



# Local Government Association of Tasmania

Annual Report  
**2014-15**



Local Government Association Tasmania



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# Local Government Association of Tasmania Annual Report 2014-15

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## About this Annual Report

This report documents the Local Government Association of Tasmania's (LGAT) performance during 2014-15, against our 2012-2017 Strategic Plan (Version 2.0) and the 2014-15 budget. It highlights achievements and challenges in key strategic areas, as well as detailed audited financial statements.

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

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

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

The Chief Executive Officer  
Local Government Association of Tasmania  
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## Member Profile

During the 2014-2015 financial year, the Local Government Association of Tasmania represented all 29 Tasmanian councils. The LGAT is the voice of Local Government to other governments, interested stakeholders and the wider community.

We work collaboratively with our members to support elected members and council staff. The communities our member councils serve are represented by 262 elected members and supported by over 4,000 staff.

## Our Vision, Mission and Objectives

### Vision

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

### Mission

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

## Aims

The Local Government Association aims to:

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

## LGAT's Strategic Priorities

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

LGAT's current priority areas are:

1. Strengthening Strategic Relationships
2. Leading Recognition and Reform
3. Ensuring Financial Sustainability
4. Building Sector Capacity
5. Improving Land Use Planning
6. Ensuring Environmental Sustainability

## Annual Plan 2014-15

The Strategic Plan does not describe the particular activities that LGAT will undertake annually. This detail is held in 12-month Operational Plan that is updated and agreed annually. The annual Operational Plan identifies the action that will be taken over the financial year, how success against actions will be measured and specifies who is responsible for the action. Actions are set out so they are in line with the relevant priority area and strategy identified in the Strategic Plan.

Priority Areas	Key Achievements	Challenges
<p><b>1. Strengthening Strategic Relationships</b></p> <p>For more information see page 13</p>	<p>Continued strong relationship with ALGA.</p> <p>Strong, collaborative working relationship with LGMA Tasmania</p> <p>Ongoing participation as part of the Premier's Local Government Council</p> <p>Regular dialogue with the Minister for Local Government.</p>	<p>Need to progress relationship building with regional authorities and other key industry bodies.</p>
<p><b>2. Leading Recognition and Reform</b></p> <p>For more information see page 14</p>	<p>Special General Meeting focused on reform.</p> <p>2014 Local Government Awards for Excellence</p> <p>Statewide Community Satisfaction Survey</p> <p>Twitter profile</p> <p><i>LGAT News Magazine</i></p>	<p>Delays in progressing the Code of Conduct Amendment Bill.</p> <p>State Government's reform agenda may be at odds with national campaigns and/or local priorities.</p>
<p><b>3. Ensuring Financial Sustainability</b></p> <p>For more information see page 15</p>	<p>Financial and Asset Management Practice Notes</p> <p>Procurement project</p> <p>Public Lighting Whole of Sector Electricity Contract</p>	<p>Loss of indexation to Financial Assistance Grants.</p> <p>Pressure to deliver more statutory and other services.</p>

Priority Areas	Key Achievements	Challenges
<p><b>4. Building Sector Capacity</b></p> <p>For more information see page 16</p>	<p><i>Think Big.</i> Work Local program: provided Workforce Plans to help councils plan future needs; updated web based careers promotions search rankings; and promoted council careers at student and community events.</p> <p>2014 Local Government Conference</p> <p>Mayor, General Manager, Senior Manager and Elected Member Workshops</p> <p>Involving and informing members regarding heavy vehicles, electricity changes, planning enforcement, contracting management etc</p>	<p>VET training grants to assist councils were effectively reduced to zero for this year.</p> <p>Increasing resource requirements for workforce data at the council, LGAT , State and national levels.</p> <p>Large influx of new Local Government councillors following October 2014 elections.</p>
<p><b>5. Improving Land Use Planning</b></p> <p>For more information see page 17</p>	<p>Significant input into the Planning Reform agenda, participation on the Planning Reform Taskforce and Local Government secondment to the drafting team for the Statewide Planning Scheme.</p> <p>Workshops to support roll out of new planning enforcement provisions.</p>	<p>Constrained in the ability to engage and consult with councils on the development of the Single Planning Scheme.</p>
<p><b>6. Ensuring Environmental Sustainability</b></p> <p>For more information see page 17</p>	<p>Significant input into federal reviews into funding for emergency management has occurred this year as well as reviews at the State level about emergency management arrangements.</p>	<p>Planning for and responding to climate change not a high priority at State and Federal Government level.</p>

## Acting President's Report



Mayor Daryl Quilliam

There is a Pretenders song - *Hymn to Her*, which goes "Some things change, some stay the same". That is somewhat true of this last 12 months but perhaps more so than usual, some things have definitely changed. Not all the changes have been happy ones. We both gained and lost a President named 'Barry' at last year's elections, and we have subsequently acknowledged the sad passing of Mayor Barry Jarvis on 3 June 2015.

In the meantime, it is my honour as LGAT's Acting President to present a brief account of the activities and achievements of the Association over the last year. I would note that it is difficult to reflect the size and diversity of the tasks and output delivered by LGAT and I encourage you all to keep track of the organisation's ongoing work through the monthly reports which are sent out to all elected members.

With the entry of 14 new mayors and around 90 new alderman/councillors into Local Government following the October 2014 elections, LGAT has promptly focused on supporting those elected members to build an understanding of their new roles. The Association updated the Mayoral and Councillor Resource Kits and provided materials to a number of councils to support their induction processes. In November 2014, LGAT delivered professional development opportunities for mayors and councillors across the State, and facilitated a professional development weekend for elected members in February 2015. These opportunities for collegial interaction and valuable information exchange were well received by those in attendance.

These workshops were also just some of the many professional development opportunities offered by LGAT over the past year covering topics such as good governance, contract management, planning for healthy communities, compliance and enforcement, street lighting and heavy vehicle regulation. This year, LGAT provided a new forum for deputy general managers in addition to its regular General Managers' Workshops and we commenced our Regional Breakfast Series, with Minister Peter Gutwein as our inaugural speaker.

We also continued to focus on how to attract skilled workers to Local Government. Three new videos were placed on to the *Think Big* website, describing the council roles of Early Childhood Educator and GIS Officer, as well as the benefits of council-student research partnerships. LGAT analysed data gathered from 19 councils to develop workforce reports which will help participating councils to understand their priority occupations and strategically combat turnover due to resignations and retirements from now to 2030.

Significant attention has been given by the Association to the preparation of submissions, developing responses and facilitating inputs to legislative and policy proposals generated by the State and Federal Governments. For example, the work under the Role of Local Government project culminated in May with a strategic plan being

endorsed by the Premier's Local Government Council, with a number of the plan's key projects already well underway.

LGAT's advocacy efforts in supporting planning and heavy vehicle regulatory reform processes have clearly delivered positive outcomes. These include changes to intended government policy in the planning space such as increased timeframes for permitted use development. In the area of roads and heavy vehicle regulation, LGAT has played a key role in securing an allocation of funds through the State Budget process to support councils in the assessment of local road infrastructure for heavy vehicle access.

We continue to work to raise awareness of LGAT's procurement program, with significant savings being delivered to councils who make use of the national procurement network, Local Buy, through LGAT. Savings to the sector are currently estimated at \$500,000 a year, with plenty of room for growth.

By working through LGAT as a sector, we have achieved cheaper energy costs for councils in the area of public lighting, leveraging off the opportunity delivered through a newly competitive market. This was the first time the process had been undertaken in Tasmania and involved extensive effort from LGAT. As a consequence, our members will see significant savings on their bills. We estimate another half a million saved sector-wide.

LGAT has become the first Local Government Association to have proactively completed the Award modernisation process, avoiding the continuing complexity of having separate, state-based awards. In the industrial relations space, a suite of policies and procedures for councils to provide support in workplace health and safety compliance is nearing completion after rigorous consultation.

We hope you have noticed the changes to our communications. In July 2014, we launched our Twitter account and now have over 300 followers. Further, we have launched *The Pulse* - our new electronic newsletter, we have reviewed and continued to add content to the LGAT extranet, and we have commenced work with a new publisher for the quarterly *LGAT News* magazine.

Another big change was the departure of former LGAT CEO, Allan Garcia. I am sure you will agree that Allan made a significant contribution to the sector over the last 15 years and we wish him well in his new job heading up Infrastructure Tasmania. In mid-June, we were pleased to appoint Katrena Stephenson to the role of CEO. Katrena is a familiar face to many of you as the former Policy Director.

