

# Local Government Association of Tasmania

Annual Report  
**2012-13**





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# Local Government Association of Tasmania Annual Report 2012-13

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## About this Annual Report

This report documents the Local Government Association of Tasmania's (LGAT) performance during 2012-13, against our 2012-2017 Strategic Plan and the 2012-13 budget. It highlights achievements and challenges in key strategic areas, as well as 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](http://www.lgat.tas.gov.au), or phone (03) 6233 5966.

Your feedback is invited via email to [reception@lgat.tas.gov.au](mailto:reception@lgat.tas.gov.au), or by post to:

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## Member Profile

During the 2012-2013 financial year, the Local Government Association of Tasmania represented Tasmania's 29 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 council staff and elected members. The communities our member councils serve are represented by 268 elected members and supported by over 4,000 staff.

## Our Vision, Mission and Objectives

### Vision

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

### Mission

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

### 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 reform;
- 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.

Priority Areas	Achievements	Challenges
<p><b>1. Strengthening Strategic Relationships</b></p> <p>For more information see page 9</p>	<p>Continued strong relationship with ALGA</p> <p>Ongoing participation as part of the Premier's Local Government Council</p> <p><i>LGAT News Magazine</i></p> <p>Reconsideration of vendor disclosure legislation</p>	<p>Tasmanians for Reform campaign</p> <p>Resignation of Hobart City Council from LGAT</p>
<p><b>2. Leading Recognition and Reform</b></p> <p>For more information see page 12</p>	<p>Sectoral support for Constitutional Recognition</p> <p>Code of Conduct Working Group established</p> <p>Local Government Awards for Excellence</p> <p>Life Members' Award for Meritorious Service</p> <p>Statewide Community Satisfaction Survey</p>	<p>Achieving momentum in the longstanding fight for constitutional recognition</p> <p>Delays in amendments to the <i>Local Government Act 1993</i></p>
<p><b>3. Ensuring Financial Sustainability</b></p> <p>For more information see page 14</p>	<p>Local Government Financial and Asset Reform Project</p> <p>Procurement Project</p> <p>Liaison with Aurora Energy to facilitate constructive discussions with members and influence their tender process to include energy efficient street lighting technology</p>	<p>Ever dwindling availability of funds for infrastructure investment.</p> <p>Constitutional challenges to direct funding of Local Government infrastructure</p>

Priority Areas	Achievements	Challenges
<p><b>4. Building Sector Capacity</b></p> <p>For more information see page 15</p>	<p><i>Think Big. Work Local</i> campaign successfully continued</p> <p>Annual Local Government Conference</p> <p>LGAT Newsletter</p> <p>Mayor, General Manager and Elected Member Workshops</p> <p>Involving and informing members regarding cranes, heavy vehicles, electrify changes</p> <p>Social media policy and video</p>	<p>Introduction of the National Heavy Vehicle Law and accompanying national regulator</p> <p>Limited uptake of planning course and webinars.</p>
<p><b>5. Improving Land Use Planning</b></p> <p>For more information see page 18</p>	<p>Significant input into the Planning Reform Agenda</p> <p>IDC on Coastal Protection and Planning Framework</p> <p>Strong collaboration on heritage issues</p>	<p>Key legislation supported by Local Government (eg planning enforcement) has not been progressed.</p>
<p><b>6. Ensuring Environmental Sustainability</b></p> <p>For more information see page 19</p>	<p>Completion of ClimateConnect-funded Tasmanian Shoreline and Monitoring (TASMARC) Project</p> <p>Bushfire protocol.</p> <p>Household Hazardous Waste wrap-up and report</p>	<p>Limited take up of the Environmental Dispute Mediation Service</p>
<p><b>7. Continuing Water and Sewerage Reform</b></p> <p>For more information see page 20</p>	<p>Reform successfully managed under intense timeframes.</p>	

## President's Report



Barry Easter OAM

In a year dominated by debate over whether or not there will be a referendum, we finally received confirmation that there would be one, only to have the opportunity lost due to the early election date, announced at the time of writing this report. Regardless, planning for the campaign and procuring the experts and resources to manage the campaign were a significant undertaking.

The Association was also kept busy coordinating and facilitating the bringing together of the regional water and sewerage corporations into a single entity, managing the legal and legislative requirements while ensuring that owner councils were fully informed and engaged in the process as it was rolled out. While this all appeared to run smoothly and with only the occasional hiccup, the work behind the scenes in developing scenarios and options to ensure that the requirements of owners were met, and briefing and lobbying parliamentarians was no mean feat. Developing and implementing the governance arrangements and processes to ensure that the corporation could commence on 1 July with an expert board and CEO in place were significant tasks and I commend the LGAT team on their diligence and persistence in getting the job done.

But we didn't just restructure water and sewerage, we dabbled in the future governance and electoral arrangements for our own sector, coordinating and arguing the case in relation to compulsory voting, all-in/all-out elections, and the dual representation of elected members.

Giant strides were made with members in strategic asset management and long-term financial planning, with almost all councils now having in place their asset management plans and many others a long way down the track with their financial plans. Efforts continue in supporting those requiring more refinement and assistance, and also in moulding the legislation that will underpin these instruments.

In the area of emergency management, there were significant issues arising from the Victorian bushfires of a few years ago coupled with coordinating efforts in relation to the Tasmanian bushfire disaster early in 2013 which affected various Municipal Areas across the State. It was particularly pleasing to witness and be part of the camaraderie among councils assisting those affected by hardship and loss.

Unfortunately standards panel activity continued to tick over, although ground has been made in convincing the State Government that significant change is required to the current arrangements. A working group has been formed to assess the extent and type of change necessary.

On the training front we offered the planning course to elected members and while numbers were down, feedback from participants was positive. We entered a partnership with the LGA of NSW to provide access to Local Government webinars, facilitated the conduct of asset management workshops throughout the State and provided mayors with media training. Successful Mayors' and General Managers' Workshops were conducted throughout the year and regular inputs to the Communications and HR forums were provided by LGAT personnel. Award modernisation was and remains a key matter for resolution, with LGAT coordinating activity in this space.

Aggregated purchasing and procurement activity increased throughout the year, with focus now moving to raising awareness of opportunities, improving practices and growing council and sector capability and efficiency in the procurement process.

Asbestos, forestry, plastic bags, street lighting, climate change, liquor licensing, a range of planning activity, workplace health and safety, establishment of a crane network and raising awareness on the new heavy vehicle registration arrangements were key areas of endeavour throughout the year.

We have at the Association a team of highly dedicated and professional staff under the leadership of CEO, Allan Garcia. The support given to me as President is greatly appreciated and on behalf of all members of the Association, I say thank you all for a job well done and for the commitment you continue to give as together we strive to strengthen the Local Government sector throughout the State.

A handwritten signature in black ink, appearing to read 'Barry Easter', written in a cursive style.

## Chief Executive Officer's Report



Allan Garcia

The year ahead presents its own set of challenges with a Federal and a State Election staring us in the face. The focus on their own affairs provides our sector with the opportunity to consider how Local Government will look and what it will deliver into the future. An analysis of gaps and opportunities arising from the Role of Local Government Project will form an important first step. LGAT will actively contribute to the Local Government Reform Agenda by developing a comprehensive pre-election manifesto that can be prosecuted with major parties and an incoming government.

There are constant calls for reduction of the red and green tape over which Local Government often has little control. So this year, LGAT will work with councils to develop a 'blue print' for planning which highlights system needs and the changes necessary from a Local Government perspective.

The 2012-13 Annual Plan identifies a range of key projects to support each of our strategic priorities. In the year ahead, LGAT initiatives include greater use of digital tools including intranet, training webinars and social media; regional policy and breakfast speaker forums; working with councils directly to identify and progress strategic resource-sharing projects; ensure improved procurement policies, processes and practices across our councils and provide strategic procurement opportunities which allow councils to save money; support the move of all councils to the National Modern Local Government Industry Award; and deliver a 12-18 month training program.

Of course we will still be delivering our core member services including the annual Local Government Conference, the *LGAT News* magazine, LGAT Assist and policy and advocacy. The State and Federal Governments have indicated a number of agendas which will require LGAT to consult with and respond on behalf of member councils. These include legislative amendments in the areas of asset and financial management, derelict buildings, planning and implementation of the electoral reforms; heavy vehicle regulation, electricity contestability; occupational health and safety; and climate change.

As usual, the year ahead for the Association will be busy and varied. We have set ourselves some challenges but I am confident that LGAT staff have the right skills and dedication to deliver strong outcomes and we look forward to reporting those next year.

I would like to thank all members of staff for their dedication and contribution through the year, the members of the General Management Committee for their ongoing support, and council members of the Association for their continued participation and encouragement in Association activities.

A handwritten signature in black ink that reads "Allan Garcia". The signature is written in a cursive style with a large, stylized initial 'A'.

## 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, the Lord Mayor 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.



