natural hazards, climate change).
- **Build recognition of the good planning outcomes being delivered by Tasmanian councils.**
 - As part of the strategic marketing campaign identified under PA2, improve public understanding and perceptions of the sector in relation to planning outcomes delivered by councils.
- **Continue to support councils in identifying and responding to natural hazards and climate change related risks.**
 - Undertake research and disseminate information to councils.
 - Work proactively with councils to respond to the State Governments priorities on climate change.

The Association also successfully lobbied the State Government for full funding of the next stages of the Planning Schemes Online Project (iPlan). iPlan is an online resource for planning and development across the state and now offers the opportunity to significantly streamline development approvals for councils and the community. LGAT was integrally involved in the first phase of the iPlan project as a member of the Steering Committee and strongly believes that this project represents an important component of planning reform in Tasmania.

Emergency Management

2015-2016 has seen continued activity in relation to reform in the Emergency Management sector in Tasmania and nationally. LGAT continues to represent Local Government in relation to the implementation of the recommendations to come out of the Justice Review into Tasmania's Emergency Management Arrangements, the Parliamentary Inquiry into the Tasmanian State Fire Commission, and liaising with the State and ALGA in relation to potential reform at the Federal level around relief and recovery funding. LGAT is also actively working with the State Government to examine various models to support the centralisation of SES volunteer units.

Highlights:

Planning Reform

Throughout the last 12 months, the State Government continued their ambitious planning reform agenda. This included major amendments to the *Land Use Planning and Approvals Act* (LUPAA), release of the draft State Planning Provisions of the Tasmanian Planning Scheme, the Draft Coastal Hazards Package and an updated Bushfire Prone Areas Code, to name a few. The amendments proposed to LUPAA contained a reduction in assessment timeframe (from 28 days to 21) for permitted applications. This created significant concern throughout the sector, as assessment timeframes in Tasmania were already significantly less than other States and were recently reduced from 42 days to 28 days. LGAT lobbied the Government and then the Legislative Council heavily to maintain the current 28 day timeframe. Ultimately, the Legislative Council moved amendments to respond to our concerns.

Financial Report



Local Government Association Tasmania

Local Government
Association of Tasmania

Financial Report for the
year ended 30 June 2016



CONTENTS

General Management Committee Report	20
Statement by General Management Committee	22
Statement of Comprehensive Income	23
Statement of Financial Position	24
Statement of Changes in Equity	25
Statement of Cash Flows	26
Notes to and Forming Part of the Special Purpose Financial Report	27
Detailed Statement of Performance – General Account	41
Detailed Statement of Performance – LGAT Assist	43
Audit Report	44
Public Disclosures	46

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

General Management Committee Report

The General Management Committee submits the special purpose financial report of the Local Government Association of Tasmania Association (the Association) for the year ended 30th June 2016.

General Management Committee

The names of the committee members in office during 2015/16 financial year are:

President	Mayor Doug Chipman	(Elected July 2015)
Vice President	Mayor Daryl Quilliam	(Elected July 2012)
	Mayor Deirdre Flint	(Elected July 2012)
	Mayor Jan Bonde	(Elected July 2012)
	Mayor Christina Holmdahl	(Elected July 2015)
	Mayor Kristie Johnston	(Elected October 2015) (Resigned March 2016)
	Mayor Craig Perkins	(Elected January 2015)
	Lord Mayor Sue Hickey	(HCC rejoined the Association January 2015)

Principal Activity

The principal activities of the Association during the year were to undertake the responsibilities of the Association as described in the Local Government Act 1993 and in the rules of the Association. This included participation in intergovernmental relations with the State and Commonwealth Governments to represent the views of Local Government, particularly in areas of structural and legislative reform. Additionally, the Association provided a range of services for Councils to facilitate access to services and achieve better economies of scale. The Association has provided these services at a discounted subscription as part of a fiscal strategy to reduce the Association's cash holdings.

LGAT Assist is part of the Association but is managed by a Board appointed by the General Management Committee. This Board has engaged and funded the Association to provide administration services to LGAT Assist. LGAT Assist provides loans to employees of local government authorities at a competitive interest rate. The Income Statement and the Balance Sheet of LGAT Assist are shown separately within this Special Purpose Financial Report.

Operating Result

The net deficit from general operations amounted to \$192,598 (2014/15 surplus of \$81,575). The net deficit from LGAT Assist amounted to (\$33,010) (2014/15 deficit of \$17,678).