I would like to finish up by sincerely thanking the team at LGAT for their dedication and professionalism. When you are a councillor and not directly involved with the Association's activities, it can sometimes be difficult to realise just how much work the staff do on behalf of the sector, but I can assure you that our small Tasmanian team punches well above their weight, is highly respected and does secure wins for Local Government in this State.

A handwritten signature in black ink that reads "D. H. Quilliam". The signature is written in a cursive, slightly slanted style.

## Chief Executive Officer's Report



Dr Katrena Stephenson

The President has reflected on the busy year that was 2014-15, and 2015-16 looks to be equally intense across a diverse array of Local Government functions.

Most certainly, a key focus over the next 12 months will be to support members as we continue the conversations around Local Government reform. At the Annual General Meeting, the Minister talked about the regional benchmarking and resource-sharing models being explored

in the North and North-West, as well as a variety of resource-sharing and merger models in the South. He also announced a targeted review of the *Local Government Act*. The Association will work closely with the Local Government Division in setting the Terms of Reference for that review, as well as coordinating consultation with our members.

In April 2015, 120 mayors, councillors and council officers attended an expanded LGAT General Meeting at the Derwent Entertainment Centre to focus on the reform issue. The facilitated forum included speakers presenting on council amalgamations, resource-sharing, lean thinking and private sector mergers, and the day's valuable program provided much fuel for thought. The Acting President and I have also taken the opportunity when meeting with the Local Government Minister to discuss some other opportunities for sectoral improvement that exist. Over this year, LGAT will work up some proposals around lean thinking, procurement and planning for our members and the Minister's consideration.

Planning reform will remain a significant area of focus for the Association and councils as we collectively input into the Government's move to a Tasmanian Planning Scheme with regard to ease of implementation and possible barriers to the changes. The sector has highlighted a number of other possible improvements to the planning system and the Association will continue to advocate around those matters.

We will be working with the Local Government Division to implement the agreed activities under the Role of Local Government Project Strategic Action Plan. Governance matters feature and it is hoped that if the Local Government (Code of Conduct) Amendment Bill passes through Parliament, that time previously spent in managing the Standards Panel can be redirected to new training offerings, with a focus on governance issues.

Of course, we will continue our efforts in relation to sector contract and procurement opportunities, the roll-out of heavy vehicle regulations, supporting new council Audit Panels, building capacity in community recovery and emergency management, further progressing long-term financial and strategic asset management planning across all councils and supporting councils to have safe workplaces.

As we look forward, this year we will be active at the federal level too. The freezing of Financial Assistance Grants (FAGs) indexation has meant a reduction in real terms to Tasmanian councils of some \$17 million per annum over a three-year period. Although some consolation has been received recently with increased Roads to Recovery funding, efforts are continuing at the national level to obtain relief in relation to FAGS, and LGAT will be working with all associations on the national campaign.

Internally, we will be actively pursuing new partnerships, implementing a Strategic Communications and ICT Plan, reviewing our governance policies and procedures, and delivering on a new annual Action Plan.

It's an exciting year to be CEO of the Association and I am very much looking forward to working with the new President, General Management Committee and Policy Director, the staff and our members as we progress our key priorities.



## Organisational Structure

### General Management Committee

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

The GMC members as at 30 June 2015 were:



Mayor  
**Daryl Quilliam**  
Acting President/Vice President

### Members



Lord Mayor  
**Sue Hickey**



Mayor  
**Deirdre Flint**



Mayor  
**Jan Bonde**



Mayor  
**Graham Bury**



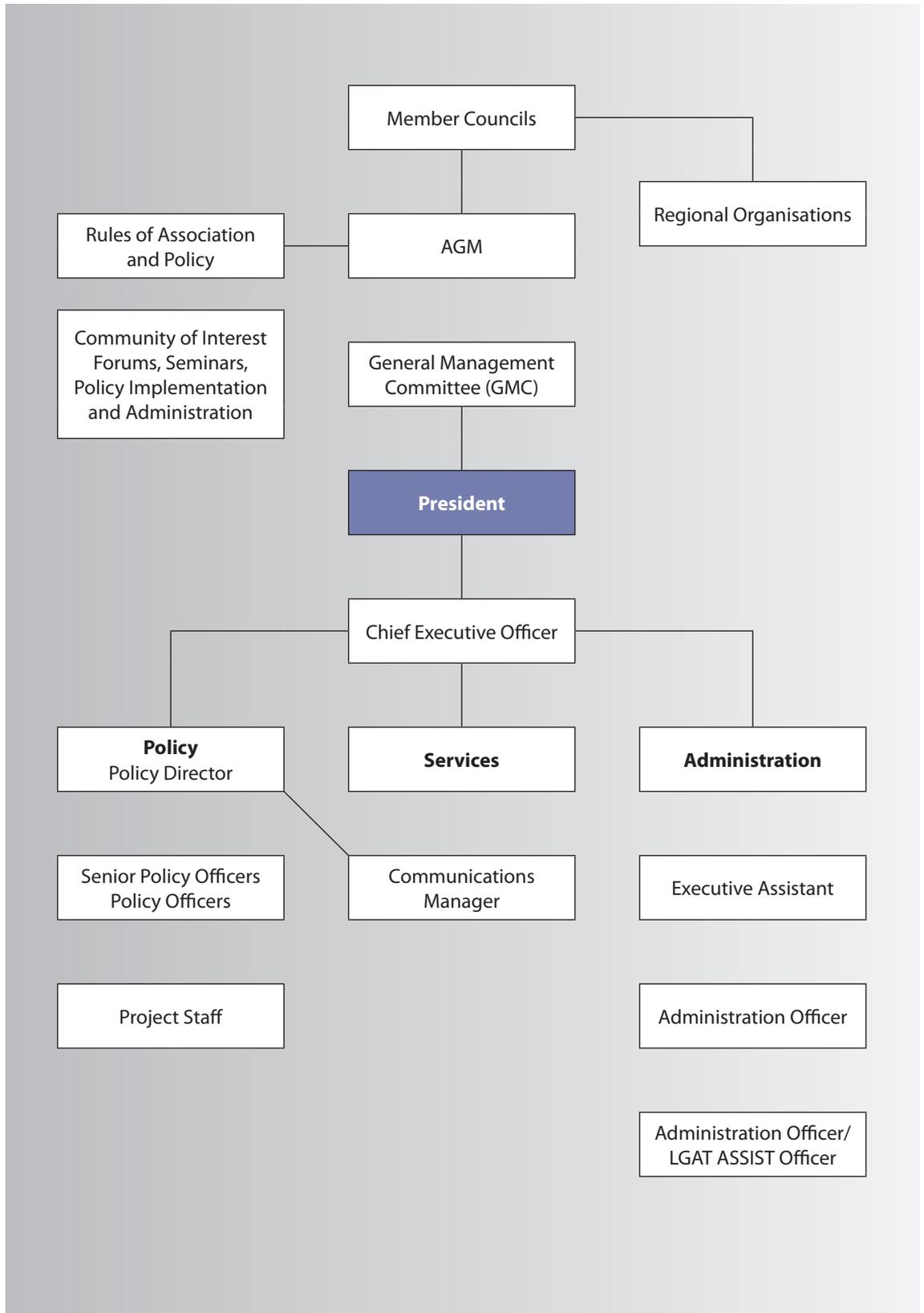
Mayor  
**Albert van Zetten**



Mayor  
**Craig Perkins**



## Our Organisation



## Reporting Against the Annual Operational Plan (Key Initiatives)

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

Priority Area 1		
Initiative/Project	Progress	Comment
Deliver the annual Local Government Conference in Hobart	Green	Two hundred delegates attended this highly successful conference. Next financial year, the conference will head north to Launceston.
Take the <i>LGAT News</i> magazine to market	Green	LGAT sought expressions of interest in October 2014 to produce the quarterly magazine and is now working with a new publishing team. A 3-year contract will be entered into, subject to a satisfactory performance by the contractor/s during the first 12 months.
Modernise the processes for subscription and distribution of the newsletter and magazine	Green	In early 2015, LGAT launched its new electronic newsletter, titled <i>The Pulse</i> . This integrated, web-based publication has new user-friendly subscription functions included and improved interactivity with the LGAT website.
Investigate and implement a breakfast speaker series for members on a regional basis	Green	The first regional breakfast series featured the Minister for Local Government and was well attended and well received.
Undertake a business process improvement program for LGAT, commencing with a brief organisational review	Orange	Applying some lean thinking principles, LGAT has commenced the process with an initial focus on small scale improvements leading to efficiency gains. The program will be further progressed in 2015-16.
Build effective relationship with the new Government and ensure continuation of the Premier's Local Government Council and the Statewide Partnership Agreement on Consultation and Communication (or equivalent)	Green	The PLGC is functioning well and there is a high level of engagement with the Local Government Minister, including his presentation to the Annual General Meeting.
Continue to facilitate strategic policy discussion at General Meetings to enable active engagement of members on issues of topical interest.	Orange	It can be difficult to get members to engage at General Meetings and a new focus will be on getting good speakers to broaden understandings and debate.
Provide ongoing support and communication in relation to road reforms such as heavy vehicles and cranes and the review of the <i>Local Government Highways Act</i> relating to the interface with gas infrastructure	Green	The LGAT successfully lobbied for a 2015-16 State Budget funding allocation to assist councils in addressing heavy vehicle access within Tasmania. It is now working closely with the Department of State Growth and councils on a \$1.7 million State Government funded project engaging consultants to assist councils with bridge and strategic route assessments. This project is due for completion by the end of 2015.  LGAT has continued to seek assistance from the Local Government Division to replace the Local Government (Highways) Regulations in relation to gas infrastructure and have been advised that other matters on the work agenda of the Premier's Local Government Council have taken priority.
Develop a clear Local Government position and regular engagement on broader community sustainability issues such as food security and disaster resilience	Green	LGAT is a member of the Heart Foundation's <i>Healthy Food Access Tasmania</i> project, focusing on food security and community access to healthy fresh food.
Develop a consolidated list of Local Government networking opportunities to promote better cross sectoral information sharing	Green	Available on the extranet

Priority Area 2		
Initiative/Project	Progress	Comments
Promote all-in, all-out elections and advise communities and voters what this means for them Provide support to potential Local Government candidates through forums and written resources		The Association ran pre-election workshops, updated candidate information and developed web resources for all councils to use.
Undertake the biennial Statewide Community Satisfaction Survey		EMRS were selected to administer the 2015 LGAT State-wide Community Satisfaction Survey. 1,024 residents were surveyed across all 29 Municipal Areas in Tasmania in May 2015. A report that detailed survey results and trend series data over the past six surveys has been developed by EMRS and will soon be provided to LGAT and each council. Key survey findings will be presented at the AGM in Launceston on 22 July 2015.
Implement a LGAT Twitter feed and participate in National Twitter Day		LGAT established a Twitter account, launching at the LGAT Annual Conference (23-25 July 2014) and coordinating with the inaugural National Twitter Day for Local Government in Australia, 23 July 2014. The LGAT's twitter account is now integrated into the Association's public website and regularly provides updates to a wide range of followers regarding activities within the LGAT and throughout the sector.
Continue to run the <i>Think Big, Work Local</i> TV advertising campaign and website		Website careers promotions were maintained and search rankings optimised for non-desktop devices. Television advertising has been scheduled to run from August to October 2015.
Drive the review of the Code of Conduct provisions and support the working group activities		Currently with the Legislative Council.
Within the Role of Local Government Project (or equivalent), identify key policy and project initiatives in conjunction with and on behalf of the sector to progress with government to improve the sustainability and effectiveness of Local Government		Strategic Action Plan endorsed by PLGC. LGAT partnering with State Government in its implementation.

Priority Area 3		
Initiative/Project	Progress	Comments
Continue to support councils to implement legislative requirements with regard to financial and asset management		Delivered 21 practice notes to the sector. Planning underway for a forum to be held jointly with IPWEA and LGMA Tas.
Support councils in implementing Audit Panel requirements		Planned two forums in partnership with the Institute of Governance, scheduled to be delivered in July 2015. Likely to become an annual event.
<p>Work with procurement areas in Local Government Associations in other states and territories to develop and implement improved procurement policies, processes and practices for use by councils in Tasmania. Improvements will include:</p> <ul style="list-style-type: none"> <li>• A Statewide Model Procurement Policy</li> <li>• Readily available templates and tools such as standard tender documentation and contracts</li> <li>• Access to better value for money, locally-based purchasing opportunities and</li> <li>• Access to training programs that provide for improved understanding of and skill in effective and efficient procurement practices and procedures</li> </ul>		<p>A Model Code for Tendering and Contracts was developed and made available to councils.</p> <p>Contracts continue to be negotiated through the National Procurement Network so that councils in Tasmania are able to purchase goods at discounted rates. Eleven contracts were available in 2014/15 including fleet, mobile garbage bins, telecommunications, clothing, fuel and oil and office supplies.</p> <p>LGAT provided councils with access to <i>Vendor Panel</i> an online e – procurement tool, so that NPN contracts could be used to purchase goods.</p> <p>Introduction to Contract Management for Local Government training was provided to councils.</p>
Continue to work with councils on the move to a contestable electricity market for non-metered public lighting, and develop opportunities for broader energy efficiency and savings for public lighting as required		A whole-of-sector approach has resulted in estimated annual savings of \$500,000 across all councils.

Priority Area 4		
Initiative/Project	Progress	Comments
Embed <i>Think Big, Work Local</i> policy and service functions in LGAT functions ongoing. Includes TV campaign, website, workforce survey, national relations, careers fairs		<p>Website, workforce survey and workforce policy work embedded as part of LGAT ongoing functions.</p> <p>TV campaign remains funded on project basis, enabling review based on need.</p>
<p>Deliver the forward training program for LGAT members (elected and staff) as identified in the Professional Development Calendar and continue to identify future requirements and opportunities</p> <p>Leverage off collaborative alliances with CPA, TTC, IPAA and LGMA in delivering integrated professional development opportunities</p> <p>Includes delivery of a more flexible offering of the planning course for elected members (with delivery on a regional/council basis)</p>		LGAT has delivered professional development to over 400 elected members and officers in the past year. Sessions have included Local Government 101, procurement, fraud awareness, community development and workplace behaviours. LGAT continues to work with councils to identify emerging needs.

<p>Identify and implement new training opportunities such as:</p> <ul style="list-style-type: none"> <li>• Masterclass for 2ICs</li> <li>• Masterclass on Rating</li> <li>• Community Development Networking Forum (possibly including or in addition to an Arts and Recreation Forum)</li> <li>• Workshops for Roads Managers re pre-consent classification of vehicles</li> </ul>		<p>Two 2IC forums have now been delivered and have been well received.</p> <p>The Masterclass on rating is on hold pending recruitment of a new Valuer-General.</p> <p>A partnership with Tasmania Medicare Local has supported the roll-out of a number of forums for Community Development Officers.</p> <p>Regular regional workshops have been held throughout the year for road managers in relation to heavy vehicles and road access, and will continue into the 2015-16 year as part of a \$1.7 million State funded project addressing this issue.</p>
<p>Deliver WHS tools including:</p> <ul style="list-style-type: none"> <li>• Dealing with Contractors</li> <li>• Due Diligence and other Personal Behaviours (Page Seager Project)</li> </ul>		<p>While the finalisation of the tools was delayed due to difficulties in consulting with unions, a suite of materials are now available on the LGAT extranet for councils to begin implementation.</p>

### Priority Area 5

Initiative/Project	Progress	Comments
<p>Continue to work collaboratively with members to identify and understand land use planning issues and advocate on those for the sector including:</p> <ul style="list-style-type: none"> <li>• Participation on the Planning Taskforce</li> </ul>		<p>In addition to participation on the Taskforce, LGAT secured agreement of the sector to co-fund the secondment of a Local Government planner to the drafting team. The Minister also approved the establishment of a technical reference group comprising Local Government planners to report to the Taskforce. Working with councils, LGAT made submissions on a number of key proposals.</p>
<ul style="list-style-type: none"> <li>• Driving resolution of issues arising from implementation of the Bushfire Code</li> </ul>		<p>Despite continued effort from LGAT in advocating for improvements, there continues to be delay and difficulty in relation to a number of issues including mapping.</p>
<ul style="list-style-type: none"> <li>• Contribute to improvements in planning and building processes through the Planning Schemes Online Project</li> </ul>		<p>The Association has continued to regularly participate on the Planning Schemes Online Project Steering Committee.</p>
<ul style="list-style-type: none"> <li>• Investigate opportunities to improve consistency of approach and modernise a range of planning/building documentation including permits forms and 337s.</li> </ul>		<p>LGAT provided input and advocacy on behalf of the sector in its submissions and feedback to State Government regarding both the Review of the Local Government (General) Regulations and the Building Regulatory Framework Review.</p>