Mayor  
**Barry Easter** President



Mayor  
**Darryl Quilliam** Vice President

### Members



Lord Mayor  
**Damon Thomas**



Mayor  
**Deirdre Flint**



Mayor  
**Barry Jarvis**



Mayor  
**Jan Bonde**



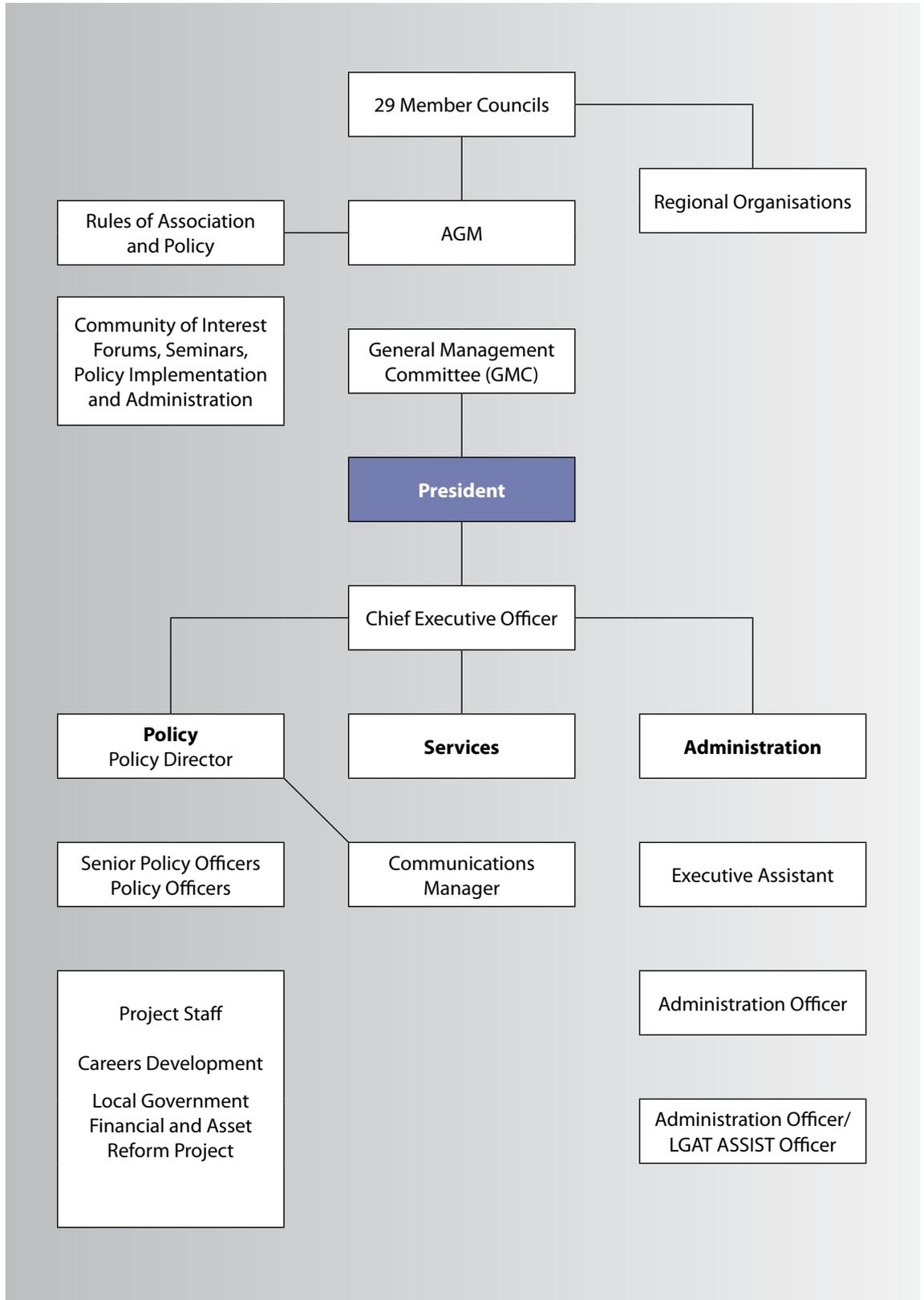
Mayor  
**Graham Bury**



Mayor  
**Albert van Zetten**



## Our Organisation





## Strengthening Strategic Relationships

### Strategies:

#### 1. Build a strong association

- Continue to work collaboratively with members to provide a strong relevant association with maximum membership of Tasmanian councils.

#### 2. Provide a strong united voice for Local Government

- Ensure Local Government's voice is represented in relevant public debates, legislative reviews and intergovernmental forums.

#### 3. Develop and maintain strategic alliances

- Identify opportunities for collaboration, resource sharing and attracting funding for Local Government.

#### 4. Foster collaboration and cooperation within the Local Government sector

- Proactively provide opportunities for councils with like issues to meet and share experiences and solutions.

Strengthening Strategic Relationships is supported by the continued participation of LGAT in a number of steering committees, working groups and reference groups across diverse legislative and policy areas including social policy, public health, environment and climate change, infrastructure and planning.

- 50:50 Vision Steering Committee
- 26TEN Literacy Program Committee
- ACELG Local Government Researchers Forum
- Alcohol Advisory Group
- Alcohol, Tobacco and Other Drugs Reference Group
- ALGA Constitutional Recognition Sub-committee of the Board
- Animal Welfare Advisory Committee
- Asbestos Steering Committee
- Australian Local Government Association (Board and Working Group)
- Australian Local Government Association Regional Development Group
- Business Tasmania Online Steering Committee and Working Group
- Constitutional Recognition Subcommittee (of ALGA Board), and Coordinators Meetings.
- Coastal Hazards Reference Group
- Council of the Ageing Policy Committee
- Crane Industry Reference Group
- Emergency Management Act Review Steering Committee
- Forest Practices Advisory Committee
- Government Skills Australia Industry Council

- Household Hazardous Waste Steering Committee
- Integrated Service Delivery Intergovernmental Committee
- Interagency Working Group for Mental Health
- Interagency Working Group on Drugs
- Land Hazard Planning Steering Committee
- Landslip Hazards Reference Group
- LGMA Communications Special Interest Group
- Local Government Crane Access Network
- Local Government Valuation and Rating Steering Committee
- Local Government Human Resources Forum
- Local Government Workforce Development Group
- Local Government Reform (Financial and Asset Legislation) Steering Committee.
- National Local Government Cultural Forum
- National Local Government HR Conference Steering Committee
- Natural Hazards and Land Use Planning Steering Committee
- Nomenclature Board
- Office of the Tasmanian Economic Regulator Consultative Committee
- Premier's Local Government Council
- Rating and Valuation Steering Committee
- Retirement Living Steering Committee
- Road Safety Advisory Council
- Roads and Transport Advisory Committee
- Role of Local Government Steering Committee
- Tasmanian Infrastructure Advisory Council
- Tasmanian Regional Arts Council State Executive
- Tasmanian Training Consortium Committee and Local Leaderships Group
- Tobacco Coalition
- Water and Sewerage Working Group
- Workforce Planning Community of Practice
- Tasmanian Coastal Adaptation Pathways (TCAP) Project Steering Committee

The LGAT also made, in consultation, submissions on a range of issues including:

- Aboriginal and Dual Naming Policy
- Australian Centre for Excellence in Local Government – Minimum data set.
- Australian Packaging Covenant
- Draft Standards for Single and Multiple Dwelling Units
- Food Safety Management Tools

## Priority Area 1

- Residential Property Transactions Bill
- State Special Plan – State Fire Projection Plan
- Parliamentary Inquiry into Local Government Elections
- Adapting to Climate Change in Tasmania Issues Paper
- Crane Access on Local Government Roads
- Local Government and volunteering
- Local Government Board review of councillor numbers
- The National Settlement Framework
- Local Government Electoral Changes and related Bill
- Historic and Cultural Heritage Bill
- Natural Disaster Relief to Local Government discussion paper
- Water and Sewerage Bill
- Natural Heritage Strategy
- Review of the Emergency Management Act
- Review of Local Government Relief Policy
- 2013-14 State Budget
- Aboriginal Heritage Legislation
- National Drug Strategy
- State Special Emergency Management Plan - Dam Safety Emergencies
- Future Provision of Years 11 and 12 in Regional Tasmania
- Urban Drainage Act
- Electoral Bill
- Prioritised Removal of Asbestos (State and Federal submissions)
- Feral Cat Strategy
- Local Government Miscellaneous Amendments Bill
- Plastic bag ban
- Dangerous Dog Legislation
- Future engineering training from the new TasTAFE.

The Association ensures appropriate information flow through a range of regular communication vehicles including:

- Fortnightly electronic newsletters;
- Targeted electronic newsletters such as Careers Development, Financial and Asset Reform;
- The quarterly *LGAT News* magazine;
- Monthly report to elected members;
- General Meetings;
- General Managers', Elected Members' and Mayors' Workshops; and
- Direct correspondence with mayors, general managers and council officers.
- Training offers and workforce planning information to the Human Resources Forum.

## Highlights:

### Arts and Cultural Policy

LGAT became a member of the newly formed *National Local Government Cultural Forum* through the National Sector Development Initiative of the Australia Council Community Partnerships Committee. This partnership will provide a clearing house for the arts activities that are shaping communities, their cultures and creativity. The national forum will generate ideas and learn from the experiences that a network of over 500 councils can demonstrate; and provide a testing ground of community arts and cultural development practice and opportunities for strengthening communities, and improving health and wellbeing through the arts. The formation of the group will also provide an opportunity for the sharing of information nationally and contribute to the delivery of informed advice for State and Commonwealth governments on the cultural impact of arts policies.

In addition, the Association, through its members at a General Meeting, agreed to establish a Memorandum of Understanding with Tasmanian Regional Arts to enable the organisations to develop a closer working partnership and explore opportunities for coordinated engagement that will benefit their respective members. The Association currently sits as a co-opted member of the Tasmanian Regional Arts State Executive Committee in order to provide a Local Government perspective and to act as a liaison where appropriate.

### Legislative Scoping Study – Alcohol

The Association continued to represent Local Government on the Interagency Working group on Drugs and assisted in facilitating Local Government input into and response to the Tasmanian Alcohol Action Framework Legislative Scoping Study, undertaken by Stenning and Associates. A key issue for Local Government has been the need for legislative change to ensure that a liquor licence is not be granted under the *Liquor Licensing Act* until after the appropriate planning and building approvals are in place. The Association is continuing to lobby Government in relation to this issue.