General Management Committee Members' Benefits

No committee member has received or become entitled to receive, during or since the end of the financial period, a benefit because of a contract made by the Association, with a committee member, a firm of which a committee member is a member or an entity in which a committee member has a substantial financial interest.

Signed at Hobart, this 8th day of September 2016 in accordance with a Resolution of the General Management Committee.



Mayor Doug Chipman
President

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA STATEMENT BY THE GENERAL MANAGEMENT COMMITTEE

In the opinion of the members of the General Management Committee of the Association:

- 1 (a) the Association is not a reporting entity; and
(b) the financial statements and notes thereto, set out on pages 5 to 25, are drawn up, in accordance with the basis of accounting described in Note 1(a), so as to present fairly the financial position of the Association as at 30 June 2016 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.
- 2 At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the General Management Committee and is signed for and on behalf of the Committee.



Mayor Doug Chipman
President

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Statement of Comprehensive Income for the Year Ended 30 June 2016

	Note	Assist 2016 \$	General 2016 \$	Assist 2015 \$	General 2015 \$
Income					
Grants and contributions	2	-	-	-	80,000
Subscriptions		-	1,049,084	-	1,050,613
Interest income		49,122	72,776	59,166	91,936
Other income		-	621,095	-	564,590
Total income		49,122	1,742,955	59,166	1,787,139
Expenses					
Employee benefits		-	(882,131)	-	(875,518)
Depreciation and amortisation		-	(42,893)	-	(32,173)
Grant and contribution expenses		-	(83,473)	-	(159,703)
Revaluation of property		-	(62,242)	-	-
Other expenses	15,16	(82,132)	(864,814)	(76,844)	(638,170)
Total expenses		(82,132)	(1,935,553)	(76,844)	(1,705,564)
Surplus/(Deficit)		(33,010)	(192,598)	(17,678)	81,575
Other comprehensive income					
Asset revaluation reserve		-	(7,637)	-	7,637
Comprehensive result		(33,010)	(200,235)	(17,678)	89,212

A detailed account of revenue and expenditure for the General Account and LGAT Assist are disclosed in notes 15 and 16 of the special purpose financial report.

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

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Statement of Financial Position as at 30 June 2016

	Note	Assist 2016 \$	General 2016 \$	Assist 2015 \$	General 2015 \$
Assets					
Current assets					
Cash and cash equivalents	3	794,392	653,178	798,648	664,783
Trade and other receivables	4	-	83,179	-	116,786
Financial assets	5	210,473	1,925,000	250,961	1,925,000
Other assets	6	5,234	79,009	905	42,687
Total current assets		1,010,099	2,740,366	1,050,514	2,749,256
Non-current assets					
Financial assets	5	117,507	-	113,373	-
Property, plant and equipment	7	-	928,698	-	1,035,937
Intangible assets	8	-	2,020	-	2,798
Total non-current assets		117,507	930,718	113,373	1,038,735
Total assets		1,127,606	3,671,084	1,163,887	3,787,991
Liabilities					
Current liabilities					
Trade and other payables	9	6,440	304,374	9,711	260,201
Provisions	10	-	93,419	-	71,902
Total current liabilities		6,440	397,793	9,711	332,103
Non-current liabilities					
Provisions	10	-	106,511	-	88,873
Total non-current liabilities		-	106,511	-	88,873
Total liabilities		6,440	504,304	9,711	420,976
Net Assets		1,121,166	3,166,780	1,154,176	3,367,015
Equity					
Accumulated surplus		1,121,166	3,166,780	1,154,176	3,359,378
Asset revaluation reserve		-	-	-	7,637
Total Equity		1,121,166	3,166,780	1,154,176	3,367,015

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Statement of Changes in Equity
for the Year Ended 30 June 2016

	Assist \$	General \$
2016		
Balance at beginning of the financial year	1,154,176	3,367,015
Surplus/(deficit) for the year	(33,010)	(192,598)
Asset revaluation reserve	-	(7,637)
Balance at end of the financial year	<u>1,121,166</u>	<u>3,166,780</u>
2015		
Balance at beginning of the financial year	1,171,854	3,277,803
Surplus/(Deficit) for the year	(17,678)	81,575
Asset Revaluation Reserve	-	7,637
Balance at end of the financial year	<u>1,154,176</u>	<u>3,367,015</u>

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

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Statement of Cash Flows for the Year Ended 30 June 2016