### Priority Area 6

Initiative/Project	Progress	Comments
<p>Secure a resolution on the climate change indemnity issue for Local Government</p>		<p>LGAT has continued to engage with the Tasmanian Climate Change Office (TCCO) in an attempt to progress the ongoing issue of indemnity and associated alternative pathways to address this concern on behalf of councils. A resolution has not been achieved for a number of reasons beyond LGAT's control; however the TCCO has indicated a commitment to assisting Local Government and other affected stakeholders through the State's provision of a reliable and endorsed framework of hazard and mapping information that will in turn provide councils with greater consistency and confidence in their decision-making going forward.</p> <p>As part of this broader agenda, the LGAT has continued to engage with the State Government project titled Mitigating the Impact of Natural Hazards through Land Use Planning, to determine potential impacts (land use planning, asset management, climate change indemnity) for Local Government.</p>



## Strengthening Strategic Relationships

### Strategies:

- **Build a strong association**
  - Continue to work collaboratively with members to provide a strong relevant association with maximum membership of Tasmanian councils.
- **Provide a strong united voice for Local Government**
  - Ensure Local Government's voice is represented in relevant public debates, legislative reviews and intergovernmental forums.
- **Develop and maintain strategic alliances**
  - Identify opportunities for collaboration, resource-sharing and attracting funding for Local Government.
- **Foster collaboration and cooperation within the Local Government sector**
  - Proactively provide opportunities for councils with like issues to meet and share experiences and solutions.

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. During 2014-15, LGAT staff participated on over 60 different working, steering, reference and project groups.

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

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

### Highlights:

#### Pulse e-newsletter

In early 2015, LGAT launched its new electronic newsletter, titled *The Pulse*. This integrated web-based publication has new, user-friendly subscription functions included and improved interactivity with the LGAT website.

#### Local Government Conference

The 102nd Local Government Conference, themed *Building Stronger Councils and Communities*, was held at Wrest Point in Hobart, from 23-25 July 2014. Highlights included the official Conference Dinner, an address from the Hon Peter Gutwein at the Annual General Meeting, plenary presentations from Craig James and Tony Morris, and workshops delivered by John Stanley, John Comrie, Leah Galvin and Carla Leversedge.

The winners of the 2014 Local Government Awards for Excellence were announced on 25 July. Awards were presented for Dorset Council's *Active Youth Program* (Delivering Excellence - Smaller Councils) and Central Coast Council's *Penguin Mountain Bike Park* (Delivering Excellence - Larger Councils). President Barry Easther was awarded Life Membership of LGAT, Mayor Mike Gaffney was honoured with a Councillor's Exemplary Service Award and General Manager Gerald Monson's long service was recognised.

At the General Meeting, 19 motions were carried around a variety of issues including regional arts, weeds, roads, building and electricity. At the conference, we launched the LGAT Twitter Account @LGATasmania (#LGTas) and participated in the National Local Government Twitter Day (My Place My Council #MPMC).

## Leading Recognition and Reform

### Strategies:

- **Improve the image of Local Government**
  - Develop and deliver a strategic marketing campaign designed to improve understanding and positive perceptions of the sector.
  - Provide tools for members to promote Local Government and improve community understanding of functions and services.
- **Drive the Local Government reform agenda.**
  - Undertake research and analysis to aid the development of reform options and allow for strategic advice.
  - Support members to respond to proposed reform agendas.

### Highlights:

#### Role of Local Government Project

LGAT was active in the State Government's Role of Local Government Project over the year. This project, auspiced by the Premier's Local Government Council (PLGC), had four working groups. LGAT participated on all and chaired two of the groups. A strategic action plan was endorsed by the PLGC in May 2015. The Strategic Action Plan, comprises 26 initiatives and sets a three-year agenda focusing on economic development, collaboration, governance and legislation. LGAT will continue to be involved through the Implementation Subcommittee and directly leading or participating in initiatives.

#### Local Government (Code of Conduct) Amendment Bill

After extensive advocacy for and consultation with the Local Government sector, LGAT secured agreement for the Code of Conduct Amendment Bill to be drafted and tabled in Parliament.

LGAT believe the Bill addresses the issues the sector has raised for many years, including the difficulties faced by Local Code of Conduct Panels, the limited sanctions and enforcement powers, the inability for the Standards Panel to dismiss frivolous and vexatious complaints, and the difficulties faced by LGAT, as a member body, in administering the body that deals with complaints and applies sanctions.

The Bill passed the Lower House during the year and is being considered by the Upper House.

#### Special General Meeting – Local Government Reform

Over 120 mayors, councillors and council officers attended the expanded LGAT General Meeting at the Derwent Entertainment Centre on the 30 April 2015. The facilitated forum included speakers on council amalgamations, resource-sharing, lean thinking and private sector mergers.

#### Award Modernisation

LGAT became the first Local Government Association to have proactively completed the Award modernisation process, avoiding the continuing complexity of having separate, state-based awards. With the exception of general managers who have contracts with council, all council employees in Tasmania are now covered by the Modern Award.



## Ensuring Financial Sustainability

### Strategies:

- **Drive improvements in financial and strategic asset management across the sector.**
  - Continue to deliver training and tools to build councils' capacity to understand and plan for the long-term.
  - Implement the outcomes of the rating and valuation review.
- **Develop opportunities for improvement and efficiencies.**
  - Investigate and develop opportunities for joint procurement and resource-sharing.

### Highlights:

#### Local Government Financial and Asset Reform Practice Notes

During the year, LGAT finalised a suite of 21 Long-term Financial Planning and Asset Management Practice Summaries. These are useful for both day-to-day practitioners and for elected members and officers wishing to build their understanding in this space, particularly as councils enhance their compliances with the legislative requirements.

#### Procurement

As a National Procurement Network (NPN) partner, LGAT worked with other states and territories in 2014/15 to put in place three new contracts for goods and services. The contracts related to: tyres, tubes and batteries; mobile garbage bins (and other waste products); and corporate wardrobe. Councils (and associated bodies e.g. TasWater) are able to purchase these and a range of other items through the National Procurement Network at discounted rates using an easy-to-use, electronic procurement system. Purchases can be made through direct engagement with suppliers, or through a Request for Quotation.

There is significant scope for greater use of the available contracts by councils in the State. That said, from 2014-2015, councils purchased \$3.08 million (ex GST) worth of goods through the NPN and savings on items in the order of \$300,000 were made across Tasmania. These savings do not include administrative savings generated through the use of the streamlined NPN purchasing process.

#### Street Lighting

A successful tender process attracted offers from two retailers for the supply of energy for unmetered public lighting, offering savings of around \$500,000 annually to the sector. This was the first time a whole-of-sector approach had been taken in this space.

#### State Budget Advocacy

Funding allocated in the 2015-16 State Budget for key LGAT advocacy areas included:

- Parks and Forestry - for high priority infrastructure including roads, tracks and trails - to be allocated in consultation with councils;
- Support to be provided to local councils for transport infrastructure including assessment of local road infrastructure for heavy vehicle access; and
- Allocation of funds for ongoing concessions including rates, water and sewerage.

## Building Sector Capacity

### Strategies:

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

### Highlights:

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

Three new videos were placed on to [www.thinkbigworklocal.com](http://www.thinkbigworklocal.com). Website videos describe council jobs roles of Early Childhood Educator and GIS Officer, as well as the benefits of council/student research partnerships.

The second Tasmanian Local Government Workforce Report was completed. The report was produced by analysing workforce data supplied by 75% Tasmanian councils through 2014, within a custom database. Analysis found council sector turnover was 13.8% in 2013, with resignation accounting for 9.3 percentage points, retirement 2.2, redundancy 1.3, and contract expiry 1.1. Importantly, the report plots the numbers estimated to be lost due to resignation and retirement to 2040. The report and companion Workforce Plans provided to participating councils, provide practical guidance to help reduce and manage staff turnover.

#### Training and Professional Development

With 14 new mayors and around 90 new alderman/councillors, LGAT focused on quickly building understanding of their new roles. The Association delivered three development opportunities for mayors and councillors in November: Donning the Robes - An Introduction for New Mayors; Leading through Performance - a one-day Mayors; Professional Development Workshop; and Local Government 101 - a one-day introductory course for new councillors. In addition, LGAT staff participated in councillor induction at Launceston City Council and provided induction presentation materials to a number of councils.