### LGAT Assist

The LGAT ASSIST Board is made up of the following representatives: Kaye Reeves (Chairman), Allan Garcia (LGAT), John Phillips (Australian Services Union), Tony Wolfe (Australian Services Union), and Geoff Dodge (Local Government Managers Australia - Tas). Eleven meetings were held during 2012/13.

For over 50 years, the Fund has continued to offer assistance to eligible Local Government employees by way of low interest loans, grants and access to financial advice. In addition to these services, three University of Tasmania bursaries to the value of \$1,500 a year for two years are awarded annually to eligible Local Government employees or their dependents.

This financial year, a total of 69 low interest loans to the value of \$ 452,039.90 were approved, and non-refundable grants to the value of \$9,413.88 were provided. In recent years, an annual donation of \$10,000 has been made to the Menzies Research Institute towards its ongoing medical research. LGAT supplies administration services to the fund and the Board wishes to record its appreciation for this support.

### LGAT News Magazine

The quarterly *LGAT News* magazine is a key information service provided through the Association at no cost to members. Readership continues to grow and the magazine is widely recognised as a leading publication in the sector. In late 2012, a reader survey was conducted and improvements were made to the magazine based on the feedback received.

### Local Government Electoral Amendments

LGAT worked closely with members to understand views and concerns related to proposed changes to Local Government elections, coordinating and arguing the case in relation to compulsory voting, all-in/all-out elections and the dual representation of elected members. This included representations to Government and the Legislative Council.

### Premier's Local Government Council

The Premier's Local Government Council (PLGC) is a high-level forum for discussions between the State Government and Local Government on issues of statewide significance. It was established in 2000 and meets three times a year to discuss topical and continuing issues. The PLGC comprises the Premier (Chair), the Minister for Local Government, the President of LGAT and the General Management Committee of LGAT.

This year, issues covered included Local Government Reform Projects (eg. review of valuation and Local Government rating, sustainability objectives and indicators, financial and asset management), compulsory voting, water and sewerage corporations, forestry issues and the impact on local communities, and the role and structure of Local Government.

### Retirement Living

The Association has continued to work with the Department of Economic Development, Tourism and the Arts and the consultants who were engaged to undertake research into the need for, and opportunities associated with retirement living in regional Tasmania. The research findings will be available in February 2014.

### Standards Panel

The standards panel dealt with 13 Code of Conduct complaints this year (referred or appealed).

### State Budget

A submission was made ahead of preparation of the State Government's 2013-14 Budget. Four key recommendations were made in the context of current responsibilities of Local Government and possible future scenarios. These revolved around support for Local Government reform, resourcing to achieve all Regional Planning Initiative outcomes, adequate funding of new policy and legislation and a focus on the key issues of climate change adaptation and waste management. LGAT participated in the Budget Lock-Up and provided prompt reporting to members of key budget announcements.

### Tasmanian Road Safety Advisory Council

The Association continued to represent Local Government on the Tasmanian Road Safety Advisory Council. The most critical work undertaken by the council involved the consideration of a shift in rural speed limits to 90km/h and the introduction of new signage for changing speed limits on departing townships.

### Urban Drainage

During 2010-11 a public review of the *Drains Act 1954* was undertaken, involving input and feedback from Local Government. It was agreed that the *Drains Act* was no longer fit for purpose and a new Act needed to be developed. The Department of Primary Industries, Water and Environment released a consultation draft of the Urban Drainage Bill 2013 in January 2013 which, whilst retaining all the relevant provisions of the *1954 Act*, better reflected the current operating and regulatory environment. DPIPWE hosted regional information forums on the draft Bill for council officers. LGAT then workshopped with representatives from each region to formulate a submission, and provided a sectoral response to the Urban Drainage Review in March.

### Vendor Disclosure

In July 2012, LGAT raised a number of concerns in relation to the proposed Residential Property Transactions Bill with the Minister and other stakeholders. In addition, the CEO has also attended a number of meetings with other concerned parties, including the HIA, Property Council, REIT, and conveyancing lawyers. It appears likely the legislation will be reviewed before being considered further by the Parliament.



## Leading Recognition and Reform

### Strategies:

#### 1. Improve the image of Local Government

- Develop and deliver a strategic marketing campaign designed to improve understanding and positive perceptions of the sector.
- Provide tools for members to promote Local Government and improve community understanding of functions and services.

#### 2. Drive the Local Government reform agenda.

- Undertake research and analysis to aid the development of reform options and allow for strategic advice.
- Support members to respond to proposed reform agendas.

### Highlights:

#### Amendments to the Local Government Act

Following lobbying from LGAT, the Local Government Division has committed to progressing a Miscellaneous Amendments Bill to make improvements to the *Local Government Act 1993*. The first such Bill is to be tabled in Parliament in the Spring 2013 session.

Over the last year, LGAT coordinated consultation on proposed changes and a first draft Bill. Issues that have been covered include:

- Part 15: Council Elections – a number of amendments to the part to clarify provisions – changes requested by the Tasmanian Electoral Commission;
- Part 12: Introduction of the power for councils to issue infringement notices under the nuisance provisions;
- Part 12: Introduction of new powers for councils to address the issue of dilapidated buildings – currently this will also require some changes to the *Building Act*;
- Part 11: Minor changes to model by-law provisions;
- Part 5: Interests – clarification of pecuniary interest provisions to ensure clear linkage between the sections; and
- Part 9: Division 11 - Sale of land: clarification of sale of land provisions to ensure clear linkage in the process between the sections.

#### Campaign for Constitutional Recognition

The Association and its member councils remained committed to the National Local Government advocacy for financial recognition of Local Government in the Australian Constitution. The Association made a submission to the Expert Panel on Constitutional Recognition, participated in the forum in Hobart and also made a submission to the Joint Parliamentary Committee. The LGAT President and the Association have been active at the Commonwealth level, through the Australian Local Government Association, with the President participating monthly on the Board Sub-committee on Constitutional Recognition, and the Association participating in regular meetings with policy directors and communications officers to plan for, and start implementing a campaign. The CEO and President have also canvassed the level of support for constitutional recognition with the Premier and Leader of the Opposition. The referendum legislation passed both houses of Federal Parliament with clear bipartisan support.

#### Code of Conduct/Standards Panel

The Association continued to lobby for changes to the Code of Conduct provision in the *Local Government Act 1993* and the Local Government (General) Regulations in order to improve the workability of provisions. Following advice from the Office of the Parliamentary Counsel that some of the changes LGAT has sought may not be possible without amendment to both the *Act* and the Regulations, the Minister for Local Government agreed to the establishment of a working group to undertake a holistic and strategic assessment of the current code of conduct process and make recommendations for a future approach. This group was first convened in June 2013.

#### Life Members Award for Meritorious Service

The second Life Members' Award for Meritorious Service was presented to Mayor Tony Foster of Brighton Council. The Life Members' Award for Meritorious Service was launched to enable councils and communities to recognise exceptional, individual service and significant achievements by elected members. The award was judged by the Association Life Members and was presented at the Local Government Conference Dinner on 12 July 2012.

## Local Government Awards for Excellence

The 2012 Local Government Awards for Excellence were presented during the Conference on 13 July by Local Government Minister, the Hon Bryan Green MP. In total, 21 nominations were submitted from 15 councils throughout the State. The following awards were presented:

*Delivering Excellence for our Communities Award*

Meander Valley Council – STUDIO BE

*Delivering Excellence in Natural and Built Environments Award*

Burnie City Council – Burnie Waterfront Rejuvenation

*Achieving Excellence through Innovation Award*

Central Highlands Council – Economic Development Plan

## Local Government Service Awards

At the official Dinner, Life Membership Long Service Awards were presented to John Stretton of Waratah Wynyard Council and Wayne Chellis of Northern Midlands Council. The Long Service Awards recognise individuals who have served in Local Government for a period in excess of 40 years. An Outstanding Commitment and Service to Local Government Award was presented to Paul Arnold who devoted himself to Local Government for 18 years as General Manager of Circular Head and Burnie City Councils.

## Review of Emergency Management

The review of the *Emergency Management Act* has been identified as a key priority for the State Emergency Management Committee. The Association is represented on the steering group overseeing the review and has provided a sectoral response to the initial phase of the review.

## Role of Local Government Project

This project, which is being overseen by the Premier's Local Government Council, has two key phases. The first phase focused on defining the role of Local Government and identifying the core capabilities required to fulfill the role. The second phase, still underway, is considering the capabilities of Local Government in the context of the defined role and identifying the capability gaps that prevent Local Government from providing optimum services and governance to communities, and why the gaps exist.

Through participation on the Steering Committee, LGAT has attempted to shift the emphasis away from "REFORM" and focus on the opportunities and challenges confronting Local Government. There remains some concern about self-assessment by councils in terms of identifying shortfalls or challenges, but it is hoped that the information received from councils and the knowledge already available will be able to offset any rogue information content.

## Satisfaction Survey

The biennial Community Satisfaction Survey was conducted in May and June 2013 and involved 1,240 randomly selected residents across the State. The sample size provided for reliable results, not only at a state level but also at the city/urban/rural and regional level. The survey was undertaken on behalf of LGAT by independent research company - EMRS.

The report provides important information about trends in customer satisfaction since the survey was first conducted in 2001. While the average satisfaction score across the nine areas of council services surveyed has remained relatively steady since surveying began, the report highlights particular areas where client behaviour and satisfaction levels have changed over time. This information forms a valuable basis for councils when developing policies and practices in response to customer needs. Each council has been provided with a report that details the research findings for their information and action as appropriate.



## Ensuring Financial Sustainability

### Strategies:

#### 1. 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.
- Implement the outcomes of the rating and valuation review.

#### 2. Develop opportunities for improvement and efficiencies.

- Investigate and develop opportunities for joint procurement and resource sharing.

