



Local Government Association of Tasmania

Annual Report
2011-12



Local Government Association Tasmania



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Local Government Association of Tasmania Annual Report 2011-12

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About this Annual Report

This report documents the Local Government Association of Tasmania's (LGAT) performance during 2011-12, against our 2009-2011 Strategic Plan and the 2011-12 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.

This year, the annual report remains aligned to the 2009-2011 Strategic Plan. A new strategic plan was endorsed on 11 July 2012 and will be used in relation to the annual report for 2012-13.

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

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

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Member Profile

During the 2011-2012 financial year, the Local Government Association of Tasmania represented 28 of the 29 Tasmanian Councils. The LGAT is the voice of Local Government to other governments, interested stakeholders and the wider community.

We work collaboratively with our members to support 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.

Objectives

The objectives of the Association are:

- To promote the efficient administration and operation of Local Government in Tasmania;
- To support the interests, rights and privileges of councils in Tasmania;
- To strengthen relationships between Local Government in Tasmania with both the Government of Tasmania and the Government of the Commonwealth of Australia;
- To represent the interests of the members of the Association generally; and
- To provide approved support services to the members of the Association.

Priority Areas	Achievements	Challenges
<p>1. Strengthening Strategic Relationships</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>Continuation of the Metropolitan Councils Group</p> <p><i>LGAT News Magazine</i></p> <p>LGAT Newsletter</p>	<p>The absence of Glenorchy City Council as a member</p> <p>The implementation of the Tasmanians for Reform campaign</p> <p>Managing relationships with other peak bodies in the building and development sector, including those with a narrow vested interest</p>
<p>2. Building Sector Capacity</p> <p>For more information see page 12</p>	<p>Local Government Financial and Asset Reform Project</p> <p>100th Local Government Conference</p> <p>Mayor, General Manager and Elected Member Workshops</p> <p>Model Code of Conduct</p> <p>Updated and relaunched Mayoral Handbook</p> <p><i>Think Big. Work Local</i> campaign successfully continued</p> <p>LGAT Strategic Plan 2012-17 developed</p>	<p>Setback with Code of Conduct amendments due to legal issues</p> <p>Less than optimal turn-out to the Financial Sustainability Forums</p>
<p>3. Supporting Recognition and Reform</p> <p>For more information see page 14</p>	<p>Sectoral support for Constitutional Recognition</p> <p>LGAT Awards for Excellence</p> <p>Life Members Award for Meritorious Service</p> <p>Local Government Service Awards</p> <p>Council History Award</p> <p>Assessment Panel for Community of the Year Awards and Natural Disaster Resilience Program</p>	<p>Achieving momentum in the longstanding fight for constitutional recognition</p>

Priority Areas	Achievements	Challenges
<p>5. Ensuring Environmental Sustainability For more information see page 15</p>	<p>Climate Change partnerships to access funding and deliver programs with Tasmanian Climate Change Office and the Tasmanian Planning Commission</p> <p>Household Hazardous Waste Collection Program successfully continued into its third year.</p> <p>Funding secured for TASMARC project</p> <p>Environmental Dispute Mediation Service</p>	<p>Difficulty for Local Government in accurately assessing the likely or potential impact of carbon pricing</p>
<p>6. Improving Land Use Planning For more information see page 18</p>	<p>eDA project completed</p> <p>Steering committee participation in Land Hazards Project</p> <p>Significant input into the Planning Reform agenda</p>	<p>eDA project had mixed results with the cost outweighing the benefits for small to medium councils</p> <p>New challenges arose in relation to the State Government's Planning Reforms and it was difficult to get sectoral consensus on key issues</p>
<p>7. Infrastructure Planning For more information see page 19</p>	<p>Liaison with Aurora Energy and councils regarding street lighting in an effort to develop a business case and options for more sustainable street lighting</p> <p>Liaison with DIER and Tasmanian crane industry representatives regarding streamlining permit processes and developing a local road access network in conjunction with a crane classification system</p> <p>Report in conjunction with DIER providing recommendations for the Minister re speed limits outside child care centres.</p> <p>Agreement by owner councils to move to a single water and sewerage corporation</p>	<p>Ever dwindling availability of funds for infrastructure investment</p>

President's Report



Barry Easter OAM

The 2011-2012 year has been a productive and challenging year. It also marks a significant milestone, with the celebration of the 100th year of the Association.

Significant policy work has continued in the planning reform space, with the adoption of the three regional planning strategies and continued progress by councils with their interim planning schemes. Planning directives continue to be released from the Tasmanian Planning Commission and despite significant lobbying on behalf of councils by the Association, it is fair to say that they continue to cause consternation and confusion.

On other planning matters, the Association oversaw a pilot project, funded by the Commonwealth, aimed at improving development application and assessment processes and reducing delays in planning approvals and costs. The pilot focused on implementing an electronic development assessment process and while the project is now complete, the results have been mixed.

The Association has continued to implement the asset management and long-term financial planning project which has been embraced by all councils. By the end of the project, all 29 councils should have asset management plans and long-term financial plans and, once adopted by councils, will result in a vastly improved understanding of the long-term financial planning requirements of council assets and services.

Work continued on the valuation and rating review, particularly in relation to further modelling and more detail in regards to the possible impacts from a change of valuation base and a more comprehensive application of the of tools available to councils to address the ratings risk.

Water and sewerage has been a key issue for the Association, with owner councils agreeing in principle to moving to a single water and sewerage corporation for the State. Councils have taken ownership and responsibility for this next important phase of reform. The Premier agreed to support legislation to put into place the governance arrangements proposed by Local Government and to give the matter the priority it required to allow the new corporation to be operating by 1 July 2013.

Unfortunately the Standards Panel has kept the Association busy and while we were hopeful that a few simple legislative fixes may address some of the issues associated with this process, it seems that there are some major elements of the legislation that require attention and it will be a little while yet before we get this matter under control.

The careers project, *Think Big. Work Local*, has continued to deliver great results with significant inroads in the area of training, promotion of council jobs and delivery of workforce planning assistance to councils.

Rising prices for electricity prompted efforts to address the long-standing arrangements for street lighting charges and while some progress has been made, the regulated arrangements or lack thereof, continue to frustrate councils. The State Government's announcement on retail contestability offers some hope in this space but it is not expected to be resolved quickly.

The Association progressed discussions on the waste levy on behalf of councils and, working with the regional waste bodies and the State Government, delivered a proposal that seeks to provide funding for waste initiatives into the future, while providing councils with an ongoing source of funding for waste activities.

The Association has also been involved in collaboration at the local, regional and state level across a range of climate change projects, including an expansion of the statewide shoreline monitoring survey, extension of the Southern Regional Councils Climate Adaptation Project (RCCAP) to a number of northern councils and the Tasmanian Coastal Adaptation Decision Pathways (TCAP). The Association has also been involved in assisting councils to identify their obligations under the Federal Government's new Carbon Pricing mechanism.

I look forward to building further on these strong achievements in the coming year.

A handwritten signature in black ink, appearing to read 'Barry Easter'.

Chief Executive Officer's Report



Allan Garcia

Building on the significant policy and reform work of the 2011-12 year, the 2012-13 year for the Association will have a significant focus on reform in the areas of sewerage and water, planning and Local Government.

Leading recognition and reform is one of the priority areas that is outlined in the Association's new Strategic Plan for 2012-17. The other key priority areas include strengthening strategic relationships, ensuring financial sustainability, building sector capacity, improving land use planning and ensuring environmental sustainability.

Water and Sewerage reform will remain at the forefront of the Association's business, with the requirement for a single water and sewerage corporation to be operational by July 2013. Key deliverables during the year will include new legislation that provides for the establishment of a single water and sewerage corporation, as well as governance instruments including the Constitution and shareholders' letter of expectation.

The increasing attention on Local Government Reform is likely to persist throughout 2012-13. The Association will continue to communicate the position of its members and will remain committed to bringing to the attention of the community the value and benefits of a strong, robust and representative Local Government sector. Local Government has an essential role to play in ensuring that there is evidence-based discussion in the community and it is appraised of the facts and informed.

Discussions have commenced with the State Government on a project to examine the role of Local Government to assess limitations, capability and other implications affecting ongoing council sustainability. It is hopeful that this work will allow for more thorough and targeted examination of specific challenges and opportunities for Local Government.

Planning reform will remain prominent in the coming year with significant activity associated with the regional planning initiative, planning directives, statewide planning provisions and codes, amendments to the *Land Use Planning and Approvals Act* and the Planning Scheme On-Line project.

Environmental Sustainability, particularly in relation to climate change and waste, will continue to be a significant policy focus for the Association, as well as the important facilitative role the Association plays in accessing funding and overseeing the delivery of a number of important Local Government focused climate change projects.

The 2012-13 year will also see the completion of the asset management and long-term financial planning project, resulting in enhanced asset management, financial planning and improved financial sustainability of councils.