We also hosted a highly successful Elected Members' Professional Development Weekend in Launceston, from 28 February to 1 March 2015. The workshop and dinner was attended by 60 delegates. Feedback about the value of the sessions and networking opportunity was very positive.

Early in 2015, LGAT delivered the inaugural regional breakfast forums, with Minister Peter Gutwein as guest speaker. The three forums, held in Hobart, Ulverstone and Launceston, were attended by 95 people and were much enjoyed.

Two General Managers' Workshops were conducted with a variety of topics covered and speakers made available. Issues covered included roads, the National Procurement Network, the building industry training levy, an up close and personal with the Secretary of DPAC, Greg Johannes, organisational restructuring, and the Auditor-General's Local Government Sustainability Report, as well as LGAT policy matters and time for group problem solving.

LGAT also delivered an inaugural workshop for aspiring General Managers/2IC officers. This one-day forum included a masterclass from an experienced general manager, and Local Government perspectives from the Local Government Division and the Australian Local Government Association. Early feedback was positive so a second forum was held in May 2015.

LGAT delivered some very well received training on contract management for council officers. Twenty six people from six councils attended the training in April 2015. Around 85% of participants stated that they would recommend the Introduction to Contract Management training to others. Around 70% of respondents said that they would be interested in attending other courses, such as training on contract planning and specification development, evaluation, negotiation, supplier selection and contract establishment.



## Improving Land Use Planning Strategies:

- **Respond to planning policy reform on behalf of the Local Government sector.**
  - Maintain relationships with key stakeholders in order to influence and inform policy and practice.
  - Advocate for improvements to the State Planning System.
- **Build the capacity of elected members to function as members of a Planning Authority.**
  - Provide access to training for members of planning authorities to support their legislative functions and understand emerging land use planning issues (eg hazards, climate change).
- **As part of the strategic marketing campaign, build recognition of good planning outcomes being delivered by Tasmanian councils.**

### Highlights:

#### Planning Reform

Peter Gutwein MP announced in Parliament the structure of the Tasmanian Planning Scheme (TPS) which is meeting the Government's election commitment for a single, statewide planning scheme. The LGAT CEO was an active participant on both the Taskforce and related technical reference group during the year.

LGAT conducted a process to second a Local Government planner to the Taskforce drafting team and successfully advocated for the establishment of a Local Government Technical Reference Group to provide detailed technical comment in relation to implementation of State Government policy around the TPS.

The *Land Use Planning and Approvals Amendment (Streamlining of Process) Bill 2014* passed both houses of Parliament at the end of November 2014 and has now been enacted. LGAT was successful in gaining some changes to initial proposals based on feedback from councils. The Association has continued to work with councils and council planners with regard to implementation issues and future legislative proposals.

#### Planning Enforcement

Following advocacy by LGAT, the revised enforcement provisions in the *Land Use Planning and Approvals Act* were finally enacted. Subsequently 30 planning and compliance officers attended a workshop at West Tamar to map issues and agree a common approach to implementation of the new enforcement provisions. Following the workshop, LGAT finalised an issues paper and had conversations with the Tasmanian Planning Commission about the issues raised. Related documents were uploaded on the extranet, an email network was established and training opportunities have been identified and offered.

## Ensuring Environmental Sustainability

### Strategies:

- **Continue to support councils in identifying and responding to climate change related risks.**
  - Undertake research and disseminate information to members.
  - Attract funding for climate change mitigation and adaptation activities.
  - Continue to advocate for resolution of liability issues.
- **Work to secure better waste management outcomes across the sector.**
  - Develop a position on future funding and waste management priorities.
  - Advocate for improvements to the management of waste in Tasmania.

### Highlights:

#### Climate Change

LGAT continues to identify opportunities to continue progression of the broader indemnity issue associated with council decision-making around climate change and natural hazards, and to explore associated alternative pathways to address this concern with the State Government on behalf of councils. An example of this work is the Mitigation of Natural Hazards through Land Use Planning Project.

#### Mitigation of Natural Hazards through Land Use Planning Project

The Tasmanian Government has been administering the Mitigating Natural Hazards through Land Use Planning (MNHLUP) project since 2011. The MNHLUP project provides a comprehensive framework to mitigate the risks to Tasmanian communities from natural hazards – including landslip, riverine flooding, storm events, and coastal erosion and inundation – through land use planning and building controls. The project outcomes and deliverables are of key interest and concern to the Local Government sector.

LGAT has engaged regularly with the Project Manager within the Department of Premier and Cabinet to discuss and consider issues around natural hazard risks in land use planning, and the implications of the broader project parameters for Local Government.

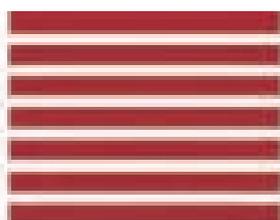
# Financial Report



Local Government Association Tasmania

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Financial Report  
30 June 2015



**Wise Lord & Ferguson**  
Chartered Accountants  
*advice to advantage*





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# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### General Management Committee Report

The General Management Committee submits the special purpose financial report of the Local Government Association of Tasmania Association (the Association) for the year ended 30<sup>th</sup> June 2015.

#### General Management Committee

The names of the committee members in office during 2014/15 financial year are:

Vice President	Mayor Daryl Quilliam	(Elected July 2012) (Acting President from June 2015)
	Mayor Deirdre Flint	(Elected July 2012)
	Mayor Jan Bonde	(Elected July 2012)
	Mayor Albert van Zetten	(Elected July 2012)
	Mayor Graham Bury	(Elected July 2012)
	Mayor Barry Jarvis	(Elected July 2012) (Deceased June 2015)
	Mayor Barry Easther	(Elected July 2012) (Resigned October 2014)
	Mayor Craig Perkins	(Elected January 2015)
	Lord Mayor Sue Hickey	(HCC rejoined the Association January 2015)

#### Principal Activity

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

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

#### Operating Result

The net surplus from general operations amounted to \$81,575 (2013/14 deficit of \$125,326). The net deficit from LGAT Assist amounted to (\$17,678) (2013/14 deficit of \$7,255).



### **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 24th day of September 2015 in accordance with a Resolution of the General Management Committee.



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**Mayor Daryl Quilliam**  
Acting President

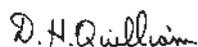
# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA STATEMENT BY THE GENERAL MANAGEMENT COMMITTEE

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

- 1 (a) the Association is not a reporting entity; and  
(b) the financial statements and notes thereto, set out on pages 23 to 45, 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 2015 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 Daryl Quilliam**  
Acting President

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Statement of Comprehensive Income for the Year Ended 30 June 2015

	Note	Assist 2015 \$	General 2015 \$	Assist Restated 2014 \$	General Restated 2014 \$
<b>Income</b>					
Grants and contributions	2	-	80,000	-	66,966
Subscriptions		-	1,050,613	-	997,405
Interest income		59,166	91,936	64,057	97,524
Other income		-	564,590	-	639,216
<b>Total income</b>		<b>59,166</b>	<b>1,787,139</b>	<b>64,057</b>	<b>1,801,111</b>
<b>Expenses</b>					
Employee benefits		-	(875,518)	-	(891,665)
Depreciation and amortisation		-	(32,173)	-	(30,831)
Grant and contribution expenses		-	(159,703)	-	(191,621)
Other expenses	16,17	(76,844)	(638,170)	(71,312)	(812,320)
<b>Total expenses</b>		<b>(76,844)</b>	<b>(1,705,564)</b>	<b>(71,312)</b>	<b>(1,926,437)</b>
<b>Surplus/(Deficit)</b>		<b>(17,678)</b>	<b>81,575</b>	<b>(7,255)</b>	<b>(125,326)</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Comprehensive result</b>		<b>(17,678)</b>	<b>81,575</b>	<b>(7,255)</b>	<b>(125,326)</b>

A detailed account of revenue and expenditure for the General Account and LGAT Assist are disclosed in notes 16 and 17 of the special purpose financial report.