### Highlights:

#### Council Cost Index

LGAT undertook a review of Local Government cost indices, developed by other jurisdictions, in order to refine the CCI for Tasmania. The review indicated that, in general, significant areas of council expenditure include construction costs and expenses associated with staff and contractors.

On the basis of the research findings and the fact that in Tasmania, employee costs represent almost half of operating costs, while roads and transport costs are around 30% of total outlays, a modified index was developed for use by Tasmanian Local Government Areas in 2013. The new CCI makes use of available ABS data. The index components are - wage price index (50%), CPI for Hobart (20%) and road the bridge construction index (30%). The calculated CCI for Tasmania for 2012-13 was 3.05%

#### Local Government Financial and Asset Reform Project

The first stage of the Financial and Asset Reform Project was formally completed with the submission of a final report to the Commonwealth and the budget was closed off on 31 December 2012. The second phase of the project commenced from this date and is focused on continuing improvement and refinement of strategic asset and financial planning. It will establish new regional groups and support exiting groups to ensure the momentum and capability for improvement continues beyond the end of the project in December 2013.

Related to the Local Government Financial and Asset Reform Project has been progression of a state framework, including legislation of minimum requirements for financial and asset management planning for councils. The Association has provided key inputs and participated as a member of the steering committee. It is anticipated that this project, overseen by the Premier's Local Government Council, will be completed towards the end of 2013.

### Procurement

The Association has entered into a series of relationships with interstate counterparts for the supply of goods for Tasmanian councils. LGAT coordinated a series of workshops with councils, in conjunction with Local Buy, the procurement arm of the Local Government Association of Queensland, to ensure that councils received all of the information and advice to allow for maximum access and benefits to the contracts.

### Rating and Valuation

The review of Tasmania's valuation and Local Government rating processes was completed in April 2013. The CEO continued to provide detailed input through the Rating and Valuation Review Steering Committee on behalf of councils. The review was established to identify a valuation and Local Government rating model that would be more efficient and provide greater flexibility to councils, that would be simpler and more easily understood by both practitioners and ratepayers, and that was cost-effective and sustainable.

The Government has decided that implementation of the major reform requiring all councils to move to Capital Value and changes to the valuation cycle should be deferred. A number of councils have already voluntarily determined to move to Capital Value Rating while another group have agreed to work with the State Government to further develop their position in relation to this matter.

### Street Lighting

LGAT continued working with members and Aurora Energy to establish a better understanding of public lighting. In late 2012, Aurora released a tender for the provision of public lighting technology services for the next 5-years i.e. light types. As part of the consultation process, LGAT and Aurora facilitated a Local Government workshop. LGAT was successful in influencing the tender to require the inclusion of sustainability rating/emissions output for each lighting type. LED technology was favoured by a number of councils. Further workshops were held in June 2013 to discuss the outcomes of the tender process and councils were advised that Aurora will be offering an LED lighting option in addition to fluorescent lighting types.

### Sustainability Objectives and Indicators Project (SOI)

LGAT continued to work closely with the State Government on the Sustainability Objectives and Indicators Project as it was embedded in the annual Local Government consolidated data collection and provided feedback on early findings and reporting.



## Building Sector Capacity

### Strategies:

#### 1. 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.

#### 2. Build the capacity of elected members and staff to deliver quality outcomes.

- Provide training and networking opportunities in response to identified needs.
- Deliver an annual Local Government Conference.
- Conduct regular meetings of member councils to update, discuss and give/seek direction on areas of need.

### Highlights:

#### ARRB Route Assessment Tool Training Workshop

In late 2012, a number of State Local Government Associations, including LGAT, agreed to be involved in a nationwide pilot (with the exception of the Northern Territory) of a heavy vehicle route assessment tool previously developed by the Australian Road Research Board (ARRB Group) in partnership with the Municipal Association of Victoria (MAV) and Victorian councils.

The seven Tasmanian councils that participated in the project were Burnie City, Central Coast, Circular Head, Glenorchy City, Launceston City, Meander Valley and Northern Midlands. The first stage of the trial involved a workshop conducted for officers from the seven participating councils. The second stage involved participating councils using the tool to conduct assessments in response to routine requests from operators to use routes within their municipal area. The third stage of the trial enabled councils to provide the ARRB Project team with feedback and an evaluation of the tool. An evaluation report is due in July 2013.

#### Careers Project – *Think Big. Work Local*

This project is funded by member councils to help tackle skills shortages and workforce planning issues across our sector. This project runs from 2012 to the 2014 financial year and was first initiated in 2008.

#### Television Advertising

By advertising collectively under the *Think Big. Work Local* brand, councils are presenting themselves to job seekers as a major employer with substantial career opportunities located throughout Tasmania. The *Think Big* television commercial further raised the profile of

Local Government, increasing the number of job seekers considering our industry (indicated by website visits) from an average of 1,000 per month in 2011-12 to 1,200 per month this financial year.

#### Website Advertising

The [www.thinkbigworklocal.com.au](http://www.thinkbigworklocal.com.au) site enables LGAT to provide detailed information on council job roles, and enables videos of in demand job roles featuring council staff to be shown economically. Crucially, the site also lists current council job vacancies and where this is not possible, automatically due to incompatible software, LGAT have modified the site to provide direct links to council website's jobs vacancies pages. Without this function, job seekers find it more difficult to find council job vacancies than they do vacancies with other employers.

#### Careers Expos Advertising

In 2013, council job roles and vacancies were promoted at the Commonwealth Government's Careers Expos in Glenorchy, Launceston and Devonport, and at the University of Tasmania's online Careers Week. Using a professional display, which includes a touch screen PC with internet access, LGAT is able to present Local Government as a desirable employer among competing industries. Internet access enables job seekers to check current vacancies in real time at the event, as well as access information on job roles and councils in Tasmania. Additional flyers were designed and printed in 2013 featuring a range of professional and trade job roles. As a trial this year, LGAT has started accepting resumes from some job seekers (civil engineers) at expos and supply these to council human resources directly.

#### Tasmanian Local Government Workforce Report 2012

From electronic data that councils supplied to LGAT in late 2012, a workforce planning database was created and used to make a detailed analysis of the impacts of retirement on councils to 2040. To present the findings, a Tasmanian Local Government Workforce Report 2012 was produced and distributed to general managers and human resources officers in early 2013. The report quantifies the annual rate (3%) at which retirement is likely to reduce the workforce. Coupled with an approximate rate of resignation (9%), LGAT found that around 100% of the Local Government workforce may need to be replaced every 8 years. The report also determined how many people will need to be trained in what occupations by when. This and other evidence from the report will be used by LGAT to advocate that the training needs of the sector be met by governments and training providers. In 2014, the survey will be repeated. This time, a more detailed picture of the effects of resignations on occupations and councils will be added to the analysis.

## *Workforce Plans 2012*

Using information from the database, 22 individual Workforce Plans were produced and distributed to council general managers and human resources officers in 2013. These confidential plans identify the occupations most effected by retirement at each council, recommending a range of practical actions to mitigate impacts. The plans also meet requirements now made by State and Commonwealth departments, that any applications for training funding include a workforce plan or appropriate workforce data. Through the plans, LGAT has saved councils detailed analysis work and increased access to training grants.

## *Skills Shortage Monitoring*

Through 2012-13, LGAT continued to monitor the number of council jobs advertisements and the weeks these are advertised for. This combined measurement indicates the level of skills shortage. The average number of vacancy advertisements in 2010-11 was 14 per week. This rose significantly in 2011-2012 to an average 20 per week and fell to 16 a week through the current period. The reduced number indicates that, for the time since our monitoring began, council skills shortages have reduced slightly.

## *Training Grants*

LGAT investigated a number of State and Commonwealth training grants for councils and supplied information to human resources units on these. No new grants were applied for collectively in this period with LGAT, however a number councils made their own applications. Changes in the grant rules helped bring about this outcome. Also, the LGAT brokered Enterprise Based Productivity Places Program grant continues to cover a large share of the training needs of member councils. This grant part funds training for 80 staff from 12 member councils and most staff are now close to completing their studies. LGAT has provided some direct assistance to councils by obtaining interstate training providers where a local provider pulled out, and by mediating for good outcomes where issues arise with staff studying with training organisations.

## *Training Resources*

Through 2010-2012, LGAT created basic distance training resources for nationally accredited VET units in: managing one's own work in council; working in teams in council; and customer services in council. These resources were made available to Tasmanian educators free, and were delivered in a high school in 2013 - priming students for working life, with an emphasis on local council work.

## **Competitive Neutrality**

LGAT was asked to review the State Government paper titled Significant Business Activities and Local Government in Tasmania (2004 version). Given the recent focus on the National Competition Policy and

competitive neutrality in the context of recreational vehicles, the Association was able to provide feedback to this review highlighting the difficulty faced by councils in defining 'significant business activities' whilst balancing the needs of their communities and local business sector.

## **Crane Industry Reference Group**

Since 2011, LGAT has been attending meetings of the Crane Industry Reference Group, which has been working to streamline the processes for crane access on state roads, as well as developing information to assist operators in their decision-making process regarding appropriate routes. The State Crane Network is now up and running. All crane operators have permits for their individual cranes, based on the classification of the crane. Over the course of 2012-13, LGAT has worked with Industry, State Government and councils to facilitate knowledge sharing on crucial infrastructure considerations (e.g. bridges) to enable councils to better understand the implications of being involved in a local road access network for cranes. The introduction of the National Heavy Vehicle Regulator in September 2013 has affected the timeframes and logistics of setting up a local network. LGAT will continue to work with participating councils and operators to establish a workable network that ties in with the current state network/ permits system, and continues through to 2016.