Finally, I would like to take this opportunity to thank member councils for their support throughout the year and to also show appreciation to my dedicated staff who continue to bring council views together and generate greater understanding and acceptance of Local Government policy issues through the work they do.

A handwritten signature in black ink that reads "Allan Garcia". The signature is written in a cursive style with a large, sweeping 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
Deirdre Flint Vice President

Members



Lord Mayor
Damon Thomas



Mayor
Don Thwaites



Mayor
Barry Jarvis



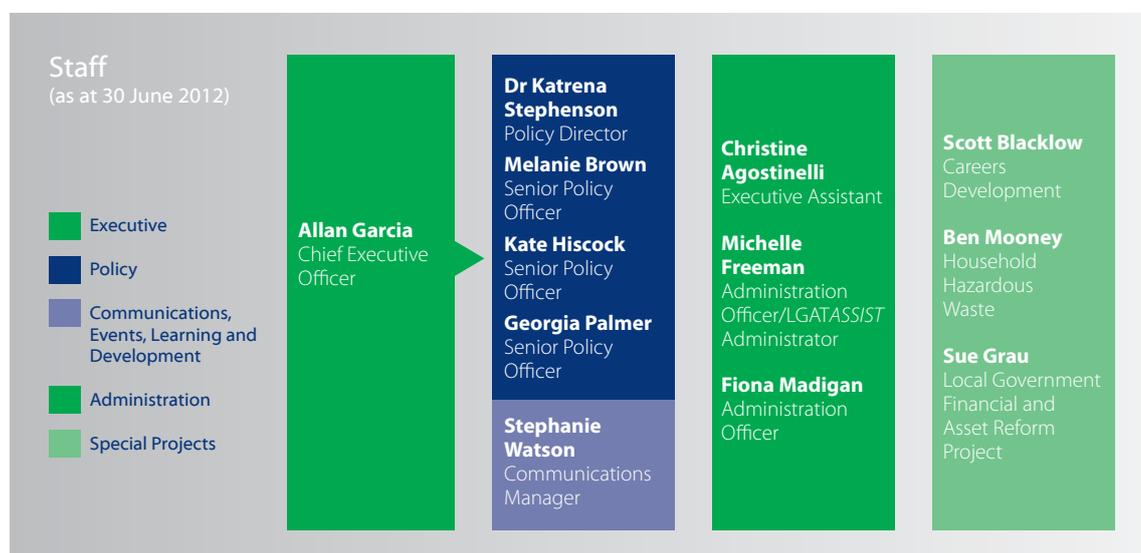
Mayor
Lynn Laycock



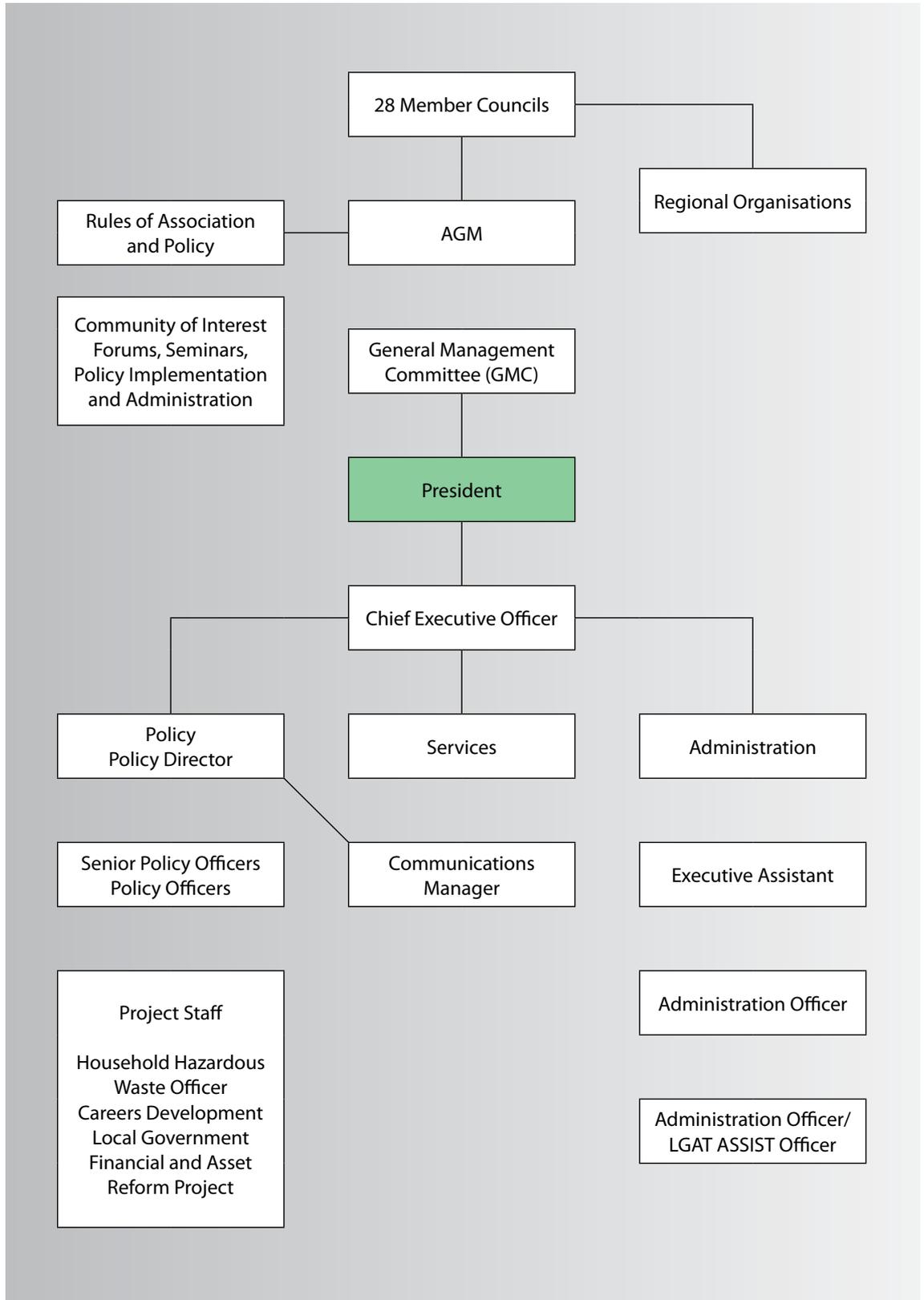
Mayor
Jock Campbell



Mayor
Albert van Zetten



Our Organisation



Strengthening Strategic Relationships

Goals:

- Ensure opportunities for strategic conversations which position Local Government to deliver optimum community outcomes.
- Ensure that Local Government works cooperatively with the State Government, preventing duplication of effort.
- Ensure improved understanding of the role and capacity of Local Government.

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.

- 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)
- Business Tasmania Online Steering Committee and Working Group
- Coastal Hazards Reference Group
- Crane Industry Reference Group
- DPIPWE Spatial Information Reference Group
- Electronic Development Assessment (eDA) Steering Committee
- Emergency Management Education and Training Advisory Group
- Forest Practices Advisory Committee
- Government Skills Australia Advisory Council
- Healthy Communities Reference Group
- Household Hazardous Waste Steering Committee
- Interagency Working Group for Mental Health
- Interagency Working Group on Drugs
- Land Hazard Planning Steering Committee
- Landslip Hazards Reference Group
- Local Government Valuation Tender Panel
- Local Government Valuation and Rating Steering Committee
- Local Government Human Resources Forum
- Local Government Workforce Development Group

- 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
- Public Health Emergency Steering Committee
- Premier's Physical Activity Council, Local Government Subcommittee
- Rating and Valuation Steering Committee
- Road Safety Advisory Council
- Schools Viability Reference Group
- Spatial Foundations Reference Group
- Sustainability Indicators and Objectives Steering Committee
- Tasmanian Infrastructure Advisory Council
- Tasmanian Regional Arts Council State Executive
- Tasmanian Training Consortium Committee
- Tobacco Coalition
- Water and Sewerage Working Group
- Women Can Project Steering Committee
- Regional Climate Change Adaptation Project (RCCAP) Steering Committee
- Tasmanian Coastal Adaptation Pathways (TCAP) Project Steering Committee

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

- Support and Accommodation Assistance Review
- Guidelines for Assessing Historic Heritage in Tasmania
- *Building Act* (as related to PD4)
- Public Health Amendment Bill 2011 (Tobacco Reforms)
- NBN Roll Out
- COAG Road Reform Plan Preliminary Findings
- Constitutional Recognition of Local Government
- Tasmanian Bushfire Policy
- Homelessness
- Tasmanian Emergency Management Plan Review
- Division 81 Regulations
- Draft Statewide Directions Paper: Review of Local Government-owned Overnight RV Camping Services
- Vocational Education and Training sector review
- The terms of reference guiding Skills Australia's Local Government Industry Advisory Council
- Tasmanian Planning Commission on technical issues related to PD4