	Note	2016		2015	
		Inflows/(Outflows) Assist \$	General \$	Inflows/(Outflows) Assist \$	General \$
Cash flows from operating activities					
General receipts		-	1,813,583	-	1,785,065
Grants		-	-	-	88,000
Interest		44,794	73,491	59,233	93,789
Payments to suppliers and employees		(85,535)	(1,884,162)	(74,621)	(2,052,834)
Net cash provided by (used in) operating activities	11(a)	(40,741)	2,912	(15,388)	(85,980)
Cash flows from investing activities					
Purchase of plant and equipment	7	-	(70,050)	-	(47,647)
Proceeds from sale of plant and equipment		-	55,533	-	-
Payments for other financial assets		(11,631)	-	(18,803)	124,999
Proceeds from other financial assets		-	-	-	-
Net cash provided by (used in) investing activities		(11,631)	(14,517)	(18,803)	77,352
Cash flows from financing activities					
Loans advanced		(272,478)	-	(338,753)	-
Repayment of loans advanced		308,963	-	467,124	-
Net cash provided by (used in) financing activities		36,485	-	128,371	-
Net increase (decrease) in cash and cash equivalents		(15,887)	(11,605)	94,180	(8,628)
Cash and cash equivalents at the beginning of the financial year		227,404	664,783	133,224	673,411
Cash and cash equivalents at the end of the financial year	11(b)	211,517	653,178	227,404	664,783

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2016

Note 1 Significant accounting policies

The following is a summary of the material policies adopted by the Local Government Association of Tasmania (Association or LGAT) in the preparation of the Special Purpose Financial Report.

(a) Basis of accounting

In the opinion of the General Management Committee, the Association is a non-reporting entity and prepares a Special Purpose Financial Report to meet the information needs of members and the requirements of the Local Government Act of Tasmania 1993. This Special Purpose Financial Report has been prepared on an accruals basis and is based on historical costs and, except where stated, does not take into account changing money values, or fair values of non-current assets.

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.

This Special Purpose Financial Report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Balance Sheet Date
AASB 116	Property Plant and Equipment
AASB 119	Employee Benefits
AASB 136	Impairment of Assets
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 138	Intangibles
AASB 1004	Contributions
AASB 1031	Materiality
AASB 1048	Interpretation of Standards

Where appropriate, these accounts have applied the not-for-profit exemptions of these standards. No other applicable Accounting Standards, Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2016

(b) Association and LGAT Assist Operations

The general operations of the Association and of LGAT Assist have been separated in the special purpose financial report to better reflect the trading and net assets of the two operations. It is the view of the Committee that the separate disclosure of the operations facilitates the readers understanding of the operations of the Association and enhances the true and fair nature of the accounts. The LGAT Assist operations are separately funded for a specific purpose and are not available for the general operations of the Association.

(c) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). A provision for impairment is recognised when collection in full is no longer probable.

Government

Revenue is recognised when the Association obtains control of the grants/contributions or the right to receive the grants/contributions, it is probable that the economic benefits comprising the grants/contributions will flow to the Association and the amount of the grants/contributions can be measured reliably.

If conditions are attached to the grants/contributions which must be satisfied before the Association is eligible to receive control of the contribution, the recognition of the grants/contributions as revenue will be deferred until those conditions are satisfied.

When grants/contributions are received and the Association incurs an obligation to deliver economic value directly back to the contributor, these are considered reciprocal transactions and the grants/contributions are recognised in the statement of financial position as liabilities until the services have been delivered to the contributors. Where grant/contributions are received where there is no reciprocal transaction and control of the monies has been established by the Association these funds are recognised as revenue on receipt.

Subscriptions

Subscription revenue is recognised in the financial year to which it applies.

Interest

Interest revenue is recognised as it accrues using the effective interest method. The effective interest method allocates the interest income to be received over the period which it accrues.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2016

(c) **Revenue recognition (cont'd)**

Disposal Proceeds

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal. The gross proceeds of asset sales are not recognised as revenue, rather a net gain on disposal is recognised in revenue and a net loss on disposal is recognised in expenditure.

(d) **Depreciation and amortisation of property, plant and equipment and intangibles**

The depreciable amount of all property, plant and equipment excluding motor vehicles, is depreciated on a straight line basis over the useful lives of the assets commencing from the time the asset is held ready for use. Motor vehicles are depreciated on a diminishing value basis. Depreciation rates are reviewed annually to ensure they accurately reflect the consumption of the service potential embodied in the assets. Current rates of depreciation are:

	2016	2015
Property	2.50%	2.50%
Motor Vehicles	22.5%	22.5%
Office Furniture and Equipment	10-36%	10-36%

Intangible assets consist of computer software which is amortised on a straight line basis at the rate of 40% per annum.