## **Elected Members' Workshop**

A two-day, weekend workshop was held for elected members in Hobart in February 2013. Delegates had the opportunity to learn about effective communication, social media, place branding, working with the GM, and meeting procedures, and were provided an update on the Local Government reform agenda. The opportunity for learning and networking was valued by all in attendance.

## **Electricity Contestability**

The State Government has announced that the retail component of public lighting in Tasmania will be contestable as of January 2014. Additionally, State Government has announced that councils will be able to aggregate lights. LGAT has requested to be consulted in the development of the aggregation algorithm. Contestable public lighting will occur as part of broader energy reforms for the state focused on the introduction of retail competition in an attempt to increase cost efficiencies. LGAT has and will continue to be engaged with the Contestability Project Team within State Government Treasury Department. The Association has also received support from councils regarding the engagement of a consultant to provide sectoral representation in negotiations with the new retailers when they are announced.

## Forestry

LGAT led a delegation to meet with Bill Kelty, the convenor of the Intergovernmental Agreement, to express concerns about the non-involvement of councils in the forestry debate and to assess what role could be played by councils in the industry restructure process. It also met with the Federal Minister to express its concerns at the lack of consultation with Local Government and the likely impacts on local communities and expectations that will fall to councils to assist with community recovery. Submissions were also made on behalf of councils to Parliamentary Committees considering the restructuring of the forest industry.

## General Managers' Workshop

Two workshops were held for general managers. The sessions covered a range of topics including electronic lodgement of building applications, insurance, economic diversification, schools reform, historic cultural heritage legislation, procurement, spatial information and responding to bushfire. General Managers have an opportunity to share common issues and successes, and to discuss a range of current policy matters.

## Local Government Award Modernisation

The Association continued to progress the decision of councils to move to a national, modern Local Government industry award and continued to provide advice to councils in this regard. Page Seager were commissioned to undertake further analysis of impacts and to lodge an application to terminate the current Enterprise Awards; and the State Reference Public Sector Transitional Awards effective (till) 1 January 2014. Meetings with, and advice to key unions were undertaken prior to the application being made and no concerns were raised.

## Local Government Conference

The 100th annual Local Government Conference was held at Wrest Point in Hobart, from 11-13 July. Themed *Treasuring the Past, Transforming the Future*, the conference was opened by the Hon Peter Underwood AC, Governor of Tasmania, with keynote speakers including Prof Brian Dollery, Prof George Williams, Clr Genia McCaffrey, Michael McQueen and Rob Redenbach. The official Dinner was held in the Boardwalk Gallery and attended by almost 300 guests.

## Mayors' Workshop

A workshop for mayors was held in Launceston in March 2013, providing a valuable opportunity for delegates to discuss issues of importance and to share their experiences. Issues explored included resource sharing, state election strategy, procurement, water and sewerage and future training and development.

## Social Media Policy and Video

The Local Government Association of Tasmania (LGAT) and Local Government Managers Australia (LGMA) and have worked in partnership to produce a social media policy template and related guidelines. The template can be used to inform or check content of current social media policies. It can be taken in its entirety, with council specific content developed to create a social media policy for council. Components can be used to develop one or more policies for Council – eg Social Media Use of Elected Members, Social Media Use for Staff. Components can be used to enhance other related policies – eg Responsible Use of IT Policy. A video was also created that councils can use to explain what social media entails and what staff or councillors should know about its use.

## Webinars

Local Government Learning Solutions and the learning and development unit of the Local Government and Shires Association of New South Wales, joined with the Local Government Association Tasmania and CPD Live to deliver a series of Local Government focused webinars in 2012-13. Sessions included handling difficult people, social media in Local Government, leadership in Local Government, handling complaints, engaging communities and time management.

## Working towards the National Heavy Vehicle Law and the new National Regulator

The Association has continued to liaise with its members, ALGA, other Associations and the National Heavy Vehicle Regulator Project Office to inform the process of transitioning to the introduction of the National Heavy Vehicle Law and the new National Regulator (NHVR). From 1 September 2013, the NHVR will be the single point of contact throughout Australia for all heavy vehicle access permit applications, though councils as road owners and managers within their respective municipal areas will still be the decision-maker in terms of allowing or denying access to their local road network.

## Improving Land Use Planning

### Strategies:

#### 1. Respond to planning policy reform on behalf of the Local Government sector.

- Maintain relationships with key stakeholders in order to influence and inform policy and practice.
- Advocate for improvements to the State Planning System.

#### 2. Build the capacity of elected members to function as members of a Planning Authority.

- Provide access to training for members of planning authorities to support their legislative functions and understand emerging land use planning issues (eg hazards, climate change).
- As part of the strategic marketing campaign, build recognition of good planning outcomes being delivered by Tasmanian councils.

### Highlights:

#### Aboriginal Heritage Protection Legislation

In late 2012, there was a six-week public consultation process on the draft Aboriginal Heritage Protection Bill 2012. LGAT organised a workshop for Local Government planning and heritage officers which provided detailed feedback to inform a LGAT submission. In view of the many concerns in the Local Government submissions, DPIPWWE agreed to meet again with planners and other officers to pursue the issues in more detail. Additionally, LGAT provided feedback through the regulatory impact statement (RIS) process.

#### Historic and Cultural Heritage Protection Legislation

The Historic Cultural Heritage Bill 2012 and the consequential Land Use Planning (Historic Cultural Heritage) Amendment Bill 2012 were debated in the Upper House on the 17 October 2012. Heritage Tasmania and the LGAT have worked closely to ensure consultation with Local Government on the Bill. Shortly before the Bill was due to be tabled in the Lower House, an officer of the Tasmanian Planning Commission raised concerns that the timeframes may prove unworkable for councils. Following input from councils, LGAT sought support for an amendment to the Land Use Planning and Approvals Amendment (Historic Cultural Heritage Bill 2012) from Members of the Legislative Council. This was supported but the Bill did not pass through the Legislative Council prior to Christmas and has yet to go back to the House of Assembly.

#### Land Hazard Planning

LGAT continued to participate on the Steering Committee and Association working groups which

will result in a state framework for land use planning and natural hazards, as well as hazard statements for landslip, flood and coastal inundation. The project aims to develop:

- Clear guidance on why governments intervene in the use of land when mitigating the potential impacts of natural hazards; and
- A transparent framework for translating policies on natural hazards into strategic land use decisions and planning controls.

#### Planning Legislation

The State Government continued to pursue a significant planning reform agenda. The LGAT worked with councils to provide input into State Government policy and legislation. Through LGAT, councils raised a number of issues related to proposals around private certification. The LGAT submission acknowledged that the intent of the proposed legislation is to provide applicants with greater choice and efficiency, and indicated there was sectoral support for formalising 'no permit required' development through a compliance certificate, but not in the form currently proposed.

Feedback was also provided on Proposed Draft Planning Directive – Single Dwellings and Multiple Dwellings (Villa Units and Townhouses) in the General Residential Zone. There is a mixed level of support for the draft directive relating to the differing impacts of PD4 across councils. LGAT made numerous suggestions focused at ensuring the draft directive is robust, has clear attainable outcomes, is equitable across dwelling development types and is supported by sound strategic planning consistent with regional land use strategies.

#### Planning Course

A second Elected Member Planning Course was held on 16 February and 16 March 2013. Unfortunately the take up for the course did not reflect the initial interest and a shortfall on costs had to be funded from Association reserves. The course is an important training tool giving councillors a better understanding of Tasmania's Planning System (the Resource Management Planning System – RMPS).

#### Statewide Coastal Protection and Planning Framework

Since late 2012, the Association has been a member of the State Government's Interdepartmental Committee and supporting working group tasked with developing a new Statewide Coastal Protection and Planning Framework. The full framework – which will comprise the Policy Statement and an Implementation Plan – will provide a blueprint for the long-term planning and management of the State's coast, and is due to be completed by the end of 2013.

## Ensuring Environmental Sustainability

### Strategies:

#### 1. Continue to support councils in identifying and responding to climate change related risks.

- Undertake research and disseminate information to members.
- Attract funding for climate change mitigation and adaptation activities.
- Continue to advocate for resolution of liability issues.

#### 2. Work to secure better waste management outcomes across the sector.

- Develop a position on future funding and waste management priorities.
- Advocate for improvements to the management of waste in Tasmania.

### Highlights:

#### Asbestos Steering Committee

The Association continued to participate on the Asbestos Steering Committee and advocate strongly with respect to the major sectoral concerns related to the Government's announcement that they intended to legislate for prioritised removal of Asbestos this year. Through the Premier's Local Government Council, the imperative for a cost benefit analysis was established.

#### Bushfire Inquiry

The Association provided a submission into the State Government Bushfire Inquiry. The submission raised issues from the summer fires and provided suggestions around processes and procedures that should be embedded within Tasmania's Emergency arrangements. Key issues raised focused on: communication; critical infrastructure; response and recovery; and planning and mitigation.

#### Bushfire Protocol

The Association developed an Emergency Management Resource Sharing Protocol for Tasmanian Councils to provide an agreed position between councils regarding the provision of council resources (human, equipment and or facilities) to assist other councils with response and recovery tasks during emergencies. The protocol provides clarity regarding key matters such as operational, insurance, occupational health and safety, and reimbursement issues that may arise through municipal resource sharing arrangements. The establishment of these parameters enables decision-makers to make informed decisions quickly.

#### Environmental Dispute Mediation Service

The partnership project between the State Government and the LGAT, which commenced in 2011-12 was made available for a further year. The pilot was to provide timely, environmental mediation services for member

councils in order to free up time spent by Environmental Health Officers trying to resolve disputes. However there was very little uptake and the pilot will now cease.