Priority Area 1

- Land Titles Amendment Bill feedback on broad Aboriginal heritage proposals
- Draft Seniors Bureau Strategy (Future Directions for Older Tasmanians)
- Draft Municipal Emergency Management Plan
- Soil and Water Management Plans
- *Animal Welfare Act*
- Retirement Living and Economic Development Project
- State of the Sector Reporting
- Heritage Bill
- Changes to *Land Use Planning and Approvals Act*
- Draft National Action Plan for the Attraction, Support and Retention of Emergency Management Volunteers
- Healthy Communities Toolkit
- Productivity Commission Survey regarding Local Government regulation
- Australian Centre for Excellence in Local Government draft National Local Government Workforce Strategy
- Australian Local Government Association submission on the amendments proposed to the *Telecommunications Act* by Andrew Wilkie and separately, Bob Brown
- House of Assembly Standing Committee on Community Development Inquiry into Local Government Elections
- Proposed changes to the *Environmental Management and Pollution Control Act*
- Local Government Division re Miscellaneous Amendments Bill
- Draft Fire Services Amendment Bill
- Continued input into Award Modernisation
- Contribution to Infrastructure Australia, Australian Cities Report on bushfire and planning in Tasmania
- Proposed changes to legislation in relation to dangerous dogs

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

- Fortnightly electronic newsletters;
- Targeted electronic newsletters such as Community Development, 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 and general managers.

Highlights:

The Metropolitan Councils Group (MCG)

With the endorsement of member councils, this group was established early in 2011 to allow opportunity for regular dialogue between metropolitan councils on matters of mutual interest. To be eligible, councils must be a city, or have a population of greater than 30,000 and be a member of LGAT. Meetings of the MCG are to be conducted four times a year. Issues covered in this reporting period include linkages with peak bodies, smoking legislation, street lighting, public transport, infrastructure funding, regional land use strategies, NBN, public space amenities, freight and logistics, and subdivisions.

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.

LGAT Newsletter

The Association continued to produce a fortnightly newsletter, distributed electronically to councils, elected members and community members statewide, to keep readers up-to-date with the latest news, grants, training opportunities and developments.

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), Local Government Board activity, compulsory voting, water and sewerage corporations, forestry issues and the impact on local communities, and the role and structure of Local Government. A new protocol agreement was signed to ensure PLGC continues to meet the needs of all members.

Local Government Reform

The Association participated in a series of regional workshops, conducted by the Tasmanian Chamber of Commerce and Industry, which looked into the issues associated with future reforms for Local Government, the key drivers, the implications of change, and the development of a statistical and evidence base that would assist considered debate and observations.

Statewide Community Satisfaction Survey

The 5th Statewide Community Satisfaction Survey was completed and showed a positive increase in resident satisfaction across a range of important council service delivery areas over the past two years, notwithstanding a decrease in residents' rating of council's overall performance. Highest ranking areas were for customer service and council access; waste management; community health and safety; and recreation and cultural facilities and programs. Lowest ranking areas were in relation to the involvement of residents in local decision-making; planning and development activities; storm water; and local road maintenance.

School Viability Reference Group

The CEO of the Association was invited to join the Schools Viability Reference Group following representations by a number of councils seeking Local Government input to this process. Although the CEO proposed representation from a member council, his specific involvement in the Reference Group was requested. The Reference Group consulted widely in preparing recommendations to the Minister for Education and Skills on the provision of a viable government school system in Tasmania.

Review of the Tasmanian Alcohol Regulatory Framework

As a member of the Inter Agency Working Group on Drugs, the Association continued to be involved in a scoping study into the legislative and regulatory framework dealing with the sale and supply of alcohol and the management of alcohol-related harm in Tasmania. The scoping study is a key strategy of the Tasmanian Alcohol Action Framework 2010-2015 – Rising Above the Influence. It is anticipated that the study will be completed in September 2012.

LGAT is also continuing to pursue the issue of the lack of statutory connection between being granted a liquor licence and the requirement to have planning or development approval to operate on premises as a licensed establishment. LGAT has raised this issue with the Department of Treasury and Finance and will reinstate discussion following the release of the outcomes of the scoping study.

Building Sector Capacity

Goals:

- Those elected to Local Government reflect the demographics of their communities.
- Sufficient skilled and experienced staff to meet all council requirements.

Highlights:

Careers Project – *Think Big. Work Local*

This year saw the completion of this two-year project. The text below describes the major outcomes from the project within this year. Members agreed in principle to continue a similar project over the next two financial years.

Training

LGAT managed an enterprise-based Productivity Places grant which assisted in training 80 staff from 12 member councils. Around Christmas 2011, a NSW provider OTEN, were contracted to fulfil training obligations for King and Flinders Island Councils that could not be fulfilled by the local contractor.

Policy input was provided to the restructure of the TAFE system in Tasmania with Skills Tasmania, and a review of the VET system nationally, the amount of VET funds and services Local Government can access and higher education issues, through meetings and surveys for Department of Education Employment and Workplace Relations, Government Skills Australia, the State and Territory LGA's and the Australian Centre of Excellence Local Government.

Three training resources were completed for use in nationally accredited VET training, covering managing one's own work in Local Government, working in teams in councils and customer services in councils. These resources are suitable for distance training, or self-directed learning and will be made available to Tasmanian educators free.

Advertising

LGAT continued to promote councils as a desirable place to work by screening the *Think Big. Work Local* television commercial. The website at www.thinkbigworklocal.com.au provided detailed information on council careers and vacancies for job seekers in a convenient way. Council jobs were also promoted at school careers expos including UTAS campuses, rural and regional high schools, independent schools, and at community careers events held at Launceston, Smithton and Hobart.

A Think Big mobile careers expo promotion booth was constructed which houses a touch screen PC with internet access. This is available for members to use. Four professionally produced videos were also developed

for the LGAT website, highlighting some in demand roles and featuring staff from Devonport City, Dorset and Break of Day Councils.

Data

LGAT collected workforce data from 23 councils and built a workforce planning database to assist participating councils in predicting and managing specific future skills shortages. A report describing the overall findings is being prepared for council. The database can be queried to look at specific issues for members.

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. The Local Government Division continued to signal commitment to change but encountered a number of legal and drafting issues which precluded moving forward. Consequently, the Association wrote to the Minister seeking that a working group be convened to examine the issue from a first principles basis, including giving consideration to the necessity of the provisions in light of the establishment of the Integrity Commission in Tasmania.

A model Code of Conduct, a *How to Make Complaints* fact sheet, and a Complaints Form were developed as a resource for member councils.

The Association facilitated training for elected members on the Code of Conduct in Burnie.

Elected Members' Workshop

A two-day, weekend workshop was held for elected members in Launceston in February 2012. Delegates had the opportunity to learn about meeting procedures, the *Local Government Act*, council finances, the ethical obligations of councillors, asset management and land use planning. The opportunity for learning and networking was valued by all in attendance.

Mayors' Workshop

A workshop for mayors was held in Launceston in November 2011, providing a valuable opportunity for delegates to discuss issues of importance and to share their experiences.

General Managers' Workshop

Two workshops were held for general managers. The sessions covered a range of topics including climate change impacts on rural health, the State Economic Development Plan, data integrity and collection for the Grants Commission, stormwater strategy, the Tasmanian Infrastructure Advisory Council, the impact of new telecommunications technologies, arts funding and programs in Tasmania, the TCCI project on Local

Government Reform, and the involvement of councils in adult literacy and volunteering. General Managers have an opportunity to share common issues and successes, and to discuss a range of current policy matters.

Local Government Conference: *100 Years Long – 100 Years Strong*

The 2011 Local Government Conference, held from 20-22 July at Wrest Point in Hobart, celebrated the 100th Anniversary of the Association. Themed *100 Years Long: 100 Years Strong*, the conference looked at past and future trends, social media, recruitment and performance management, disaster management, dealing with misconduct and much more. Forty trade exhibitors provided valuable product and service information during meal breaks, and delegates were transported to the Hobart Function Centre for the Conference Dinner and award presentations. Highlights of the conference included a special reception held at Government House, the presentation of the Council History Award and the inaugural Life Members Award for Meritorious Service.

Councillor Resource Kit/ Mayoral Handbook

The Association redrafted the Mayoral Handbook which provides mayors with clear and easily to understand guidance in relation to their legal role as outlined in the *Local Government Act 2003* and associated regulations. The Handbook is available on the LGAT website.

Local Government Award Modernisation

The Association continued to explore options around the national award modernisation process and provide advice to councils on the impact of changes. During 2011, LGAT commissioned Page Seager to provide advice with respect to what options exist for councils to consider regarding award modernisation. Their advice concluded that the time, trouble and expense of developing a State specific modern Local Government Award was disproportionate to any real or perceived benefit, particularly when the majority of councils have Enterprise Agreements already in place with conditions above those in the national Local Government Industry Award. The General Managers supported this conclusion and agreed that the best option for Tasmania would be for all councils to be covered by the national Local Government Industry Award. This would have the added benefit of all Tasmanian councils being covered by the same award, providing consistency across the State.