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

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Statement of Financial Position as at 30 June 2015

	Note	Assist 2015 \$	General 2015 \$	Assist Restated 2014 \$	General Restated 2014 \$	General Restated as at 1 July 2013 \$
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	3	798,648	664,783	685,666	673,411	949,666
Trade and other receivables	4	-	116,786	-	69,623	43,005
Financial assets	5	250,961	1,925,000	429,762	2,050,000	1,922,478
Other assets	6	905	42,687	972	60,989	50,013
<b>Total current assets</b>		<b>1,050,514</b>	<b>2,749,256</b>	<b>1,116,400</b>	<b>2,854,023</b>	<b>2,965,162</b>
<b>Non-current assets</b>						
Financial assets	5	113,373	-	60,542	-	-
Property, plant and equipment	7	-	1,035,937	-	1,014,779	1,015,861
Intangible assets	8	-	2,798	-	890	1,476
<b>Total non-current assets</b>		<b>113,373</b>	<b>1,038,735</b>	<b>60,542</b>	<b>1,015,669</b>	<b>1,017,337</b>
<b>Total assets</b>		<b>1,163,887</b>	<b>3,787,991</b>	<b>1,176,942</b>	<b>3,869,692</b>	<b>3,982,499</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	9	9,711	260,201	5,088	277,064	306,172
Unexpended grants	10	-	-	-	-	-
Provisions	11	-	71,902	-	249,186	227,735
<b>Total current liabilities</b>		<b>9,711</b>	<b>332,103</b>	<b>5,088</b>	<b>526,250</b>	<b>533,907</b>
<b>Non-current liabilities</b>						
Provisions	11	-	88,873	-	65,639	45,463
<b>Total non-current liabilities</b>		<b>-</b>	<b>88,873</b>	<b>-</b>	<b>65,639</b>	<b>45,463</b>
<b>Total liabilities</b>		<b>9,711</b>	<b>420,976</b>	<b>5,088</b>	<b>591,889</b>	<b>579,370</b>
<b>Net Assets</b>		<b>1,154,176</b>	<b>3,367,015</b>	<b>1,171,854</b>	<b>3,277,803</b>	<b>3,403,129</b>
<b>Equity</b>						
Accumulated surplus		1,154,176	3,359,378	1,171,854	3,277,803	3,403,129
Asset revaluation reserve		-	7,637	-	-	-
<b>Total Equity</b>		<b>1,154,176</b>	<b>3,367,015</b>	<b>1,171,854</b>	<b>3,277,803</b>	<b>3,403,129</b>

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

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Statement of Changes in Equity for the Year Ended 30 June 2015

	<b>Assist</b>	<b>General</b>
	<b>\$</b>	<b>\$</b>
<b>2015</b>		
Balance at beginning of the financial year	1,171,854	3,277,803
Surplus/(deficit) for the year	(17,678)	81,575
Asset Revaluation Reserve	-	7,637
Other comprehensive income	-	-
<b>Balance at end of the financial year</b>	<b><u>1,154,176</u></b>	<b><u>3,367,015</u></b>
<b>2014</b>		
	<b>Restated</b>	<b>Restated</b>
Balance at beginning of the financial year	1,179,109	3,403,129
Surplus for the year	(7,255)	(125,326)
Other comprehensive income	-	-
<b>Balance at end of the financial year</b>	<b><u>1,171,854</u></b>	<b><u>3,277,803</u></b>

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

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Statement of Cash Flows for the Year Ended 30 June 2015

	Note	2015		2014	
		Inflows/(Outflows)		Inflows/(Outflows)	
		Assist	General	Assist	General Restated
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
General receipts		-	1,785,065	-	1,737,687
Grants		-	88,000	-	73,663
Interest		59,233	93,789	64,588	95,859
Payments to suppliers and employees		(74,621)	(2,052,834)	(70,321)	(2,028,282)
<b>Net cash provided by (used in) operating activities</b>	12(a)	<b>(15,388)</b>	<b>(85,980)</b>	<b>(5,733)</b>	<b>(121,073)</b>
<b>Cash flows from investing activities</b>					
Purchase of plant and equipment	7	-	(47,647)	-	(29,163)
Proceeds from sale of plant and equipment		-	-	-	1,500
Payments for other financial assets		(18,803)	124,999	-	(127,520)
Proceeds from other financial assets		-	-	(18,707)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(18,803)</b>	<b>77,352</b>	<b>(18,707)</b>	<b>(155,183)</b>
<b>Cash flows from financing activities</b>					
Loans advanced		(338,753)	-	(536,952)	-
Repayment of loans advanced		467,124	-	478,863	-
<b>Net cash provided by (used in) financing activities</b>		<b>128,371</b>	<b>-</b>	<b>(58,089)</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents		94,180	(8,628)	(82,529)	(276,256)
Cash and cash equivalents at the beginning of the financial year		133,224	673,411	215,753	949,667
<b>Cash and cash equivalents at the end of the financial year</b>	12(b)	<b>227,404</b>	<b>664,783</b>	<b>133,224</b>	<b>673,411</b>

The above statement should be read with the accompanying notes.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2015

#### Note 1 Significant accounting policies

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

##### (a) Basis of accounting

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

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

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

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

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

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

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2015

**(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.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2015

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

*Disposal Proceeds*

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

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

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

	2015	2014
Property	2.50%	2.50%
Motor Vehicles	22.5%	22.5%
Office Furniture and Equipment	10-36%	10-36%

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

(e) **Taxation**

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

(f) **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the Australian Taxation Office (ATO) is included as a current asset or liability in the Balance Sheet.

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

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2015

**(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 2015 are set at 8% (2014 8%) for welfare loans and 8% (2014 8%) for general purpose loans. These loans are designated as financial assets held to maturity and are therefore brought to account at cost. An impairment provision is recognised when the Board has determined that there is objective evidence that the loan may not be repaid in full.

**(i) Trade and other receivables**

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

**(j) Property, plant and equipment and intangible assets**

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

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

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2015

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

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

**(k) Trade and other payables**

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

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

**(l) Employee benefits**

*Wages and salaries*

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

*Annual leave*

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

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

*Sick Leave*

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

*Long service leave*

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

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2015

(l) **Employee benefits (cont'd)**

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

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

*Classification of employee benefits*

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

(m) **Contingent**

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

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

(n) **Prior Period Error**

In previous years the Association incorrectly classified government grants and contributions as reciprocal transfers because there were conditions attached to the arrangements. The incorrect classification resulted in revenue being understated in the year when the incorrectly classified grant or contribution was received because income from grants and contributions must be recognised immediately if the ultimate beneficiary is not the grantor.

Recognising that for a transaction to be reciprocal, the transferor must have a right to receive the benefits directly, the Association reclassified government grants and contributions as non-reciprocal transfers. The error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

**Impact on Statement of Financial Position**

	Unexpended grants	Accumulated Surplus
	\$	\$
Balance at 1 July 2013 previously reported	541,612	2,861,517
Impact of the correction	(541,612)	541,612
<b>Restated balance at 1 July 2013</b>	<b>-</b>	<b>3,403,129</b>
Balance at 1 July 2014 previously reported	435,608	2,842,195
Impact of the correction	(435,608)	435,608
<b>Restated balance at 1 July 2014</b>	<b>-</b>	<b>3,277,803</b>

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2015

(n) Prior Period Error (cont'd)

Impact on Statement of Comprehensive Income

	2014
	\$
Income from Grants and contributions previously reported	172,970
Impact of the correction	(106,004)
<b>Restated income from Grants and contributions</b>	<b>66,966</b>
Comprehensive result previously reported	(19,322)
Impact of the correction	(106,004)
<b>Restated Comprehensive result</b>	<b>(125,326)</b>

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report for the Year Ended 30 June 2015

#### (n) Pending Accounting Standards

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

Standard	Title	Summary	Application Date of Standard	Impact on Local Government Association of Tasmania financial statements
AASB 9	Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).	These standards will be applicable retrospectively (subject to provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting. The key changes that may affect the Association on initial application of AASB9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Although, the committee anticipate that the adoption of AASB9 may have an impact on the Association's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.	1-Jan-18	The Association has not yet estimated the impact of this Standard on its financial statements.
AASB15	Revenue from contracts with customers (applicable to annual reporting periods commencing on or after 1 January 2017)	When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principle-based model. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods and services. Although the Association anticipate that the adoption of AASB15 may have an impact on the financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.	1-Jan-17	The Association has not yet estimated the impact of this Standard on its financial statements.
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities was reissued in March 2015.	This standard makes amendments to AASB 124 Related Party Disclosures extend the scope of that standard to to include not-for-profit public sector entities and applies to annual reporting periods beginning on or after 1 July 2016.	1-Jul-16	The Association has not yet estimated the impact of this Standard on its financial statements.