#### Household Hazardous Waste Collection

The Household Hazardous Waste (Chemsafe Homes Tasmania) pilot program ceased at the end of 2012 after a successful three years. A strategic review of the collection of household hazardous waste in Tasmania was undertaken and report completed. This will now be considered by the Regional Waste Bodies. Over the life of the program, there were 34 drop off days across 24 councils. The program was used by 2,658 people and collected 78,529 kg of household hazardous waste.

#### Natural Disaster Relief for Local Government Discussion Paper

LGAT provided feedback to the State Government on its discussion paper examining issues with Local Government relief policy under the Tasmanian Government Natural Disaster Relief and Recovery Arrangements. Key issues raised in the submission included:

- The need for a betterment policy and guidelines as part of the arrangements;
- The need for a change to the eligibility criteria to allow for claims against staff salaries for restoration work;
- The need to be clear on retrospective application for assistance; and
- The need for better communication and education of councils on the policy and processes.

#### Plastic Bags

As a result of concerns expressed by LGAT in relation to Local Government involvement in administering the new legislation banning use of lightweight plastic bags, the provision empowering Local Government Officers to undertake compliance activity was removed from the Bill. Compliance will now be dealt with by EPA Division authorised officers using existing provisions under the *Environmental Management and Pollution Control Act*.

#### Tasmanian Shoreline Monitoring and Archiving Project (TASMARC)

In early 2012, LGAT secured funding from the Tasmanian Climate Change Office, through the ClimateConnect Grants Program, to extend the TASMARC project. The funding enabled the inclusion of additional vulnerable shoreline sites around the State, and supported the provision of training to council staff such as works crew and NRM officers in taking measurements and collecting data. Three regional workshops were conducted in May 2013, with the southern workshop presentations being filmed with a view to providing online access for officers to the workshop.



## Continuing Water and Sewerage Reform

### Strategies:

**1. Ensure that the structural and governance requirements of owner councils are addressed and implemented.**

- Undertake discussions/negotiations with State Government to establish the appropriate frameworks and instruments to deliver the reform requirements.
- Liaise and consult with owner councils and water and sewerage corporations to ensure that the various elements of the reform are understood and accepted.
- Provide constant feedback and reports on progress and issues arising from the reform process to owner councils.

### Highlights:

#### Water and Sewerage

At the March 2012 General Meeting of the Association, a resolution was passed giving in principle support for the Tasmanian Water and Sewerage Corporations to move to a single corporation subject to governance arrangements. This involved:

- Forming a Steering Committee and Working Group to oversee the implementation of the various processes in consultation with owner councils with the working group supporting that effort;
- Responding to the draft Water and Sewerage legislation;
- Developing a Water and Sewerage Constitution and supporting paper;
- Preparing and circulating relevant background papers for Owner's Representatives Meetings;
- Engaging legal counsel to assist with legal work; and
- Regional forums on Water and Sewerage Corporation legislation.

The Association managed and coordinated activities associated with the development of the legislation, constitution and ancillary governance instruments ensuring that full and comprehensive dialogue and consultation occurred with owner councils. A series of regional forums and consultation sessions occurred with owner councils ensuring maximum opportunity for input and understanding of the governance issues, in particular. Detailed work was undertaken in the preparation of the constitution and shareholders' letter of expectation.

The Association comprehensively briefed Parliament on the legislation and provided significant input into the Legislative Council debate on the Bill and the related instruments. It also oversaw the process of appointing owners' representatives and coordinated the engagement of the selection committee for the Board of Directors and the recruitment consultant assisting with that task.

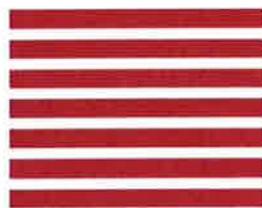
All tasks necessary were completed on time to allow for the single water and sewerage corporation to be in place on 1 July 2013.



Local Government Association Tasmania

# LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Financial Report  
30 June 2013



**Wise Lord & Ferguson**



*advice to advantage*  
**Chartered Accountants**



# Financial Report

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## 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 30<sup>th</sup> June 2013.

#### General Management Committee

The names of the committee members in office during 2012/13 financial year are:

President	Mayor Barry Easterh	(Re-elected July 2012) (President from July 2009)
Vice President	Mayor Daryl Quilliam	(Elected July 2012) (Vice President from July 2012)
	Mayor Deirdre Flint	(Re-elected July 2012)
	Lord Mayor Damon Thomas	(Elected October 2011)
	Mayor Jan Bonde	(Elected July 2012)
	Mayor Albert van Zetten	(Re-elected July 2012)
	Mayor Graham Bury	(Elected July 2012)
	Mayor Barry Jarvis	(Re-elected July 2012)
	Ald Jock Campbell	(Resigned July 2012)
	Ald Lynn Laycock	(Resigned July 2012)
	Mayor Don Thwaites	(Resigned July 2012)

#### 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 surplus/(deficit) from general operations amounted to (\$16,501) (2011/12 surplus of \$204,668). The net deficit from LGAT Assist amounted to (\$1,141) (2011/12 surplus of \$11,672).

# Financial Report

## **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 22<sup>nd</sup> day of August in accordance with a Resolution of the General Management Committee. 2013



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**Mayor Barry Easter**  
President

**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 2013 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.



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**Mayor Barry Easther**  
President

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Statement of Comprehensive Income for the Year Ended 30 June 2013

	Note	Assist 2013 \$	General 2013 \$	Assist 2012 \$	General 2012 \$
<b>Income</b>					
Grants and contributions	2	-	360,580	-	1,005,450
Subscriptions		-	968,035	-	944,330
Interest income		64,545	138,152	73,941	215,850
Other income		-	515,353	2,000	403,124
<b>Total income</b>		<b>64,545</b>	<b>1,982,120</b>	<b>75,941</b>	<b>2,568,754</b>
<b>Expenses</b>					
Employee benefits		-	(898,727)	-	(827,329)
Depreciation and amortisation		-	(31,144)	-	(23,636)
Grant and contribution expenses		-	(354,337)	-	(948,759)
Other expenses	17,18	(65,686)	(714,412)	(64,269)	(564,362)
<b>Total expenses</b>		<b>(65,686)</b>	<b>(1,998,621)</b>	<b>(64,269)</b>	<b>(2,364,086)</b>
<b>Surplus/(Deficit)</b>		<b>(1,141)</b>	<b>(16,501)</b>	<b>11,672</b>	<b>204,668</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Comprehensive result</b>		<b>(1,141)</b>	<b>(16,501)</b>	<b>11,672</b>	<b>204,668</b>

A detailed account of revenue and expenditure for the General Account and LGAT Assist are disclosed in notes 17 and 18 of the special purpose financial report.

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

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Statement of Financial Position as at 30 June 2013

	Note	Assist 2013 \$	General 2013 \$	Assist 2012 \$	General 2012 \$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	749,487	949,666	741,025	877,630
Trade and other receivables	4	-	43,005	-	132,119
Financial assets	5	285,013	1,922,478	288,288	2,288,575
Other assets	6	1,420	50,013	8,279	970,489
<b>Total current assets</b>		<b>1,035,920</b>	<b>2,965,162</b>	<b>1,037,592</b>	<b>4,268,813</b>
<b>Non-current assets</b>					
Financial assets	5	148,945	-	147,799	-
Property, plant and equipment	7	-	1,015,861	-	89,000
Intangible assets	8	-	1,476	-	2,448
<b>Total non-current assets</b>		<b>148,945</b>	<b>1,017,337</b>	<b>147,799</b>	<b>91,448</b>
<b>Total assets</b>		<b>1,184,865</b>	<b>3,982,499</b>	<b>1,185,391</b>	<b>4,360,261</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	9	5,756	306,172	5,141	373,765
Unexpended grants	10	-	541,612	-	879,943
Provisions	11	-	227,735	-	197,063
<b>Total current liabilities</b>		<b>5,756</b>	<b>1,075,519</b>	<b>5,141</b>	<b>1,450,771</b>
<b>Non-current liabilities</b>					
Provisions	11	-	45,463	-	31,472
<b>Total non-current liabilities</b>		<b>-</b>	<b>45,463</b>	<b>-</b>	<b>31,472</b>
<b>Total liabilities</b>		<b>5,756</b>	<b>1,120,982</b>	<b>5,141</b>	<b>1,482,243</b>
<b>Net Assets</b>		<b>1,179,109</b>	<b>2,861,517</b>	<b>1,180,250</b>	<b>2,878,018</b>
<b>Equity</b>					
Accumulated surplus		1,179,109	2,861,517	1,180,250	2,878,018
<b>Total Equity</b>		<b>1,179,109</b>	<b>2,861,517</b>	<b>1,180,250</b>	<b>2,878,018</b>

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

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Statement of Changes in Equity for the Year Ended 30 June 2013

	Assist \$	General \$
<b>2013</b>		
Balance at beginning of the financial year	1,180,250	2,878,018
Surplus/(deficit) for the year	(1,141)	(16,501)
Other comprehensive income	-	-
<b>Balance at end of the financial year</b>	<b><u>1,179,109</u></b>	<b><u>2,861,517</u></b>
<b>2012</b>		
Balance at beginning of the financial year	1,168,578	2,673,350
Surplus for the year	11,672	204,668
Other comprehensive income	-	-
<b>Balance at end of the financial year</b>	<b><u>1,180,250</u></b>	<b><u>2,878,018</u></b>

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

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Statement of Cash Flows for the Year Ended 30 June 2013