Local Government Division Data Collection Workshop

The Local Government Sustainability: Objectives and Indicators Project (SOI Project) was a Tasmanian Government initiative supported and overseen by the Premier's Local Government Council. The Project Steering Committee established a working group in late 2010, facilitated by LGAT. Draft indicators were

developed and distributed for consultation in mid-2011 and the final indicators were approved by the Premier's Local Government Council in December 2011. LGAT continued to work with State Government in relation to implementation, alignment with the consolidated data collection, reporting and consideration of future enhancements.

Emergency Management

The Association provided input into the draft State Government Bushfire Policy in October 2011 and met with the Tasmania Fire Service to discuss Local Governments concerns. Key issues raised in the Association's submission included issues relating to vulnerable people, 'nearby safer places', implementation of the policy and land use planning. A redraft of the policy is expected to be circulated in 2012.

Strategic Planning

The General Management Committee (GMC) has endorsed LGAT's Strategic Plan for 2012-2017. The Strategic Plan was informed by survey feedback from Mayors and General Managers; past activity; current pressures and desired outcomes; and a review of the Strategic Plans of Associations from other jurisdictions. The six priority areas included in the plan are: strengthening strategic relationships; leading recognition and reform; ensuring financial sustainability; building sector capacity; improving land use planning; and ensuring environmental sustainability.

Amendments to the Local Government Act

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 2012 session.

The Local Government Division are seeking approval to draft amendments to the Act in the following areas:

- 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
- Part 9: Division 11 – Sale of land: clarification of sale of land provisions to ensure clear linkage in the process between the sections.

Supporting Recognition and Reform

Goals:

- Improved funding arrangements between Local Government and the other spheres of government.

Highlights:

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 President and the Association have been active at the Commonwealth level, through the Australian Local Government Association, with the LGAT 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 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 Association made a submission to the Expert Panel on Constitutional Recognition and participated in the forum in Hobart.

Local Government Awards for Excellence

The 2011 Local Government Awards for Excellence were presented during the Conference on 22 July by the Hon Bryan Green MP. This year, 20 nominations were received from 11 councils throughout the State. The winners were:

Delivering Excellence for our Communities

Launceston City Council – Two Hands Coffee

Delivering Excellence in Natural and Built Environments

Kingborough Council – Integrated Natural Resource Management in Kingborough

Demonstrating Operational Excellence

Devonport City Council (on behalf of NW Tasmanian councils) – Combined Plant Auction

Life Members Award for Meritorious Service

Six nominations were received for the inaugural Life Members Award for Meritorious Service, which was presented to Clr Judy Bromfield of the Derwent Valley 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 within the most recent electoral term. The award was judged by the Association Life Members and was presented at the Conference Dinner.

Council History Award

The Council History Award was launched to coincide with the 100th Anniversary of LGAT and to unlock and share the history of Local Government in Tasmania. Submissions were received from 18 councils, with Northern Midlands Council emerging as the winner. The entries were of such a high standard and were such a valuable source of information, that the records have been housed at the State Reference Library in Hobart. The Council History Award was announced at the Conference Dinner.

Life Members Long Service Awards

Life Members Long Service Awards were presented to Mayor Robert Legge of Break O'Day Council, and Clr Trevor Roach AM of West Tamar Council at the Conference Dinner.

Natural Disaster Resilience Program (NDRP) Funding Assessment Panel

LGAT participated as a member of the selection committee in the assessment of the NDRP funding applications. This funding, open to Local Government, supports projects that focus on disaster mitigation works, measure and related activities and that contribute to safer, sustainable communities.

Ensuring Financial Sustainability

Goals:

- Financially sustainable councils which are able to meet the service and infrastructure demands of their community.
- Recognition of the efficiency of Local Government.

Highlights:

Local Government Financial and Asset Reform Project

The Financial and Asset Reform Project, the Commonwealth funded program implementing long-term financial planning and asset management in all councils, had a particularly productive and busy stage during the first half of 2012. As part of the project, each council undertook a maturity assessment which identified a number of gaps in strategic planning, particularly in the area of developing strategic documents including Asset Management Strategies and Plans, and also level of service and risk management plans.

A rigorous schedule of training and workshops was offered to both elected members and staff to address the gaps identified in the maturity assessments. This included a workshop, *Towards Sustainable Services*, conducted for elected members on a regional basis and also a workshop, *Talking Each Other's Language*, which was pitched at senior staff and addressed the integration between asset management and long-term financial planning. A series of technical training sessions for asset management planning and a customised level of service/risk management workshop were also conducted regionally. The training was complemented with the support of Regional Coordinators, through one-on-one assistance and technical advice, as well as regional-based asset management groups.

As the Australian Centre for Excellence in Local Government (ACELG) has finalised a Practice Note for Long-term Financial Planning, the draft framework for Long-term Financial Planning produced in 2011 as part of the project, will be reviewed and consolidated to ensure consistency. The finalisation of the Long-term Financial Planning framework and Asset Management Plans, will ensure that the major objectives of the project will be met.

Procurement Workshops

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.

Sustainability Objectives and Indicators Project (SOI)

LGAT worked with the State Government, through participation on the Steering Committee and in supporting consultation in developing the Sustainability Objectives and Indicators for the sector.

Division 81

In August 2011, Hobart and Launceston City Councils participated in the testing of some support tools in relation to the changes to Division 81 legislation. This process highlighted some potentially significant impacts of the changes relating to council activities that will attract GST. Consequently, the Association and the Australian Taxation Office conducted a forum for council finance staff in Launceston in September 2011 to improve understanding and identify issues for submissions to the Commonwealth. A positive outcome was achieved with the Commonwealth making an amendment clarifying the intended operation of the Regulation to cover fees and charges for regular kerbside waste collection, which is a basic activity of Local Government and is not intended to be subject to GST.

Carbon Pricing Mechanism Workshops for Local Government

The first half of 2012 saw councils preparing for the introduction of the Carbon Pricing Mechanism (CPM). In May, at the Association's request, the Commonwealth Department of Climate Change and Energy Efficiency held an information seminar to provide Tasmanian councils with an overview of the CPM, which took effect from 1 July this year. The workshop was well attended by both council officers and elected members who were provided a useful overview of the new legislation and its implications for Local Government, as well as introducing the Commonwealth's Clean Energy Regulator which will administer the scheme.

Rating and Valuation Review

The CEO continued to provide detailed input through the Rating and Valuation Review Steering Committee on behalf of councils. The *Local Government Amendment Act 2011* came into effect on 6 July 2011 in time for the 2011-12 rating year, in accordance with the commitment given to councils by the State Government. During the debate in Parliament, the Government committed to bringing another Bill back to the Parliament by the end of the year to ensure that there was an unambiguous legislative foundation for rating in Tasmania. This would also allow an appropriate level of consultation on the proposed policy approach with all councils and the broader community.

Ensuring Environmental Sustainability

Goals:

- Councils are proactive leaders in ensuring the environmental sustainability of their community.
- Councils are proactively addressing issues of climate change affecting their business and the community more broadly.

Highlights:

Tasmanian Coastal Adaption Pathways Project

For the last twelve months, with the assistance of significant Commonwealth funding, LGAT has been working in partnership with the Tasmanian Climate Change Office (TCCO) and the Tasmanian Planning Commission (TPC), along with four Tasmanian councils - Break O'Day, Clarence City, Kingborough and Latrobe - in considering response options to coastal climate change impacts for specific sites in each municipal area. The sites are all low-lying coastal settlements, with a range of infrastructure that is likely to be affected by coastal hazards.

The funding is intended to support local decision-makers to move beyond initial climate change risk assessments, to identifying what is required in practical terms to protect a community and assets from climate change risks over time. The project is following a 'flexible community planning pathway' that involves participation of a range of stakeholders, including residents and other users of the project sites. This approach provides an opportunity to strengthen relationships between the three levels of Government and with regional bodies undertaking planning projects, as well as researchers.

Running parallel to the community pathway is a policy and planning process that is the domain of the State Government. This involves the development of a coastal planning framework which will define roles and responsibilities, and implementation of overarching tools (such as statewide inundation and erosion hazard mapping) and other approaches (such as coastal hazard planning codes).

Regional Councils Climate Adaptation Project

The regional Councils Climate Adaptation Project (RCCAP) is a partnership between the Tasmanian Climate Change Office (TCCO), LGAT and the Southern Tasmanian Councils Authority. The project was developed using funds through the Australian Government's Local Government Reform Fund and the Hobart City Council. It has been piloted over the past 12-18 months with Southern Tasmanian Councils and produced:

- Council (Corporate) Climate Change Adaptation Plans for each of the 12 councils in the region;
- A Regional Climate Change Adaptation Strategy covering themes common to all councils; and
- A Climate Adaptation Toolkit which allowed for future reviews of the individual council adaptation plans and also extension to other councils.