(e) **Taxation**

The financial report has been prepared on the basis that the Association is a non-taxable entity. In the opinion of the General Management Committee, the Association is exempt from tax because it is an Association of Local Governments which is exempt from tax under the Local Government Act 1993.

(f) **Goods and services tax**

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 Taxation 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 are stated with the amount of GST included. The net amount of GST recoverable from or payable to the Australian Taxation Office (ATO) is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2016

(g) Cash and cash equivalents

Cash and Cash Equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(h) Financial assets

Term Deposits

The investments of the Association and of LGAT Assist comprise term deposits at financial institutions. Term deposits held with financial institutions are stated at nominal value. Term deposits with maturity dates greater than 12 months are recognised as non-current investments. The carrying amount of investments is reviewed annually by the General Management Committee to ensure it is not in excess of the recoverable amount.

Financial Assets - LGAT Assist Loans

LGAT Assist loans are made only to local government employees and are repayable on demand. These loans are not secured. The term of the loan and the amount available are limited by the years of service of the employee. The maximum loan is \$7,500 and the maximum term 5 years. Interest rates can be varied from time to time by the LGAT Assist Board and as at 30 June 2016 are set at 8% (2015 8%) for welfare loans and 8% (2015 8%) for general purpose loans. These loans are designated as financial assets held to maturity and are therefore brought to account at cost. An impairment provision is recognised when the Board has determined that there is objective evidence that the loan may not be repaid in full.

(i) Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount. An estimate for impairment is made when the collection of the full amount is no longer probable. Receivables are written off when it is determined that repayment is no longer probable. Trade debtors and other receivables are non-interest bearing and generally on 30 day terms.

(j) Property, plant and equipment and intangible assets

Property, plant and equipment is measured at cost less depreciation and any impairment losses. Intangible assets consist of computer software and are recorded at cost less amortisation.

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchange between knowledgeable willing parties in an arm's length transaction.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report
for the Year Ended 30 June 2016

(j) **Property, plant and equipment and intangible assets (cont'd)**

At each reporting date, the Association reviews the carrying values of its plant and equipment and intangible assets to determine whether there is any indication that those assets have been impaired. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(k) **Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Association and LGAT Assist prior to the end of the financial year that are unpaid and arise when the entities become obliged to make future payment in respect of purchases of these goods and services. Payables also include liabilities for wages and salaries and associated employee expenses accrued at the end of the financial year.

Trade and sundry creditors are non-interest bearing and are normally settled on 30 day terms.

(l) **Employee benefits**

Wages and salaries

Liabilities for wages and salaries are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Sick Leave

Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. The Association does not accrue sick leave as experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to continue.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2016

(l) Employee benefits (cont'd)

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

(m) Contingent

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

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2016

(o) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Association but are not yet effective. They have not been adopted in preparation of the financial report at reporting date.

Standard	Title	Summary	Application Date of Standard	Impact on Local Government Association of Tasmania financial statements
AASB 9	Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).	These standards will be applicable retrospectively (subject to provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting. The key changes that may affect the Association on initial application of AASB9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Although, the committee anticipate that the adoption of AASB9 may have an impact on the Association's financial instruments, it is impracticable at this stage to provide a	01-Jan-18	The Association has not yet estimated the impact of this Standard on its financial statements.
AASB15	Revenue from contracts with customers (applicable to annual reporting periods commencing on or after 1 January 2017)	When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principle-based model. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods and services. Although the Association anticipate that the adoption of AASB15 may have an impact on the financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.	01-Jan-18	The Association has not yet estimated the impact of this Standard on its financial statements.

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

	Assist 2016 \$	General 2016 \$	Assist 2015 \$	General 2015 \$
Note 2 Grants and contributions				
Grants and contributions were received in respect of the following :				
Summary of grants and contributions received and receivable				
Federally funded grants	-	-	-	80,000
Total summary of grants and contributions received	-	-	-	80,000
Grants and contributions recognised as revenue				
Healthy Communities (a)	-	-	-	80,000
Total grants and contributions recognised as Revenue	-	-	-	80,000
(a) Conditional grants/contributions recognised as revenue on satisfaction of prescribed conditions.				
Expenditure relating to grants and contributions recognised as revenue in prior financial years:				
The Association did not incur any expenditure on grants and contributions which were recognised as revenue in prior financial years and were expended during the current year.				
Environment funding received and recognised as revenue is in excess of expenditure incurred on the project to date.				
Note 3 Cash and cash equivalents				
Current				
Cash on hand	-	700	-	500
Cash at bank	117,302	144,193	134,948	152,571
Short term investments at call	94,215	508,285	92,456	511,712
Fixed term deposits	582,875	-	571,244	-
Total cash and cash equivalents	794,392	653,178	798,648	664,783
Note 4 Trade and other receivables				
Current				
Trade debtors	-	83,179	-	116,786
Provision for Doubtful Debts	-	-	-	-
Total trade and other receivables	-	83,179	-	116,786