	Note	2013		2012	
		Assist Inflows/(Outflows) \$	General Inflows/(Outflows) \$	Assist Inflows/(Outflows) \$	General Inflows/(Outflows) \$
<b>Cash flows from operating activities</b>					
General receipts		-	1,655,588	-	1,854,395
Grants		-	22,183	-	1,321,584
Interest		71,472	180,115	70,766	207,608
Payments to suppliers and employees		(62,994)	(2,075,685)	(63,221)	(2,489,972)
<b>Net cash provided by (used in) operating activities</b>	12(a)	<b>8,478</b>	<b>(217,799)</b>	<b>7,545</b>	<b>893,615</b>
<b>Cash flows from investing activities</b>					
Purchase of plant and equipment	7	-	(123,084)	-	(20,636)
Deposit for building	6, 19	-	-	-	(884,723)
Proceeds from sale of plant and equipment		-	46,846	-	(2,275)
Payments for other financial assets			(950,000)	-	-
Proceeds from other financial assets		(173,460)	1,316,073	(110,275)	67,372
<b>Net cash provided by (used in) investing activities</b>		<b>(173,460)</b>	<b>289,835</b>	<b>(110,275)</b>	<b>(840,262)</b>
<b>Cash flows from financing activities</b>					
Loans advanced		(421,996)	-	(427,300)	-
Repayment of loans advanced		421,980	-	374,785	-
<b>Net cash provided by (used in) financing activities</b>		<b>(16)</b>	<b>-</b>	<b>(52,515)</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents		(164,998)	72,036	(155,245)	53,353
Cash and cash equivalents at the beginning of the financial year		380,751	877,630	535,996	824,277
<b>Cash and cash equivalents at the end of the financial year</b>	12(b)	<b>215,753</b>	<b>949,666</b>	<b>380,751</b>	<b>877,630</b>

The above statement should be read with the accompanying notes.

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2013

#### 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 117	Leases
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.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2013

**(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 recognition**

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 Grant and Contributions*

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.

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2013

**(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:

	2013	2012
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.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2013

**(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 2013 are set at 8% (2012 8%) for welfare loans and 8% (2012 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 exchanged 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 2013

**(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.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2013

**(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) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. The Association currently only has operating lease agreements where the lessors effectively retains all of the risks and benefits of ownership of the leased item. The lease payments are recognised as a rental payments expense in the Statement of Comprehensive Income on a straight-line basis.

**(n) 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.

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2013

(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 2010) and AASB 2010-7: <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	This Standard are applicable for annual reporting periods commencing on or after 1 January 2015. The Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.	1-Jan-15	The Association has not yet estimated the impact of these pronouncements on its financial statements.
AASB 13	Fair Value Measurement	AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.	1-Jan-13	These amendments are not expected to impact the Association.

AASB 13 requires:

a) inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

b) enhanced disclosures regarding assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Association's financial statements.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

	Assist 2013 \$	General 2013 \$	Assist 2012 \$	General 2012 \$
<b>Note 2 Grants and contributions</b>				
Grants and contributions were received in respect of the following :				
<b>Summary of grants and contributions received and receivable</b>				
Federally funded grants	-	4,646	-	337,305
State funded grants	-	106,953	-	736,278
Others	-	124,459	-	146,249
<b>Total summary of grants and contributions received</b>	-	<b>236,058</b>	-	<b>1,219,832</b>
<b>Grants and contributions recognised as revenue</b>				
Tasmarc - Climate Connect (a)	-	16,667	-	226
Coastal Adaption Pathways Project (a)	-	124,991	-	385,708
Household Hazardous Waste (a)	-	35,879	-	199,560
eDais (a)	-	286	-	13,026
LG Reform Fund (a)	-	172,692	-	260,681
Council Careers and Environment (b)	-	-	-	146,249
Envrio Dispute Resolution (a)	-	65	-	-
LG Liveable Places (a)	-	10,000	-	-
<b>Total grants and contributions recognised as Revenue</b>	-	<b>360,580</b>	-	<b>1,005,450</b>

(a) Conditional grants/contributions recognised as revenue on satisfaction of prescribed conditions.

(b) Grants/contributions recognised as revenue on receipt.

**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.

Council Careers and Environment funding received and recognised as revenue is in excess of expenditure incurred on the project to date.

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

	Assist 2013 \$	General 2013 \$	Assist 2012 \$	General 2012 \$
<b>Note 3 Cash and cash equivalents</b>				
<b>Current</b>				
Cash on hand	-	500	-	567
Cash at bank	98,144	272,259	121,301	377,431
Short term investments at call	117,609	676,907	259,450	249,632
Fixed term deposits	533,734	-	360,274	250,000
<b>Total cash and cash equivalents</b>	<b>749,487</b>	<b>949,666</b>	<b>741,025</b>	<b>877,630</b>
<b>Note 4 Trade and other receivables</b>				
<b>Current</b>				
Trade debtors	-	43,005	-	51,170
Net GST receivable	-	-	-	80,949
<b>Total trade and other receivables</b>	<b>-</b>	<b>43,005</b>	<b>-</b>	<b>132,119</b>
<b>Note 5 Financial assets</b>				
<b>Current</b>				
Fixed term investments	-	1,922,478	-	2,288,575
LGAT Assist loans	303,095	-	306,458	-
Provision for impairment	(18,082)	-	(18,170)	-
<b>Total current financial assets</b>	<b>285,013</b>	<b>1,922,478</b>	<b>288,288</b>	<b>2,288,575</b>
<b>Non-current</b>				
Fixed term investments	-	-	-	-
LGAT Assist loans	148,945	-	147,799	-
<b>Total non-current financial assets</b>	<b>148,945</b>	<b>-</b>	<b>147,799</b>	<b>-</b>
<b>Note 6 Other assets</b>				
<b>Current</b>				
Prepayments	-	36,369	-	30,428
Accrued interest	1,420	7,567	8,279	49,530
Building Deposit	-	-	-	884,723
Other	-	6,077	-	5,808
<b>Total other assets</b>	<b>1,420</b>	<b>50,013</b>	<b>8,279</b>	<b>970,489</b>

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## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

	Assist 2013 \$	General 2013 \$	Assist 2012 \$	General 2012 \$
<b>Note 7 Plant and equipment</b>				
Building at cost	-	900,059	-	-
Accumulated depreciation	-	(1,274)	-	-
	-	<b>898,785</b>	-	-
Motor vehicles at cost	-	93,408	-	117,388
Accumulated depreciation	-	(9,168)	-	(59,116)
	-	<b>84,240</b>	-	<b>58,272</b>
Office furniture and equipment at cost	-	127,862	-	116,803
Accumulated depreciation	-	(95,026)	-	(86,075)
	-	<b>32,836</b>	-	<b>30,728</b>
<b>Total property, plant and equipment</b>	-	<b>1,015,861</b>	-	<b>89,000</b>
<i>Building</i>				
Carrying amount at beginning of financial year	-	-	-	-
Additions	-	900,059	-	-
Disposals	-	-	-	-
Depreciation expense	-	(1,274)	-	-
Carrying amount at end of the financial year	-	<b>898,785</b>	-	-
<i>Motor Vehicles</i>				
Carrying amount at beginning of the financial year	-	58,272	-	75,190
Acquisitions	-	93,408	-	-
Disposals	-	(50,796)	-	-
Depreciation expense	-	(16,644)	-	(16,918)
Carrying amount at end of the financial year	-	<b>84,240</b>	-	<b>58,272</b>
<i>Office Furniture and Equipment</i>				
Carrying amount at beginning of the financial year	-	30,728	-	19,941
Acquisitions	-	14,361	-	20,636
Disposals	-	-	-	(3,259)
Depreciation expense	-	(12,253)	-	(6,590)
Carrying amount at end of the financial year	-	<b>32,836</b>	-	<b>30,728</b>
<b>Note 8 Intangibles</b>				
Computer software	-	11,887	-	11,887
Accumulated amortisation	-	(10,411)	-	(9,439)
<b>Total intangibles</b>	-	<b>1,476</b>	-	<b>2,448</b>

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

	Assist 2013 \$	General 2013 \$	Assist 2012 \$	General 2012 \$
<b>Note 9 Trade and other payables</b>				
Trade payables	-	110,272	-	163,752
Net GST payable	-	3,407	-	-
Sundry creditors	5,756	1,762	5,141	17,231
Accrued expenses	-	36,328	-	26,213
Unearned revenue	-	154,403	-	166,569
<b>Total trade and other payables</b>	<b>5,756</b>	<b>306,172</b>	<b>5,141</b>	<b>373,765</b>
<b>Note 10 Unexpended grants</b>				
Environmental Dispute Resolution	-	49,935	-	50,000
eDais	-	-	-	55,286
Household Hazard	-	-	-	52,277
Liveable Places	-	38,000	-	48,000
Local Government Reform Fund	-	406,623	-	492,314
Coastal Adaption Pathway Project	-	43,947	-	164,292
Tasmarc - Climate Connect	-	3,107	-	17,774
<b>Total unexpended grants</b>	<b>-</b>	<b>541,612</b>	<b>-</b>	<b>879,943</b>
<b>Note 11 Provisions</b>				
<b>Current</b>				
Annual leave	-	133,565	-	113,342
Long service leave	-	94,170	-	83,721
<b>Total current provisions</b>	<b>-</b>	<b>227,735</b>	<b>-</b>	<b>197,063</b>
<b>Non-current</b>				
Long service leave	-	45,463	-	31,472
<b>Total non-current provisions</b>	<b>-</b>	<b>45,463</b>	<b>-</b>	<b>31,472</b>
<b>Note 12 Cash flow statement reconciliation</b>				
<b>a) Reconciliation of cash flows from operating activities to surplus</b>				
Surplus/(Deficit)	(1,141)	(16,501)	11,672	204,668
<i>Other Adjustments</i>				
Bad debts written off	2,144	-	59	-
Depreciation/amortisation	-	31,144	-	23,615
(Profit)/loss on disposal of plant and equipment	-	3,950	-	3,259
<i>Change in assets and liabilities:</i>				
Decrease/(increase) in trade and other receivables	6,859	128,294	(5,109)	241,806
Increase/(decrease) in trade and other payables	616	(59,168)	923	139,766
Increase/(decrease) in provisions	-	44,978	-	24,678
Increase/(decrease) in other liabilities	-	(350,496)	-	255,823
<b>Net cash provided by/(used in) operating activities</b>	<b>8,478</b>	<b>(217,799)</b>	<b>7,545</b>	<b>893,615</b>

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

	Assist 2013 \$	General 2013 \$	Assist 2012 \$	General 2012 \$
<b>Note 12 Cash flow statement reconciliation (cont'd)</b>				
<b>b) Cash and cash equivalents</b>				
Cash on hand and at Bank	98,144	272,759	121,301	377,998
Short term investments (at call)	117,609	676,907	259,450	249,632
Fixed term deposits	-	-	-	250,000
<b>Total cash and cash equivalents</b>	<b>215,753</b>	<b>949,666</b>	<b>380,751</b>	<b>877,630</b>

#### **Note 13 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 2013 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT Assist's surplus by approximately \$11,834 (2011/12 \$11,771). An increase in an interest rate of one percent would have the same but opposite impact.