Partly through funding built into the project and also with the help of additional funding from the TCCO, the project team was able to extend elements of the project to four councils in the North of the State. Break O'Day, Dorset, Launceston and West Tamar Councils responded to a general invite to participate and were provided with workshops on key risk assessment and adaptation planning elements in May 2012, with attendance comprising of general managers and the senior corporate management teams.

Tasmanian Shoreline Monitoring and Archiving Project

In early 2012, LGAT secured funding from the Tasmanian Climate Change Office through the ClimateConnect Grants Program to extend the Tasmanian Shoreline Monitoring and Archiving (TASMARC) project. The project has been running on selected beaches around Tasmania since 2005 and aims to redress a serious lack of knowledge about the effect of sea level rise and storms on vulnerable coastlines. To date, survey marks have been established along thirty-two beaches within fourteen municipal areas throughout the State.

The funding provided through the ClimateConnect Grants Program to enable an extension of the TASMARC Project to an additional ten vulnerable shoreline sites around the State, and to provide training to council staff such as works crew and NRM officers in taking measurements and collecting data. This will enable additional councils to take part in the project and to build capacity in interpreting ongoing changes in beach profile, which will in turn inform improved decision-making and coastal management.

Environmental Dispute Mediation Service

As a result of a partnership between the State Government and the Local Government Association of Tasmania, funding was made available to trial an Environmental Dispute Mediation Service for approximately one year during 2011-12. The goal of the pilot was to provide timely, environmental mediation services as requested for member councils in order to free up time spent by Environmental Health Officers trying to resolve disputes. The trial commenced slowly but has received a number of referrals to date. A workshop was held with Environmental Health Officers to review the progress of the trial, resulting in a modification of referral criteria to enable broader case referral. The trial will be further evaluated in late 2012 to consider the future of the service.

New Zealand Local Government Planning and Development Conference

In February 2012, the Association represented Tasmanian Councils at a Coastal Planning and Development Conference in Wellington, New Zealand. LGAT provided a keynote presentation titled *A Shared Responsibility: Managing Tasmania's Coastline for the Future*. The presentation focussed on the challenges being faced by Tasmanian councils in attempting to manage the State's coastline, and included an overview of issues arising as a result of the current Australian Coastal Management Framework, as well as highlighting a number of the current important projects being conducted by Local Government in Tasmania to address local, regional and statewide issues.

National Sea Change Taskforce Coastal Councils Conference

In March 2012, LGAT attended the Australian Coastal Councils Conference in Hobart, convened by the National Sea Change Taskforce and providing a focus on the complex challenges facing the nation's coastal LGAs. These challenges include rapid population growth; climate change adaptation; legal and insurance risks associated with coastal management; a continuing shortfall in financial and professional resources; and the quality of life in coastal communities.

National Climate Change Adaptation Research Facility Conference

In June, LGAT attended the 2012 National Climate Change Adaptation Conference in Melbourne, hosted by Australia's NCCARF and CSIRO Climate Adaptation Flagship. This year's conference focused on the information needed to ensure Australia is adapting well to climate change. Over three days the conference brought together researchers, practitioners and decision-makers to share knowledge and research approaches that inform policy and practice in planning for climate change in Australia.

Cat Management/Invasive Species

The Association ensured appropriate input to DPIPW processes for implementation of the Cat Management Bill from 1 July 2012, including advice on resourcing requirements, grants programs and possible partnerships.

Carbon Pricing Mechanism and Implications for Waste Management

Councils have been provided with considerable information regarding the Carbon Pricing Mechanism (CPM), through workshops held early in 2012 by both ALGA and the Clean Energy Regulator, along with information circulated in different formats. The majority of Tasmanian councils will be indirectly affected by the CPM as end-user consumers of goods that are affected,

i.e. street lighting and electricity, building materials, and fuel for off-road fleet. Those councils operating landfill sites with annual emissions in excess of 25,000 tonnes of carbon dioxide equivalent (tco₂-e) could be directly liable to pay under the CPM, though a number of those have calculated that they sit under the threshold due to emissions reduction activities already in place. There is broad consensus within Local Government that it will be very difficult to accurately assess the likely or potential impacts of the carbon pricing mechanism at this early stage, as the carbon price will affect different councils' costs in different ways.

Household Hazardous Waste Collection Program

Household Hazardous Waste (Chemsafe Homes Tasmania) collection days were held in Launceston, Burnie, Hobart and Clarence in late 2011. These were the most successful series of collections to date, with over 700 people participating and more than 25 tonnes of material surrendered. The increase in volume has meant insufficient funds were available to conduct further collection days. Over three years, the pilot program has conducted 34 collection days across 25 local council jurisdictions and collected more than 78,000kg of waste from 2,658 people. The program will conclude in December 2012, with a strategic review to be completed in November 2012.

Waste Levy

The LGAT has met with the Director and Deputy General Manager of the Environment Protection Authority (EPA) to discuss the fundamentals of legislation and arrangements that the State Government would be willing to support in relation to a statutory waste levy. Largely, this addressed the issue of the Minister's desire for legislation, the proportion of the levy that the EPA was seeking, the governance arrangements relating to the disbursement of funding to support the broader waste strategy, and actions required.

Improving Land Use Planning

Goals:

- Timely, responsive, strategic, sustainable, best practice in planning and related decision-making.

Highlights:

Electronic Development Assessment (eDA)

The project funded through the Commonwealth's Housing Affordability Fund was completed in this reporting period and a final report provided to the Commonwealth. The overarching purpose of the project was to illustrate the benefits and efficiencies of electronic development assessment (eDA) systems that will be compatible with electronic development assessment interoperability system (eDAIS) for Local Government across Tasmania through a pilot project.

The project evaluation and cost benefit analysis identified a number of issues and the Steering Committee, which included LGAT membership, found that based on the experience to date, it would be unlikely that smaller and medium-sized Tasmanian councils would realise benefits which outweigh costs in the medium-term in the full model eDA, as tested in this project.

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. Work will continue in 2012-13. 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.

The draft *Overarching Principles for the Consideration of Natural Hazards in the Planning System (Principles)* and the draft *Guide for the Consideration of Natural Hazards in the Planning System (Guide)* have been developed to support the delivery of these aims.

Workshops were held to review the draft principles and guidelines and to test them on the treatment of landslide. Local Government staff, industry representatives and State Government officers participated in these workshops. Feedback from the workshops has included strong support for the development of the guide, however a number of issues have been raised that need further consideration. These include understanding the implication of risk zones on planning schemes, particularly in relation to revised maps over time; increased developer costs; and whether the

requirements will be applicable to all developments in all circumstances. Broader consultation on the application of the Principles and Guide to the other priority hazards of flood and coastal inundation will be held in 2012-2013.

Planning Legislation

The State Government continued to pursue a significant planning reform agenda. The LGAT worked with member councils to provide input into State Government policy and legislation. Through LGAT, councils raised a number of issues related to Planning Directive – Standards for Single Dwellings in Current Planning Schemes. The Minister agreed to a number of modifications that address most but not all of the issues raised by the councils. The modifications are restricted to those that do not generate a full assessment of the planning directive and there were some issues that the Tasmanian Planning Commission did not think warranted a change to the directive.

Consultation was undertaken with councils and feedback provided to the Tasmanian Planning Commission regarding proposed changes to the *Land Use Planning and Approvals Act*. LGAT followed up with the Minister regarding the extremely short timeframes for comment.

Derwent Estuary Program re Soil and Water Management Plans

LGAT has been assisting the Derwent Estuary Program (DEP) with a project to encourage Soil and Water Management Plans to be used for all building projects, to reduce sediment from building and construction activities polluting waterways. LGAT circulated a DEP discussion paper on this issue to all councils to seek feedback on proposed options, including possible amendment of the Building Regulations (2004). LGAT has also liaised with the Building Control Branch, Workplace Standards Tasmania to discuss member concerns. As DEP funding for the project has now ceased, the project is being driven by NRM North and LGAT will offer assistance to NRM North to ensure members are consulted on any proposals.

Heritage Legislation

Heritage Tasmania has finalised its review of the submissions received on the *Historic Cultural Heritage Amendment Bill 2012*, following the recent public consultation period. During this period, the LGAT and Heritage Tasmania jointly hosted a Local Government forum, with eleven planning authorities represented. Suggestions raised at the forum, as well as others received through the public consultation period, have resulted in a number of changes to the detail of the Bill to better integrate and further streamline processes between the *Land Use Planning and Approvals Act 1993* and the *Heritage Act*.

Infrastructure Planning

Goals:

- Coordinated and appropriate infrastructure responses that support agreed service delivery standards.

Highlights:

Competitive Neutrality

LGAT worked with the Local Government Division, the Department of Treasury and Finance, and Tourism Tasmania to review the issues surrounding the provision of council-operated, self-contained Recreational Vehicles camping services. The result of the review is a directions paper addressing the issues raised in the June meeting and seeking to provide councils with some practical tools to assist them in meeting their competitive neutrality obligations.