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

	Assist 2016 \$	General 2016 \$	Assist 2015 \$	General 2015 \$
Note 5 Financial assets				
Current				
Fixed term investments	-	1,925,000	-	1,925,000
LGAT Assist loans	225,523	-	266,142	-
Provision for impairment	(15,050)	-	(15,181)	-
Total current financial assets	210,473	1,925,000	250,961	1,925,000
Non-current				
LGAT Assist loans	117,507	-	113,373	-
Total non-current financial assets	117,507	-	113,373	-
Note 6 Other assets				
Current				
Prepayments	-	72,345	-	34,998
Accrued interest	5,234	6,664	905	7,478
Other	-	-	-	211
Total other assets	5,234	79,009	905	42,687
Note 7 Plant and equipment				
Building at valuation	-	325,000	-	350,000
Accumulated depreciation	-	-	-	-
	-	325,000	-	350,000
Land at valuation	-	500,000	-	500,000
	-	500,000	-	500,000
Improvements at Cost	-	-	-	57,718
Accumulated Depreciation	-	-	-	(4,177)
	-	-	-	53,541
Motor vehicles at cost	-	83,661	-	130,181
Accumulated depreciation	-	(19,954)	-	(44,423)
	-	63,707	-	85,758
Office furniture and equipment at cost	-	149,187	-	153,862
Accumulated depreciation	-	(109,196)	-	(107,224)
	-	39,991	-	46,638
Total property, plant and equipment	-	928,698	-	1,035,937

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

	Assist 2016 \$	General 2016 \$	Assist 2015 \$	General 2015 \$
Note 7 Plant and equipment (cont'd)				
<i>Building</i>				
Carrying amount at beginning of financial year	-	350,000	-	342,363
Gain/(loss) on revaluation	-	(69,879)	-	7,637
Transfer from improvements	-	53,629	-	-
Depreciation expense	-	(8,750)	-	-
Carrying amount at end of the financial year	-	325,000	-	350,000
<i>Land</i>				
Carrying amount at beginning of financial year	-	500,000	-	500,000
Gain/(loss) on revaluation	-	-	-	-
Carrying amount at end of the financial year	-	500,000	-	500,000
<i>Improvements</i>				
Carrying amount at beginning of the financial year	-	53,541	-	54,982
Depreciation expense	-	(1,452)	-	(1,441)
Additions	-	1,540	-	-
Transfer to building	-	(53,629)	-	-
Carrying amount at end of the financial year	-	-	-	53,541
<i>Motor Vehicles</i>				
Carrying amount at beginning of the financial year	-	85,758	-	65,286
Acquisitions	-	62,072	-	36,773
Disposals	-	(65,444)	-	-
Depreciation expense	-	(18,679)	-	(16,301)
Carrying amount at end of the financial year	-	63,707	-	85,758
<i>Office Furniture and Equipment</i>				
Carrying amount at beginning of the financial year	-	46,638	-	52,148
Acquisitions	-	6,438	-	8,475
Disposals	-	(149)	-	(45)
Depreciation expense	-	(12,936)	-	(13,940)
Carrying amount at end of the financial year	-	39,991	-	46,638
Note 8 Intangibles				
Computer software	-	14,286	-	14,286
Accumulated amortisation	-	(12,266)	-	(11,488)
Total intangibles	-	2,020	-	2,798