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

	Assist 2015 \$	General 2015 \$	Assist 2014 \$	General Restated 2014 \$
<b>Note 2 Grants and contributions</b>				
Grants and contributions were received in respect of the following :				
<b>Summary of grants and contributions received and receivable</b>				
Federally funded grants	-	80,000	-	-
State funded grants	-	-	-	41,000
Others	-	-	-	25,966
<b>Total summary of grants and contributions received</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>66,966</b>
<b>Grants and contributions recognised as revenue</b>				
LG Reform Fund	-	-	-	7,404
26TEN - Plain English Guide	-	-	-	10,000
26TEN Testing of User Guide	-	-	-	7,500
26TEN - How To Guide	-	-	-	23,500
Container Deposit Scheme	-	-	-	18,562
Healthy Communities	-	80,000	-	-
<b>Total grants and contributions recognised as Revenue</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>66,966</b>

Non-reciprocal grants that have been recognised as revenue and were obtained on condition that they be expended in a specified manner that had not occurred at balance date are detailed in note 10.

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

	Assist 2015 \$	General 2015 \$	Assist 2014 \$	General 2014 \$
<b>Note 3 Cash and cash equivalents</b>				
<b>Current</b>				
Cash on hand	-	500	-	500
Cash at bank	134,948	152,571	42,871	121,357
Short term investments at call	92,456	511,712	90,354	551,554
Fixed term deposits	571,244	-	552,441	-
<b>Total cash and cash equivalents</b>	<b>798,648</b>	<b>664,783</b>	<b>685,666</b>	<b>673,411</b>
<b>Note 4 Trade and other receivables</b>				
<b>Current</b>				
Trade debtors	-	116,786	-	125,635
Provision for Doubtful Debts	-	-	-	(56,012)
<b>Total trade and other receivables</b>	<b>-</b>	<b>116,786</b>	<b>-</b>	<b>69,623</b>
<b>Note 5 Financial assets</b>				
<b>Current</b>				
Fixed term investments	-	1,925,000	-	2,050,000
LGAT Assist loans	266,142	-	450,191	-
Provision for impairment	(15,181)	-	(20,429)	-
<b>Total current financial assets</b>	<b>250,961</b>	<b>1,925,000</b>	<b>429,762</b>	<b>2,050,000</b>
<b>Non-current</b>				
LGAT Assist loans	113,373	-	60,542	-
<b>Total non-current financial assets</b>	<b>113,373</b>	<b>-</b>	<b>60,542</b>	<b>-</b>
<b>Note 6 Other assets</b>				
<b>Current</b>				
Prepayments	-	34,998	-	43,965
Accrued interest	905	7,478	972	9,232
Other	-	211	-	7,792
<b>Total other assets</b>	<b>905</b>	<b>42,687</b>	<b>972</b>	<b>60,989</b>

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

	Assist 2015 \$	General 2015 \$	Assist 2014 \$	General 2014 \$
<b>Note 7 Property, plant and equipment</b>				
Building	-	850,000	-	842,363
Accumulated depreciation	-	-	-	-
	-	<b>850,000</b>	-	<b>842,363</b>
Improvements at cost	-	57,718	-	57,718
Accumulated depreciation	-	(4,177)	-	(2,736)
	-	<b>53,541</b>	-	<b>54,982</b>
Motor vehicles at cost	-	130,181	-	93,408
Accumulated depreciation	-	(44,423)	-	(28,122)
	-	<b>85,758</b>	-	<b>65,286</b>
Office furniture and equipment at cost	-	153,862	-	154,814
Accumulated depreciation	-	(107,224)	-	(102,666)
	-	<b>46,638</b>	-	<b>52,148</b>
<b>Total property, plant and equipment</b>	-	<b>1,035,937</b>	-	<b>1,014,779</b>
<i>Building</i>				
Carrying amount at beginning of financial year	-	842,363	-	842,363
Revaluation increment	-	7,637	-	-
Depreciation expense	-	-	-	-
Carrying amount at end of the financial year	-	<b>850,000</b>	-	<b>842,363</b>
<i>Improvements</i>				
Carrying amount at beginning of financial year	-	54,982	-	57,718
Depreciation expense	-	(1,441)	-	(2,736)
Carrying amount at end of the financial year	-	<b>53,541</b>	-	<b>54,982</b>
<i>Motor Vehicles</i>				
Carrying amount at beginning of the financial year	-	65,286	-	84,240
Acquisitions	-	36,773	-	-
Depreciation expense	-	(16,301)	-	(18,954)
Carrying amount at end of the financial year	-	<b>85,758</b>	-	<b>65,286</b>
<i>Office Furniture and Equipment</i>				
Carrying amount at beginning of the financial year	-	52,148	-	32,836
Acquisitions	-	8,475	-	29,162
Disposals	-	(45)	-	-
Depreciation expense	-	(13,940)	-	(9,850)
Carrying amount at end of the financial year	-	<b>46,638</b>	-	<b>52,148</b>
<b>Note 8 Intangibles</b>				
Computer software	-	14,286	-	11,887
Accumulated amortisation	-	(11,488)	-	(10,997)
<b>Total intangibles</b>	-	<b>2,798</b>	-	<b>890</b>

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

	Assist 2015 \$	General 2015 \$	Assist 2014 \$	General 2014 \$
<b>Note 9 Trade and other payables</b>				
Trade payables	-	60,638	-	37,812
Net GST payable	-	32,144	-	21,660
Sundry creditors	9,711	1,354	5,088	8,798
Accrued employee expenses	-	20,209	-	40,544
Unearned revenue	-	145,856	-	168,250
<b>Total trade and other payables</b>	<b>9,711</b>	<b>260,201</b>	<b>5,088</b>	<b>277,064</b>
<b>Note 10 Unexpended grants</b>				
Environmental Dispute Resolution	-	46,153	-	46,152
Local Government Reform Fund	-	251,554	-	342,009
Coastal Adaption Pathway Project	-	33,947	-	33,947
26 TEN How to Guide	-	-	-	13,500
Healthy Communities	-	64,085	-	-
<b>Total unexpended grants</b>	<b>-</b>	<b>395,739</b>	<b>-</b>	<b>435,608</b>
<b>Note 11 Provisions</b>				
<b>Current</b>				
Annual leave	-	46,506	-	142,620
Long service leave	-	25,396	-	106,566
<b>Total current provisions</b>	<b>-</b>	<b>71,902</b>	<b>-</b>	<b>249,186</b>
<b>Non-current</b>				
Long service leave	-	88,873	-	65,639
<b>Total non-current provisions</b>	<b>-</b>	<b>88,873</b>	<b>-</b>	<b>65,639</b>
<b>Note 12 Cash flow statement reconciliation</b>				
<b>a) Reconciliation of cash flows from operating activities to surplus</b>				
Surplus/(Deficit)	(17,678)	81,575	(7,255)	(125,326)
<i>Other Adjustments</i>				
Bad debts written off	(2,402)	-	1,743	-
Depreciation/amortisation	-	32,173	-	30,831
(Profit)/loss on disposal of plant and equipment	-	45	-	(1,500)
<i>Change in assets and liabilities:</i>				
Decrease/(increase) in trade and other receivables	67	37,636	448	(75,354)
Increase/(decrease) in provision for doubtful debts	-	(56,012)	-	56,012
Increase/(decrease) in trade and other payables	4,625	2,489	(669)	(68,383)
Increase/(decrease) in provisions	-	(161,493)	-	48,802
Increase/(decrease) in other liabilities	-	(22,393)	-	13,845
<b>Net cash provided by/(used in) operating activities</b>	<b>(15,388)</b>	<b>(85,980)</b>	<b>(5,733)</b>	<b>(121,073)</b>

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

	Assist 2015 \$	General 2015 \$	Assist 2014 \$	General 2014 \$
<b>Note 12 Cash flow statement reconciliation (cont'd)</b>				
b) Cash and cash equivalents				
Cash on hand and at Bank	134,948	153,071	42,871	121,857
Short term investments (at call)	92,456	511,712	90,353	551,554
<b>Total cash and cash equivalents</b>	<b>227,404</b>	<b>664,783</b>	<b>133,224</b>	<b>673,411</b>

#### Note 13 Financial risk management objectives and policies

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

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

##### Credit risk

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

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

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

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

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

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

As at 30th June 2015 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT Assist's surplus by approximately \$3,795 (2013/14 \$5,107). An increase in an interest rate of one percent would have the same but opposite impact.