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. Local Government now has the opportunity to consider extension of the statewide crane class network routes to include local roads, where appropriate, and to review access issues such as time-frames for permits on local roads. LGAT has developed an issues paper which will provide councils with further information about the project, and assist councils in considering which (if any) routes within their municipal area could be appropriate for inclusions in the route network.

Electricity Contestability / Street Lighting

LGAT continued working with members and Aurora Energy to establish a better understanding of public lighting, to enable councils to develop a business case and options for moving towards more sustainable street lighting. LGAT will continue to assist its members by providing information and liaising with Aurora Energy to help members make asset management decisions relating to street lighting and funding applications for grant rounds such as the Community Energy Efficiency Program.

Forestry

LGAT led a delegation to meet with Bill Kelty, the convener 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.

Telecommunications

In consultation with member councils, LGAT provided detailed comment on proposed changes to national telecommunications legislation to the Australian Local Government Association, as part of a national submission.

Road Routes Codes Advisory Group

The Road Route Code Advisory Group, convened by the Land and Spatial Data Unit within the Department of Primary Industry, Parks, Water and Environment, has been conducting a review of a number of proposals for amendments, additions and deletions to the Tasmanian Route Code System. The group concluded its consideration of a number of proposals put forward by road owners, including councils, in late 2011. For those route proposals that were accepted, there will be implications in terms of the provision of appropriate signs and road maintenance by the relevant road authorities. Councils were advised that each road authority will need to ensure that relevant signs are modified, or placed to ensure that motorists can identify the routes, and that the level of maintenance must also be consistent with anticipated traffic volumes and types of vehicles.

National Heavy Vehicle Regulator – Access Consultations

Early in 2012, LGAT worked with the National Heavy Vehicle Regulator (NHVR) Project Office to convene workshops in the North and South of the State for councils to gain further information and provide feedback in relation to the introduction of the NHVR, and to consider issues surrounding access requests from heavy vehicle operators under the new scheme. This round of engagement was undertaken to give as much certainty as possible to Local Government staff on the shape of the NHVR and to identify preferred channels for ongoing engagement.

State of the Local Road Assets Report

In May 2012, LGAT, along with the other State Associations, attended a meeting of the ALGA Roads and Traffic Advisory Committee (RTAC) in Sydney. A number of issues were covered, including discussion of an upcoming project titled State of the Local Road Assets report, which will build on work undertaken in 2010 as part of the Local Roads Funding Gap report. The premise of this project is for Local Government to accurately quantify and describe the state of its road assets in funding negotiations with Federal Government. This will also provide a strong case for broader funding campaigns such as Roads to Recovery. The overall project is expected to be completed in three phases, with the initial phase involving a pilot study for proof of concept, to be completed by October 2012. The full report, covering all councils, is to be completed during Phase 3, which is expected to be completed by the end of 2014.

Speed Limits Outside Child Care Centres

A working group, consisting of representatives from DIER and Local Government, was convened in 2011 to consider the safety of children on roads outside child care centres. The group looked at crash history data over the last five years, the legislative and regulatory measures already in place in relation to the management and placement of licensed centres, and other relevant considerations.

In early 2012, a report was prepared by LGAT and DIER and contains recommendations for the Minister's consideration, including that available road safety funding relating to child pedestrian safety be directed to areas where statistically higher rates of casualty accidents exist, and that State and Local Governments should continue to work together to encourage safer driver and pedestrian behaviour in shared urban spaces through avenues such as education and an awareness campaign. It was also recommended that speed zones outside child care centres be considered on a case-by-case basis, where appropriate, to ensure the ongoing safety of children in what are potentially 'prone' areas. Subsequent to the development of the report, LGAT has been informally advised by DIER that in light of the findings in relation to crash history data, this specific issue is not currently a high priority area for the Department.

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.

Water and Sewerage

At the August 2011 General Meeting of the Association, a resolution was passed to establish a working group to collate a paper detailing the major issues and options regarding moving to a single water and sewerage corporation, that could be provided to each council for consideration at their council meetings.

At the March 2012 General Meeting of the Association, a resolution was passed giving in principle support for the Tasmanian Water and Sewerage Corporations the move to a single corporation subject to governance arrangements. A working group was convened to consider the range of matters associated with the governance of a single water corporation and developed a series of recommendations for consideration by owner councils at a Special Meeting of the Local Government Association of Tasmania in June 2012. Selection processes, board structure and numbers, communication between the Board and owners, accountability and reporting, along with the basis for dividend distribution,

were key matters for the working group to address.

A key driver for the establishment of a single corporation stems from the desire for a closer relationship between owner councils and the corporation and its Board; this matter has been promoted by owner councils since the discussion around changed governance arrangements commenced. The Association was assigned the task of progressing with the State Government the legislative amendments to achieve such an outcome, to undertake negotiations to resolve any policy conflicts, and to project manage the move to a single corporation.

LGAT Assist

The LGAT Assist Board was set up by the Local Government Association of Tasmania to provide Local Government employees with support and assistance during times of health, financial and general personal difficulty. The Board is appointed by the General Management Committee of the Local Government Association of Tasmania. The current LGAT Assist Board comprises: Kaye Reeves (Chairman), Geoff Dodge (Local Government Managers Australia - Tas), John Phillips (Australian Services Union), Tony Wolfe (Australian Services Union), and Allan Garcia (LGAT CEO).

For over 50 years, the LGAT Assist fund has continued to offer assistance to eligible Local Government employees in the 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 each year for eligible Local Government employees or their dependents.

This financial year a total of 80 low interest loans to the value of \$427,300 were approved, and non-refundable grants to the value of \$10,500 were provided. In recent years, an annual donation of \$10,000 has been made to the Menzies Institute towards its ongoing medical research. The Board wishes to record its continuing appreciation for the support of LGAT which supplies administration services for the fund.





Local Government Association Tasmania

Financial Report

30 June 2012



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 30th June 2012.

General Management Committee

The names of the committee members in office during 2011/12 financial year are:

President	Mayor Barry Easter	(Re-elected May 2010) (President from July 2009)
Vice President	Mayor Deirdre Flint	(Re-elected May 2010) (Vice President from May 2010)
	Ald Lynn Laycock	(Elected October 2010)
	Mayor Don Thwaites	(Elected May 2010)
	Lord Mayor Damon Thomas	(Elected October 2011)
	Mayor Albert van Zetten	(Re-elected May 2010)
	Mayor Barry Jarvis	(Elected October 2011)
	Ald Jock Campbell	(Elected June 2010)
	Lord Mayor Rob Valentine	(Resigned October 2011)
	Mayor Robert Legge	(Resigned October 2011)

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 \$204,668 (2010/11 deficit of (\$18,973)). The net surplus from LGAT Assist amounted to \$11,672 (2010/11 \$16,678).

General Management Committee Members' Benefits

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

Signed at Hobart, this 30th day of August 2011 in accordance with a Resolution of the General Management Committee.



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 2012 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

- 2 At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

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



Mayor Barry Easter
President

Statement of Comprehensive Income for the Year Ended 30 June 2012

	Note	Assist 2012 \$	General 2012 \$	Assist 2011 \$	General 2011 \$
Income					
Grants and contributions	2	-	1,005,450	-	579,286
Subscriptions		-	944,330	-	882,833
Interest income		73,941	215,850	69,780	189,942
Other income		2,000	403,124	1,600	60,882
Total income		75,941	2,568,754	71,380	1,712,943
Expenses					
Employee benefits		-	(827,329)	-	(826,340)
Depreciation and amortisation		-	(23,636)	-	(32,546)
Grant and contribution expenses		-	(948,759)	-	(515,153)
Other expenses	17,18	(64,269)	(564,362)	(54,702)	(357,877)
Total expenses		(64,269)	(2,364,086)	(54,702)	(1,731,916)
Surplus/(Deficit)		11,672	204,668	16,678	(18,973)
Other comprehensive income		-	-	-	-
Comprehensive result		11,672	204,668	16,678	(18,973)

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.