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

	Assist 2016 \$	General 2016 \$	Assist 2015 \$	General 2015 \$
Note 9 Trade and other payables				
Trade payables	-	90,414	-	60,638
Net GST payable	-	28,206	-	32,144
Sundry creditors	6,440	1,063	9,711	1,354
Accrued employee expenses	-	16,561	-	20,209
Unearned revenue	-	168,130	-	145,856
Total trade and other payables	6,440	304,374	9,711	260,201
Note 10 Provisions				
Current				
Annual leave	-	65,058	-	46,506
Long service leave	-	28,361	-	25,396
Total current provisions	-	93,419	-	71,902
Non-current				
Long service leave	-	106,511	-	88,873
Total non-current provisions	-	106,511	-	88,873
Note 11 Cash flow statement reconciliation				
a) Reconciliation of cash flows from operating activities to surplus				
Surplus/(Deficit)	(33,010)	(192,598)	(17,678)	81,575
<i>Other Adjustments</i>				
Bad debts written off	(48)	-	(2,402)	-
Depreciation/amortisation	-	42,893	-	32,173
(Profit)/loss on property revaluation	-	62,242	-	-
(Profit)/loss on disposal of plant and equipment	-	9,760	-	45
<i>Change in assets and liabilities:</i>				
Decrease/(increase) in trade and other receivables	(4,329)	(2,712)	67	37,636
Increase/(decrease) in provision for doubtful debts	(83)	-	-	(56,012)
Increase/(decrease) in trade and other payables	(3,271)	22,190	4,625	2,489
Increase/(decrease) in provisions	-	38,863	-	(161,493)
Increase/(decrease) in other liabilities	-	22,274	-	(22,393)
Net cash provided by/(used in) operating activities	(40,741)	2,912	(15,388)	(85,980)

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

	Assist 2016 \$	General 2016 \$	Assist 2015 \$	General 2015 \$
Note 11 Cash flow statement reconciliation (cont'd)				
b) Cash and cash equivalents				
Cash on hand and at Bank	117,302	144,893	134,948	153,071
Short term investments (at call)	94,215	508,285	92,456	511,712
Total cash and cash equivalents	211,517	653,178	227,404	664,783

Note 12 Financial risk management objectives and policies

The Association's and LGAT Assist's principal financial instruments comprise receivables, payables, cash and short and long term deposits, and financial assets.

Both entities manage their exposure to key financial risks, including interest rate and credit risk, by adherence to management policy.

Credit risk

Credit risk arises from the financial assets of the Association and LGAT Assist, which comprise cash, cash assets, trade and other receivables and LGAT Assist loans. The exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the financial assets.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

LGAT Assists' credit policy of lending only to local government employees to the maximum value of \$7,500 over 5 years reduces the risk profile of the lending provided. There is no security held against these loans.

The Association's and LGAT Assist's exposure to interest rate risks is limited to the extent that interest revenue provides both operations with material revenue. LGAT does not have any external lending.

Term deposits are managed to maximise the interest revenue to LGAT within the confines of the cashflows of the organisation.

Interest rates applied to LGAT Assist loans are made with reference to market rates.

As at 30th June 2016 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT Assist's interest received by approximately \$3,482 (2014/15 \$3,795). An increase in an interest rate of one percent would have the same but opposite impact.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

Note 12 Financial risk management objectives and policies (cont'd)

As at 30th June 2016 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT General's interest received by approximately \$19,153 (2014/15 \$20,397). An increase in an interest rate of one percent would have the same but opposite impact.

Liquidity risk

Liquidity risk arises from the financial liabilities of LGAT and LGAT's ability to meet their obligations to repay their financial liabilities as and when they fall due.

LGAT's liabilities are limited to normal trading and operational liabilities. The organisation is highly liquid and therefore has very limited liquidity risk exposure.

Note 13 Superannuation

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

Note 14 Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affect the operations or the financial position of the organisation.

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

	General 2016	General 2015
	\$	\$
Note 15 Detailed statement of general account - revenue and expenditure		
Revenue		
Government grants	-	80,000
Fees and commissions	100,813	76,732
Interest - general account	69,908	88,547
Interest - building proceeds	2,868	3,389
Surplus/(Deficit) on sale of plant and equipment	(9,760)	(45)
Sponsorship, conferences/seminars	346,813	341,367
Subscriptions	1,049,084	1,050,613
Other Subscriptions	179,015	146,313
Rentals	3,992	-
Other	222	223
	1,742,955	1,787,139
Expenditure		
Advertising	3,239	1,041
Accommodation expenses	1,575	1,345
Accounts administration	13,775	13,180
ALGA	112,852	113,524
Amortisation - computer software	778	491
Annual conference	151,151	137,933
Auditors' remuneration	15,968	14,400
Bad Debts Expense	-	(50,920)
Catering	4,704	7,105
Cleaning	8,746	5,166
Consultancy fees	96,580	88,434
Council careers and skills shortage	165,991	69,248
Community Satisfaction Survey	-	17,100
Conferences and seminars	31,353	30,758
Cost Recovery - grant administration	(43,703)	(55,387)
Depreciation - buildings	8,750	-
Depreciation - computers	10,158	10,255
Depreciation - motor vehicles	18,680	16,301
Depreciation - furniture and equipment	3,075	3,685
Division 43 Deduction	1,452	1,441
Fringe benefits tax	15,755	10,397
Land & Buildings Running Costs	2,744	2,389
Insurance	32,396	29,871
Members emoluments	57,485	60,459
Motor Vehicle - running expenses	8,689	9,657
Motor Vehicle - repairs and maintenance	2,372	3,121
Network and internet	14,426	13,531
Other expenses	67,180	51,746