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

#### Note 13 Financial risk management objectives and policies (cont'd)

As at 30th June 2013 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT General's surplus by approximately \$28,721 (2011/12 \$31,662). 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 14 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 1992.

#### Note 15 Operating lease commitment

Non-cancellable operating leases contracted for but provided for in the financial statements:

Payable not later than 1 year

Payable later than 1 year but not later than 5 years

**Total operating lease commitment**

General 2013	General 2012
\$	\$

-	-
-	-
<u>-</u>	<u>-</u>

The operating lease expired on 20<sup>th</sup> June 2012.

#### Note 16 Subsequent events

Subsequent to 30 June 2013, a Federal Election has been announced for the 7<sup>th</sup> September 2013. The election is being monitored by the Association for any impacts on its operations.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

	General 2013	General 2012
	\$	\$
<b>Note 17 Detailed statement of general account - revenue and expenditure</b>		
<b>Revenue</b>		
Government grants	360,580	859,201
Fees and commissions	65,917	67,113
Interest - general account	129,071	161,918
Interest – building proceeds	3,047	50,348
Interest – Constitutional Rec	6,035	3,584
Surplus/(Deficit) on sale of plant and equipment	(3,950)	(3,259)
Sponsorship, conferences/seminars	240,416	240,194
Subscriptions	968,035	944,330
Other Subscriptions	212,482	245,254
Other	487	71
	<b>1,982,120</b>	<b>2,568,754</b>
<b>Expenditure</b>		
Advertising	454	209
Accommodation expenses	475	1,334
Accounts administration	12,033	13,030
ALGA	104,672	97,034
Amortisation - computer software	973	106
Annual conference	135,708	-
Auditors' remuneration	13,635	13,110
Catering	5,550	2,907
Cleaning	4,256	13,248
Consultancy fees	9,095	3,000
Council careers and skills shortage	100,219	163,145
Community Satisfaction Survey	18,900	26,000
Conferences and seminars	32,490	166,178
Constitutional Recognition	190,500	-
Cost Recovery - welfare administration	-	(24,000)
Cost Recovery - grant administration	(78,061)	(64,278)
Depreciation - computers	9,178	6,085
Depreciation - motor vehicles	16,644	16,917
Depreciation - furniture and equipment	3,076	507
Division 43 Deduction	1,274	21
Fringe benefits tax	14,853	17,539
Insurance	30,096	29,319
Members emoluments	56,911	58,305
Motor Vehicle - running expenses	9,111	8,814
Motor Vehicle - repairs and maintenance	1,869	2,508
Network and internet	14,119	16,391
Other expenses	8,825	24,826

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

	General 2013 \$	General 2012 \$
<b>Note 17 Detailed statement of general account - revenue and expenditure (cont'd)</b>		
Postage	5,949	7,496
Power	6,750	3,105
Printing and publications	5,387	6,631
Rates and taxes	1,603	16,556
Rentals	2,055	73,394
Relocation Expenses	-	9,909
Salaries, wages and employee benefits (incl. Grant Staff)	793,158	725,637
Software	2,781	2,003
Sponsorship	3,450	1,250
Stationery	2,899	3,111
Subscriptions - general account	9,422	9,222
Superannuation contribution (incl. Grant Staff)	90,716	84,154
Telephone	19,189	25,944
Travelling Expenses	20,389	17,353
Government grants expenditure (excluding wages and superannuation):		
Tasmarc - Climate Connect	16,667	226
Household Hazardous Waste	9,677	150,038
eDAIS	286	13,026
Coastal Adaption Pathway Project	124,991	385,707
LG Reform	135,831	215,428
LG IT Strategies	-	21,641
LG Liveable Places	30,566	-
<b>Total expenses</b>	<b>1,998,621</b>	<b>2,364,086</b>
<b>Operating surplus/(deficit) - general account</b>	<b>(16,501)</b>	<b>204,668</b>

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.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2013

	<b>Assist 2013</b>	<b>Assist 2012</b>
<b>Note 18 Detailed statement of general account - revenue and expenditure</b>		
<b>Revenue</b>		
Interest on Loans	34,198	37,927
Other Interest Revenue	30,347	36,014
Other LGAT Assist Income	-	2,000
	<b>64,545</b>	<b>75,941</b>
<b>Expenditure</b>		
LGAT Assist Accounts Administration	33,524	28,904
Auditors Remuneration	4,545	4,370
Advertising	-	240
Bad Debts Written Off/(Recovered)	2,076	923
Donations and Research Projects	16,000	17,500
Grants to Members – Welfare	9,414	10,500
Printing/Publications	-	1,430
Other Expenses – Welfare	127	402
<b>Total Expenses</b>	<b>65,686</b>	<b>64,269</b>
<b>Operating surplus/(deficit) – LGAT Assist</b>	<b>(1,141)</b>	<b>11,672</b>

#### **Note 19 Commitments**

At 30 June 2013 the Association had no outstanding commitments.

On the 27<sup>th</sup> March 2012 LGAT signed a contract on a building in Macquarie St, Hobart. The building will be utilised in future years as the headquarters for LGAT's operations. Settlement occurred on the 1<sup>st</sup> July 2012. To facilitate the settlement on this date the full settlement sum of \$880,000 less the deposit paid plus direct costs was paid to LGAT's lawyers prior to the end of the 2012 financial year. The impact of this transaction at the end of the 2012 financial year reduced the cash asset of LGAT and increased other assets by the dollar value of the full settlement. When settlement occurred the other asset amount was transferred and recognised as property, plant and equipment.

# Financial Report



## **Independent Auditor's Report**

### **To Members of the Local Government Association of Tasmania**

#### **Special Purpose Financial Report for the Year Ended 30 June 2013**

#### **Report on the Special Purpose Financial Report**

I have audited the accompanying special purpose financial report of the Local Government Association of Tasmania (the Association), which comprises the statement of financial position as at 30 June 2013 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the 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 2013 and its financial performance, cash flows and changes in equity for the year then ended.

#### **Basis of Accounting and Restriction on Distribution**

Without modifying my opinion, I draw attention to Note 1(a) to the financial report, which states that the financial report is a special purpose financial report prepared for the purpose of fulfilling reporting responsibilities of the Association to its members. As a result, the financial report may not be suitable for another purpose.

#### *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 described in Note 1 (a) is appropriate to meet the needs of the members of the Association. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan

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and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

#### **Tasmanian Audit Office**



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

Hobart  
11 October 2013

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector,  
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## Local Government Representatives

### Adult Literacy Reference Group

Clr Fiona Buchan, Kingborough Council

### Animal Welfare Advisory Committee

Mr David Moser, Tasman Council

Mr Jeffrey Cairns, Northern Midlands Council - Deputy

### Assessment Committee for Dam Construction (ACDC)

Mr Neil Blaikie

### Community Review Committee – Threatened Species Network

Ms Elizabeth Quinn, Kingborough Council

### Eating with Friends Steering Committee

Michelle Allen, Kingborough Council

### LGAT Assist

Mr Kaye Reeves

### Local Government Board

Mrs Elizabeth Gillam

### Local Government Award Modernisation

Mr Peter Rodwell, Hobart City Council

### Marine Farming Planning Review Panel

Ald Jock Campbell, Clarence City Council

### Nuclear Power Warships Visits Committee

Mr Andrew Brown, Clarence City Council

### Premier's Physical Activity Council

Mr Greg Preece, Meander Valley Council

### State Fire Commission

Mr Rod Sweetnam, Launceston City Council

Clr Hannah Rubenach, Break O'Day Council

### State Fire Management Council

Mr Stephen Bresnehan, Hobart City Council

### State Grants Commission

Mr Barrie Southorn

Mr Grant Atkins

### State Marine Oil Pollution Committee

Mr Andrew Brown, Clarence City Council

### Statewide Immunisation Reference Group

Mr Mark Dwyer, Hobart City Council

### Tasmanian Implementation Group – National Plan to Reduce Violence Against Women

Clr Bernadette Black, Kingborough Council

### Tasmanian Spatial Information Council (TASSIC)

Mr Mark Wise, Hobart City Council

### Tasmanian Heritage Council

Ald Sandra French, Burnie City Council

Mr Peter Button, Launceston City Council

### Tasmanian Library Advisory Board

Ms Susan Nolan, Kingborough Council

Mayor Doug Chipman, Clarence City Council

Ald Sandra French, Burnie City Council

Mr Stephen Brown, George Town Council

### Tasmanian Planning Commission

Ms Sandra Hogue

### Tasmanian Suicide Prevention Committee

Mr Mark Joseph, Hobart City Council

## Member Councils