Statement of Financial Position as at 30 June 2012

	Note	Assist 2012 \$	General 2012 \$	Assist 2011 \$	General 2011 \$
Assets					
Current assets					
Cash and cash equivalents	3	741,025	877,630	785,996	824,277
Trade and other receivables	4	-	132,119	-	367,140
Financial assets	5	288,288	2,288,575	231,301	1,855,947
Other assets	6	8,279	970,489	3,037	92,571
Total current assets		1,037,592	4,268,813	1,020,334	3,139,935
Non-current assets					
Financial assets	5	147,799	-	154,308	500,000
Plant and equipment	7	-	89,000	-	95,131
Intangible assets	8	-	2,448	-	280
Total non-current assets		147,799	91,448	154,308	595,411
Total assets		1,185,391	4,360,261	1,174,642	3,735,346
Liabilities					
Current liabilities					
Trade and other payables	9	5,141	373,765	6,064	259,657
Unexpended grants	10	-	879,943	-	617,561
Provisions	11	-	197,063	-	166,181
Total current liabilities		5,141	1,450,771	6,064	1,043,399
Non-current liabilities					
Provisions	11	-	31,472	-	18,597
Total non-current liabilities		-	31,472	-	18,597
Total liabilities		5,141	1,482,243	6,064	1,061,996
Net Assets		1,180,250	2,878,018	1,168,578	2,673,350
Equity					
Accumulated surplus		1,180,250	2,878,018	1,168,578	2,673,350
Total Equity		1,180,250	2,878,018	1,168,578	2,673,350

Statement of Changes in Equity for the Year Ended 30 June 2012

	Assist	General
	\$	\$
2012		
Balance at beginning of the financial year	1,168,578	2,673,350
Surplus for the year	11,672	204,668
Other comprehensive income	-	-
Balance at end of the financial year	<u>1,180,250</u>	<u>2,878,018</u>
2011		
Balance at beginning of the financial year	1,151,900	2,692,323
Surplus for the year	16,678	(18,973)
Other comprehensive income	-	-
Balance at end of the financial year	<u>1,168,578</u>	<u>2,673,350</u>

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

Statement of Cash Flows for the Year Ended 30 June 2012

	Note	2012		2011	
		Inflows/(Outflows) Assist \$	General \$	Inflows/(Outflows) Assist \$	General \$
Cash flows from operating activities					
General receipts		-	1,854,395	1,600	1,233,283
Grants		-	1,321,584	-	758,956
Interest		70,766	207,608	69,539	183,047
Payments to suppliers		(63,221)	(1,773,777)	(54,570)	(1,175,293)
Payments to employees		-	(716,195)	-	(814,981)
Net cash provided by (used in) operating activities	12(a)	7,545	893,615	16,569	185,012
Cash flows from investing activities					
Purchase of plant and equipment	7	-	(20,636)	-	(5,429)
Deposit for building	6, 19	-	(884,723)	-	-
Purchases of computer software		-	(2,275)	-	-
Purchases of other financial assets		(110,275)	67,372	(250,000)	(116,499)
Net cash provided by (used in) investing activities		(110,275)	(840,262)	(250,000)	(121,928)
Cash flows from financing activities					
Loans advanced		(427,300)	-	(363,000)	-
Repayment of loans advanced		374,785	-	347,622	-
Net cash provided by (used in) financing activities		(52,515)	-	(15,378)	-
Net increase (decrease) in cash and cash equivalents		(155,245)	53,353	(248,809)	63,084
Cash and cash equivalents at the beginning of the financial year		535,996	824,277	784,805	761,193
Cash and cash equivalents at the end of the financial year	12(b)	380,751	877,630	535,996	824,277

The above statement should be read with the accompanying notes.

Notes to the Financial Report for the Year Ended 30 June 2012

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.

Notes to the Financial Report for the Year Ended 30 June 2012

(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.

Notes to the Financial Report for the Year Ended 30 June 2012

(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 plant and equipment and intangibles

The depreciable amount of all 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:

	2012	2011
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.

Notes to the Financial Report for the Year Ended 30 June 2012

(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 2012 are set at 8.0% (2011 8%) for welfare loans and 8.0% (2011 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) Plant and equipment and intangible assets

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.

Notes to the Financial Report for the Year Ended 30 June 2012

(j) 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.

Notes to the Financial Report for the Year Ended 30 June 2012

(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.

Notes to the Financial Report for the Year Ended 30 June 2012

(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 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income (AASB 101)	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1-Jul-12	These amendments are not expected to impact the Association.
AASB 13	Fair Value Measurement	<p>AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.</p> <p>AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.</p> <p>Consequential amendments were also made to other standards via AASB 2011-8.</p>	1-Jan-13	These amendments are not expected to impact the Association.
AASB 119	Employee Benefits	<p>The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets.</p> <p>The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.</p> <p>Consequential amendments were also made to other standards via AASB 2011-10.</p>	1-Jan-13	These amendments are not expected to impact the Association.

Notes to the Financial Report for the Year Ended 30 June 2012

(o) Pending Accounting Standards cont'd

AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:	1-Jul-13	These amendments are not expected to impact the Association.
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- (a) Tier 1: Australian Accounting Standards.
- (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

The following entities apply Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit entities in the private sector that have public accountability (as defined in this Standard).
- (b) The Australian Government and State, Territory and Local Governments.

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit private sector entities that do not have public accountability
- (b) All not-for-profit private sector entities.
- (c) Public sector entities other than the Australian Government and State, Territory and Local Governments.

Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2.

Notes to the Financial Report For the Year Ended 30 June 2012

	Assist 2012 \$	General 2012 \$	Assist 2011 \$	General 2011 \$
Note 2 Grants and contributions				
Grants and contributions were received in respect of the following :				
Summary of grants and contributions received and receivable				
Federally funded grants	-	287,138	-	287,138
State funded grants	-	448,824	-	448,824
Others	-	146,249	-	138,767
Total summary of grants and contributions received	-	882,211	-	874,729
Grants and contributions recognised as revenue				
Tasmarc - Climate Connect (a)	-	226	-	-
Coastal Adaption Pathways Project (a)	-	385,708	-	378,464
Household Hazardous Waste (a)	-	199,560	-	13,631
eDais (a)	-	13,026	-	10,000
LG Reform Fund (a)	-	260,681	-	38,424
Council Careers and Environment (b)	-	146,249	-	138,767
Total grants and contributions recognised as Revenue	-	1,005,450	-	579,286

(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.

Notes to the Financial Report For the Year Ended 30 June 2012

	Assist 2012 \$	General 2012 \$	Assist 2011 \$	General 2011 \$
Note 3 Cash and cash equivalents				
Current				
Cash on hand	-	567	-	371
Cash at bank	121,301	377,431	93,792	197,513
Short term investments at call	259,450	249,632	442,204	376,393
Fixed term deposits	360,274	250,000	250,000	250,000
Total cash and cash equivalents	741,025	877,630	785,996	824,277
Note 4 Trade and other receivables				
Current				
Trade debtors	-	51,170	-	367,140
Net GST receivable	-	80,949	-	-
Total trade and other receivables	-	132,119	-	367,140
Note 5 Financial assets				
Current				
Fixed term investments	-	2,288,575	-	1,855,947
LGAT Assist loans	306,458	-	247,368	-
Provision for impairment	(18,170)	-	(16,067)	-
Total current financial assets	288,288	2,288,575	231,301	1,855,947
Non-current				
Fixed term investments	-	-	-	500,000
LGAT Assist loans	147,799	-	154,308	-
Total non-current financial assets	147,799	-	154,308	500,000
Note 6 Other assets				
Current				
Prepayments	-	30,428	-	49,391
Accrued interest	8,279	49,530	3,037	41,287
Building Deposit		884,723		
Other	-	5,808	-	1,893
Total other assets	8,279	970,489	3,037	92,571

**Notes to the Financial Report
For the Year Ended 30 June 2012**

	Assist 2012 \$	General 2012 \$	Assist 2011 \$	General 2011 \$
Note 7 Plant and equipment				
Motor vehicles at cost	-	117,388	-	117,388
Accumulated depreciation	-	(59,116)	-	(42,198)
	-	58,272	-	75,190
Office furniture and equipment at cost	-	116,803	-	137,688
Accumulated depreciation	-	(86,075)	-	(117,747)
	-	30,728	-	19,941
Total plant and equipment	-	89,000	-	95,131
<i>Motor Vehicles</i>				
Carrying amount at beginning of the financial year	-	75,190	-	97,018
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	(16,918)	-	(21,828)
Carrying amount at end of the financial year	-	58,272	-	75,190
<i>Office Furniture and Equipment</i>				
Carrying amount at beginning of the financial year	-	19,941	-	24,046
Acquisitions	-	20,636	-	5,429
Disposals	-	(3,259)	-	-
Depreciation expense	-	(6,590)	-	(9,534)
Carrying amount at end of the financial year	-	30,728	-	19,941
Note 8 Intangibles				
Computer software	-	11,887	-	9,612
Accumulated amortisation	-	(9,439)	-	(9,332)
Total intangibles	-	2,448	-	280
Note 9 Trade and other payables				
Trade payables	-	163,752	-	14,266
Net GST payable	-	-	-	43,038
Sundry creditors	5,141	17,231	6,064	8,838
Accrued employee expenses	-	26,213	-	20,387
Unearned revenue	-	166,569	-	173,128
Total trade and other payables	5,141	373,765	6,064	259,657