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

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

As at 30th June 2015 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT General's surplus by approximately \$19,250 (2013/14 \$20,397). An increase in an interest rate of one percent would have the same but opposite impact.

**Liquidity risk**

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

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

**Note 14 Superannuation**

During the year the Association made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the Superannuation Guarantee (Administration) Act 1992.

**Note 15 Subsequent events**

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

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

	General 2015	General Restated 2014
	\$	\$
<b>Note 16 Detailed statement of general account - revenue and expenditure</b>		
<b>Revenue</b>		
Government grants	80,000	66,966
Fees and commissions	76,732	79,202
Interest - general account	88,547	94,216
Interest – building proceeds	3,389	3,308
Surplus/(Deficit) on sale of plant and equipment	(45)	1,500
Sponsorship, conferences/seminars	341,367	228,574
Subscriptions	1,050,613	997,405
Other Subscriptions	146,313	138,449
Other	223	191,491
	<b>1,787,139</b>	<b>1,801,111</b>
<b>Expenditure</b>		
Advertising	1,041	1,268
Accommodation expenses	1,345	676
Accounts administration	13,180	12,629
ALGA	113,524	106,345
Amortisation - computer software	491	586
Annual conference	137,933	155,789
Auditors' remuneration	14,400	14,115
Bad Debts Expense	(50,920)	50,920
Catering	7,105	3,524
Cleaning	5,166	4,363
Consultancy fees	88,434	9,005
Council careers and skills shortage	69,248	112,710
Community Satisfaction Survey	17,100	8,100
Conferences and seminars	30,758	15,036
Constitutional Recognition	-	159,627
Cost Recovery - grant administration	(55,387)	(79,399)
Depreciation - computers	10,255	6,897
Depreciation - motor vehicles	16,301	18,954
Depreciation - furniture and equipment	3,685	2,953
Division 43 Deduction	1,441	1,441
Fringe benefits tax	10,397	10,458
Land & Buildings Running Costs	2,389	3,934
Insurance	29,871	29,545
Members emoluments	60,459	58,959
Motor Vehicle - running expenses	9,657	7,609
Motor Vehicle - repairs and maintenance	3,121	1,166
Network and internet	13,531	12,782
Other expenses	51,746	7,886

# Financial Report

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

	General 2015 \$	General Restated 2014 \$
<b>Note 16 Detailed statement of general account - revenue and expenditure (cont'd)</b>		
Postage	5,426	5,534
Power	8,469	9,543
Printing and publications	7,025	5,612
Rates and taxes	9,000	8,566
Rentals	1,334	1,888
Salaries, wages and employee benefits (incl. Grant Staff)	771,406	788,414
Software	2,459	4,085
Sponsorship	1,500	1,700
Stationery	2,289	2,558
Subscriptions - general account	9,502	9,236
Superannuation contribution (incl. Grant Staff)	93,715	92,793
Telephone	17,451	19,622
Travelling Expenses	24,033	16,090
Government grants expenditure (excluding wages and superannuation):		
Environmental Dispute Resolution	-	3,783
Tasmarc - Climate Connect	-	3,107
26TEN - Plain English Guide	13,500	27,570
Container Deposit Scheme	-	18,562
Coastal Adaption Pathway Project	-	10,000
Healthy Communities	15,915	-
LG Reform	90,455	72,018
LG IT Strategies	25,814	49,880
LG Liveable Places	-	38,000
<b>Total expenses</b>	<b>1,705,564</b>	<b>1,926,437</b>
<b>Operating surplus/(deficit) - general account</b>	<b>81,575</b>	<b>(125,326)</b>

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

## LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

### Notes to the Financial Report For the Year Ended 30 June 2015

	Assist 2015	Assist 2014
	\$	\$
<b>Note 17 Detailed statement of general account - revenue and expenditure</b>		
<b>Revenue</b>		
Interest on Loans	35,124	39,505
Other Interest Revenue	24,042	24,552
	<b>59,166</b>	<b>64,057</b>
<b>Expenditure</b>		
LGAT Assist Accounts Administration	35,009	34,298
Auditors Remuneration	4,800	4,705
Bad Debts Written Off/(Recovered)	(2,402)	1,659
Donations and Research Projects	20,500	13,000
Grants to Members – Welfare	18,118	17,500
Other Expenses – Welfare	819	150
<b>Total Expenses</b>	<b>76,844</b>	<b>71,312</b>
<b>Operating surplus/(deficit) – LGAT Assist</b>	<b>(17,678)</b>	<b>(7,255)</b>

#### Note 18 Commitments

At 30 June 2015 the Association had no outstanding commitments.

#### Note 19 Fair Value Measurements

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

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

#### Fair value hierarchy

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

Level 1 - Measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

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

	30/06/2015			
	Level 1	Level 2	Level 3	Total
<b>Fair value measurements:</b>				
Financial assets:				
Other financial assets	1,925,000	379,515	-	2,304,515
<b>Total financial assets recognised as fair value</b>	<b>1,925,000</b>	<b>379,515</b>	<b>-</b>	<b>2,304,515</b>
Non-financial assets:				
Freehold land and buildings	-	850,000	-	850,000
<b>Total non-financial assets recognised at fair value</b>	<b>-</b>	<b>850,000</b>	<b>-</b>	<b>850,000</b>
<b>Fair value measurements:</b>				
Financial assets:				
Other financial assets	2,050,000	510,733	-	2,560,733
<b>Total financial assets recognised as fair value</b>	<b>2,050,000</b>	<b>510,733</b>	<b>-</b>	<b>2,560,733</b>
Non-financial assets:				
Freehold land and buildings	-	842,363	-	842,363
<b>Total non-financial assets recognised at fair value</b>	<b>-</b>	<b>842,363</b>	<b>-</b>	<b>842,363</b>



## **Independent Auditor's Report**

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

**Special Purpose Financial Report for the Year Ended 30 June 2015**

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

I have audited the accompanying special purpose financial report (the financial report) of the Local Government Association of Tasmania (the Association or LGAT) which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, divided into general operation and LGAT Assist, a summary of significant accounting policies, other explanatory notes and the statement by the Acting President of the General Management Committee.

### **Auditor's Opinion**

In my opinion the Association's financial report presents fairly, in all material respects, its financial position as at 30 June 2015, and its financial performance, cash flows and changes in equity for the year then ended and is in accordance with the *Local Government Act 1990*.

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

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

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

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

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**Stare, J. and J. fixed, J. to Make a Difference**

and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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

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

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

### **Independence**

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

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- 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**



Jara K Dean

**Assistant Auditor-General Financial Audit  
Delegate of the Auditor-General**

Hobart

28 September 2015

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## Local Government Representatives

### Animal Welfare Advisory Committee

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

### Assessment Committee for Dam Construction (ACDC)

Mr Neil Blaikie

### Community Review Committee – Threatened Species Network

Ms Elizabeth Quinn, Kingborough Council

### Eating with Friends Steering Committee

Julie Andersson, Clarence City Council

### LGAT Assist

Mr Kaye Reeves

### Local Government Board

Mrs Elizabeth Gillam  
Mr Barry Easter (Proxy)

### Local Government Award Modernisation

Mr Peter Rodwell, Hobart City Council

### Marine Farming Planning Review Panel

Ald Jock Campbell, Clarence City Council

### National Plan to Reduce Violence Against Women and their Children Consultative Group

Clr Bernadette Black, Kingborough Council

### Nuclear Power Warships Visits Committee

Mr Andrew Brown, Clarence City Council

### Premier's Physical Activity Council

Mr Greg Preece, Meander Valley Council

### State Fire Commission

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

### State Fire Management Council

Mr Stephen Bresnehan, City of Hobart

### State Grants Commission

Mr Rod Fraser  
Mr Grant Atkins

### State Marine Pollution Committee

Mr Andrew Brown, Clarence City Council

### Statewide Immunisation Reference Group

Mr Mark Dwyer, Hobart City Council

### Tasmanian Spatial Information Council (TASSIC)

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

### Tasmanian Heritage Council

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

### Tasmanian Library Advisory Board

Ms Susan Nolan, Kingborough Council  
Mayor Doug Chipman, Clarence City Council  
Ald Sandra French, Burnie City Council  
Ms Kym Matthews, Break O'Day Council

### Tasmanian Planning Commission

Ms Sandra Hogue

### Tasmanian Suicide Prevention Committee

Ms Annette Rockliff, Burnie City Council

## Member Councils