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

	General 2016 \$	General 2015 \$
Note 15 Detailed statement of general account - revenue and expenditure (cont'd)		
Postage	5,514	5,426
Power	9,374	8,469
Printing and publications	7,992	7,025
Rates and taxes	11,723	9,000
Rentals	1,300	1,334
Salaries, wages and employee benefits (incl. Grant Staff)	789,870	771,406
Software	2,552	2,459
Sponsorship	2,750	1,500
Stationery	1,798	2,289
Subscriptions - general account	9,574	9,502
Superannuation contribution (incl. Grant Staff)	92,261	93,715
Telephone	16,818	17,451
Travelling Expenses	32,141	24,033
Government grants expenditure (excluding wages and superannuation):		
26TEN - Plain English Guide	-	13,500
Coastal Adaption Pathway Project	20,000	-
Healthy Communities	42,089	15,915
LG Reform	1,000	90,455
LG Liveable Places	20,384	25,814
Revaluation of property	62,242	
Total expenses	1,935,552	1,705,564
Operating surplus/(deficit) - general account	(192,598)	81,575

Charges incurred for the administration of both the LGAT Assist account and grant projects have been recharged to LGAT Assist or the specific project. The recovery of these costs is then shown as Cost Recovery so that the expenses on the General Account are more accurately reported.

Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2016

	Assist 2016	Assist 2015
Note 16 Detailed statement of general account - revenue and expenditure		
Revenue		
Interest on Loans	29,251	35,124
Other Interest Revenue	19,871	24,042
	49,122	59,166
Expenditure		
LGAT Assist Accounts Administration	39,436	35,009
Auditors Remuneration	4,823	4,800
Bad Debts Written Off/(Recovered)	3,485	(2,402)
Donations and Research Projects	25,000	20,500
Grants to Members – Welfare	9,156	18,118
Other Expenses – Welfare	232	819
Total Expenses	82,132	76,844
Operating surplus/(deficit) – LGAT Assist	(33,010)	(17,678)

Note 17 Commitments

At 30 June 2016 the Association had no outstanding commitments.

Note 18 Fair Value Measurements

The Association measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit or loss;
- Freehold land and buildings.

Fair value hierarchy

AASB13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to measure can be categorised into as follows:

Level 1	measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

The following table provides the fair value of the Association's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report
For the Year Ended 30 June 2016

Fair value measurements:	30/06/2016			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Other financial assets	1,925,000	348,264	-	2,273,264
Total financial assets recognised as fair value	1,925,000	348,264	-	2,273,264
Non-financial assets:				
Freehold land and buildings	-	825,000	-	825,000
Total non-financial assets recognised at fair value	-	825,000	-	825,000
Financial assets:				
30/06/2015				
Other financial assets	1,925,000	379,515	-	2,304,515
Total financial assets recognised as fair value	1,925,000	379,515	-	2,304,515
Non-financial assets:				
Freehold land and buildings	-	850,000	-	850,000
Total non-financial assets recognised at fair value	-	850,000	-	850,000

Independent Auditor's Report

To Members of the Local Government Association of Tasmania

Special Purpose Financial Report for the Year Ended 30 June 2016

Report on the Special Purpose Financial Report

I have audited the accompanying special purpose financial report (the financial report) of the Local Government Association of Tasmania (the Association or LGAT) which comprises the statement of financial position as at 30 June 2016 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, divided into general operation and LGAT Assist, a summary of significant accounting policies, other explanatory notes and the statement by the President of the General Management Committee.