Notes to the Financial Report For the Year Ended 30 June 2012

	Assist 2012 \$	General 2012 \$	Assist 2011 \$	General 2011 \$
Note 10 Unexpended grants				
Environmental Dispute Resolution	-	50,000	-	-
eDais	-	55,286	-	66,007
Household Hazard	-	52,277	-	148,559
Liveable Places	-	48,000	-	-
Local Government Reform Fund	-	492,314	-	187,995
Coastal Adaption Pathway Project	-	164,292	-	215,000
Tasmarc - Climate Connect	-	17,774	-	-
Total unexpended grants	-	879,943	-	617,561
Note 11 Provisions				
Current				
Annual leave	-	113,342	-	92,099
Long service leave	-	83,721	-	74,082
Total current provisions	-	197,063	-	166,181
Non-current				
Long service leave	-	31,472	-	18,597
Total non-current provisions	-	31,472	-	18,597
Note 12 Cash flow statement reconciliation				
a) Reconciliation of cash flows from operating activities to surplus				
Surplus/(Deficit)	11,672	204,668	16,678	(18,973)
<i>Other Adjustments</i>				
Bad debts written off	59	-	3	-
Depreciation/amortisation	-	23,615	-	32,546
(Profit)/loss on disposal of plant and equipment	-	3,259	-	-
<i>Change in assets and liabilities:</i>				
Decrease/(increase) in trade and other receivables	(5,109)	241,806	(241)	(266,228)
Increase/(decrease) in trade and other payables	923	139,766	129	(38,990)
Increase/(decrease) in provisions	-	24,678	-	8,086
Increase/(decrease) in other liabilities	-	255,823	-	468,571
Net cash provided by/(used in) operating activities	7,545	893,615	16,569	185,012

Notes to the Financial Report For the Year Ended 30 June 2012

	Assist 2012 \$	General 2012 \$	Assist 2011 \$	General 2011 \$
Note 12 Cash flow statement reconciliation (cont'd)				
b) Cash and cash equivalents				
Cash on hand and at Bank	121,301	377,998	93,792	197,884
Short term investments (at call)	259,450	249,632	442,204	376,393
Fixed term deposits	-	250,000	-	250,000
Total cash and cash equivalents	380,751	877,630	535,996	824,277

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 2012 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT Assist's surplus by approximately \$11,771 (2010/11 \$11,716). An increase in an interest rate of one percent would have the same but opposite impact.

Notes to the Financial Report For the Year Ended 30 June 2012

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

As at 30th June 2012 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT General's surplus by approximately \$31,662 (2010/11 \$31,802). 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.

	General 2012	General 2011
	\$	\$
Note 15 Operating lease commitment		
Non-cancellable operating leases contracted for but provided for in the financial statements:		
Payable not later than 1 year	-	70,230
Payable later than 1 year but not later than 5 years	-	-
Total operating lease commitment	-	70,230

The operating lease expired on 20th June 2012.

Note 16 Subsequent events

On the 1st of July 2012, the settlement of the property purchase occurred. No other matters or circumstances have arisen since the end of the financial year which significantly affect the operations or the financial position of the organisation.

Notes to the Financial Report For the Year Ended 30 June 2012

	General 2012	General 2011
	\$	\$
Note 17 Detailed statement of general account - revenue and expenditure		
Revenue		
Government grants	859,201	440,519
Fees and commissions	67,113	52,742
Interest - general account	161,918	133,932
Interest - building proceeds	50,348	56,010
Interest - Constitutional Rec	3,584	-
Surplus/(Deficit) on sale of plant and equipment	(3,259)	-
Sponsorship, conferences/seminars	240,194	7,522
Subscriptions	944,330	882,833
Other Subscriptions	245,254	138,767
Other	71	618
	2,568,754	1,712,943
Expenditure		
Advertising	209	2,210
Accommodation expenses	1,334	733
Accounts administration	13,030	12,113
ALGA	97,034	98,762
Amortisation - computer software	106	1,184
Auditors' remuneration	13,110	12,728
Catering	2,907	4,254
Cleaning	13,248	12,968
Consultancy fees	3,000	6,000
Council careers and skills shortage	163,145	113,789
Community Satisfaction Survey	26,000	-
Conferences and seminars	166,178	6,936
Cost Recovery - welfare administration	(24,000)	(24,000)
Cost Recovery - grant administration	(64,278)	(35,255)
Depreciation - computers	6,085	9,112
Depreciation - motor vehicles	16,917	21,828
Depreciation - furniture and equipment	507	422
Division 43 Deduction	21	-
Fringe benefits tax	17,539	12,886
Insurance	29,319	26,710
Members emoluments	58,305	55,237
Motor Vehicle - running expenses	8,814	9,061
Motor Vehicle - repairs and maintenance	2,508	1,409
Network and internet	16,391	12,792
Other expenses	24,826	9,359

Notes to the Financial Report For the Year Ended 30 June 2012

	General 2012 \$	General 2011 \$
Note 17 Detailed statement of general account - revenue and expenditure (cont'd)		
Postage	7,496	7,723
Power	3,105	2,580
Printing and publications	6,631	5,991
Rates and taxes	16,556	9,278
Rentals	73,394	70,410
Relocation Expenses	9,909	-
Salaries, wages and employee benefits (incl. Grant Staff)	725,637	727,979
Software	2,003	2,003
Sponsorship	1,250	3,000
Stationery	3,111	3,166
Subscriptions - general account	9,222	10,083
Superannuation contribution (incl. Grant Staff)	84,154	85,475
Telephone	25,944	20,877
Travelling Expenses	17,353	10,749
Government grants expenditure (excluding wages and superannuation):		
Tasmarc - Climate Connect	226	-
Household Hazardous Waste	150,038	331,157
eDAIS	13,026	13,630
Coastal Adaption Pathway Project	385,707	10,000
LG Reform	215,428	23,458
LG IT Strategies	21,641	23,119
Total expenses	2,364,086	1,731,916
Operating surplus/(deficit) - general account	204,668	(18,973)

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.

**Notes to the Financial Report
For the Year Ended 30 June 2012**

	Assist 2012	Assist 2011
Note 18 Detailed statement of general account - revenue and expenditure		
Revenue		
Interest on Loans	37,927	33,536
Other Interest Revenue	36,014	36,244
Other LGAT Assist Income	2,000	1,600
	75,941	71,380
Expenditure		
LGAT Assist Accounts Administration	28,904	27,828
Auditors Remuneration	4,370	4,243
Advertising	240	921
Bad Debts Written Off/(Recovered)	923	(403)
Donations and Research Projects	17,500	17,500
Grants to Members – Welfare	10,500	4,481
Printing/Publications	1,430	-
Other Expenses – Welfare	402	132
Total Expenses	64,269	54,702
Operating surplus – LGAT Assist account	11,672	16,678

Note 19 Commitments

On the 27th 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. The date of settlement is the 1st July 2012. To facilitate the settlement on this date the full settlement sum of \$880,000 less the deposit paid plus direct costs has been paid to LGAT's lawyers prior to the end of the financial year. The impact of this transaction at the end of the financial year has been to reduce the cash asset of LGAT and increase other assets by the dollar value of the full settlement.

On settlement the building will be recognised as a non-current fixed asset.



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Independent Auditor's Report

To the members of the Local Government Association of Tasmania

Local Government Association of Tasmania

Special Purpose Financial Report for the Year Ended 30 June 2012

I have audited the accompanying special purpose financial report (the financial report) of Local Government Association of Tasmania (the Association), which comprises the statement of financial position as at 30 June 2012 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 General Management Committee.

Auditor's Opinion

In my opinion the Association's special purpose financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2012 and financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and accounting policies as outlined in Note 1 (a) of the financial report.

Basis of Accounting and Restriction on Distribution

Without modifying my opinion, I draw attention to Note 1(a) to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling responsibilities of the *Local Government Act 1993*. As a result, the financial report may not be suitable for another purpose.

The Responsibility of the General Management Committee for the Financial Report

The General Management Committee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1(a) of the financial report meet the financial reporting requirements of Section 331 of the *Local Government Act 1993* and are appropriate to meet the needs of the members. 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.

1 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on 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 General Management Committee's 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 Association, as well as evaluating the overall presentation of the financial report. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

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

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



JJ Tongs
Director Technical and Quality
Delegate of the Auditor-General

HOBART
11 October 2012

Local Government Representatives

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

Building Appeals Board

Mayor Deirdre Flint, Central Highlands Council

Community Review Committee – Threatened Species Network

Ms Elizabeth Quinn, Kingborough Council

Crime Prevention and Community Safety Council

Ald Sandra French, Burnie City 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
Mayor Carmel Torenus, Sorell Council

State Fire Management Council

Mr Stephen Bresnehan, Hobart City Council

State Grants Commission

Mr Barrie Southorn
Mr Hugh Denny

State Marine Oil Pollution Committee

Mr Andrew Brown, Clarence City Council

Statewide Immunisation Reference Group

Mr Mark Dwyer, Hobart City 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

Mayor Tony Foster
Ald Doug Chipman
Ald Sandra French
Mr Stephen Brown, George Town Council

Tasmanian Planning Commission

Ms Sandra Hogue

Tasmanian Suicide Prevention Committee

Mr Mark Joseph, Hobart City Council

Member Councils