Auditor's Opinion

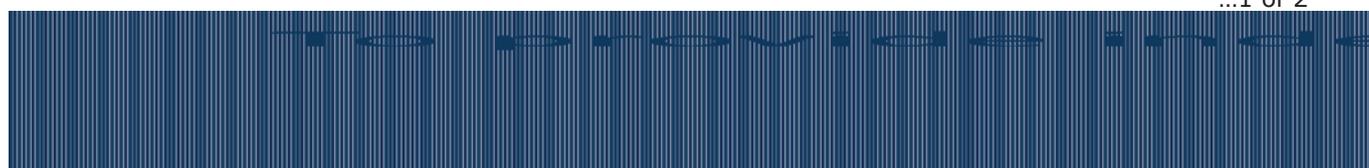
In my opinion the Association's financial report presents fairly, in all material respects, its financial position as at 30 June 2016, and its financial performance, cash flows and changes in equity for the year then ended and is in accordance with the *Local Government Act 1990*.

Basis of Preparation and Restriction on Distribution

Without modifying my opinion, I draw attention to note 1(a) to the financial report, which describes the purpose of the financial report, the significant accounting policies and basis of accounting. The financial report is a special purpose financial report prepared for the purpose of fulfilling responsibilities under the *Local Government Act 1990*. As a result, the financial report may not be suitable for another purpose. My report is intended solely for the Members of the Association and should not be relied on by parties other than the Members of the Association.

The Responsibility of the Members of the General Management Committee for the Financial Report

The Members of the General Management Committee (the Members) are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation as described in note 1(a) to the financial report, which is a special purpose framework, is appropriate to meet the requirements of the *Local Government Act 1990*. The Members' responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.



Auditor's Responsibility

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

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

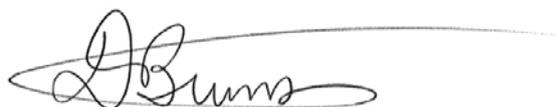
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* 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.

Tasmanian Audit Office



Derek Burns
Acting Group Leader Financial Audit
Delegate of the Auditor-General

Hobart
13 September 2016

Public Interest Disclosures

LGAT is committed to upholding the principles of the *Public Interest Disclosure Act 2002* and giving appropriate consideration to the interests of people who report wrongdoing affecting the organisation.

Public Interest Disclosures made to LGAT	none
Disclosures investigated by LGAT	none
Matters referred to LGAT by the Ombudsman	none
Matters referred by the Ombudsman for investigation	none
Investigations by the Ombudsman	none

Local Government Representatives

Animal Welfare Advisory Committee

Clr Andrew Downie, Central Highlands Council
Mr David Moser, Tasman Council (Deputy)

Assessment Committee for Dam Construction (ACDC)

Mr Neil Blaikie

Community Review Committee – Threatened Species Network

Ms Elizabeth Quinn, Kingborough Council

Community Support Levy Grants Advisory Group

Ms Susie Bower, Dorset Council

Eating with Friends Steering Committee

Julie Andersson, Clarence City Council

Family Violence Consultative Group

Clr Mary Knowles, Northern Midlands Council

Forest Practices Advisory Council

Mr Tim Watson, Dorset Council

Health Council of Tasmania

Clr Graham Bury, Kingborough Council

LGAT Assist

Mr Kaye Reeves

Local Government Board

Mrs Elizabeth Gillam
Mr Barry Easther (Proxy)

Local Government Award Modernisation

Mr Peter Rodwell, Hobart City Council

Nuclear Power Warships Visits Committee

Mr Andrew Brown, Clarence City Council

Premier's Physical Activity Council

Ald Heather Chong, Clarence City Council

Rural Stakeholders Forum

Clr Daryl Quilliam, Circular Head Council

State Fire Commission

Mr Rod Sweetnam, Launceston City Council
Clr Hannah Rubenach-Quinn, Break O'Day Council

State Fire Management Council

Ms Belinda Loxley, Kingborough Council

State Grants Commission

Mr Rod Fraser
Mr Grant Atkins

State Marine Pollution Committee

Mr Andrew Brown, Clarence City Council

Tasmanian Heritage Council

Ms Danielle Gray, City of Hobart
Ald Robin McKendrick, City of Launceston

Tasmanian Library Advisory Board

Ald Sandra French, Burnie City Council
Clr Dick Adams, Northern Midlands Council
Ald James Walker, Clarence City Council
Ms Amanda Davison, Waratah-Wynyard Council

Tasmanian Planning Commission

Mr Micahel Stretton, Waratah Wynyard Council

Tasmanian Spatial Information Council (TASSIC)

Mr Alex Crothers, City of Launceston
Mr Tony Ferrier, Kingborough Council (proxy)

Tasmanian Suicide Prevention Committee

Ms Annette Rockliff, Burnie City Council

Member Councils



