

Local Government Association of Tasmania

Annual Report
2010-11



Local Government Association Tasmania



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Local Government Association of Tasmania Annual Report 2010-11

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About this Annual Report

This report documents the Local Government Association of Tasmania's (LGAT) performance during 2010-11 against our Strategic Plan (2009-2011) and the 2010-11 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 or phone (03) 6233 5966.

This year we have reviewed and changed the style and structure of the annual report. Your feedback is invited via email to admin@lgat.tas.gov.au, or by post to:

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Member Profile

The Local Government Association currently represents 28 of the 29 Tasmanian councils and is the voice of Local Government to other governments, interested stakeholders and the wider community

We work collaboratively with our members to support council staff and elected members. The communities our member councils serve are represented by 268 elected members and supported by over 4,000 staff.

Our Vision, Mission and Objectives

Vision

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

Mission

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

Objectives

The objectives of the Association are:

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



Priority Areas	Achievements	Challenges
<p>1. Strengthening Strategic Relationships For more information see page 10</p>	<p>Continued strong relationship with the Australian Local Government Association</p> <p>Ongoing participation in the Premier's Local Government Council</p> <p>Establishment of the Metropolitan Councils Group</p> <p>Climate Change Adaptation Project in partnership with the Climate Change Office</p> <p>Communication Protocol with the Tasmanian Planning Commission</p> <p>Improved LGAT reporting to members</p> <p>LGAT Stakeholder Breakfast</p>	<p>Protocol following withdrawal of one member council</p> <p>Managing relationships with other peak bodies in the building and development sector including those with a narrow vested interest</p>
<p>2. Building Sector Capacity For more information see page 12</p>	<p>Local Government Financial and Asset Reform Project</p> <p>Annual Local Government Conference</p> <p>Mayors' and General Managers' Workshops</p> <p>Workshops on code of conduct issues</p> <p>Community Development Forum</p> <p><i>Think Big. Work Local</i> campaign successfully continued</p> <p>Statewide Community Satisfaction Survey</p> <p>Competitive Neutrality Workshop</p>	<p>Generating enough interest to continue the delivery of a newly developed planning course for elected members</p>
<p>3. Supporting Recognition and Reform For more information see page 13</p>	<p>Sectoral support for Constitutional Recognition</p> <p>Agreed process between State and Local Government to look at Local Government reform</p> <p>LGAT Awards</p> <p>Community of the Year Awards</p> <p>Move Well Eat Well Grants</p>	<p>Achieving momentum in the longstanding fight for Constitutional Recognition</p> <p>Delays in funding for LG reform project due to State Budget cuts</p>

Priority Areas	Achievements	Challenges
<p>4. Ensuring Financial Sustainability For more information see page 14</p>	<p>Secured \$870,000 in Commonwealth funding for Local Government financial and asset management improvements</p> <p>Local Government Rating and Valuation tools developed to assist with rating arrangements for 2010-11</p> <p>Participated on the Sustainability Objectives and Indicators Project Steering Committee to ensure initial indicators and related reports were relevant, reliable and useable for Local Government</p>	<p>Delays to Rating and Valuation project caused by further complexities arising.</p>
<p>5. Ensuring Environmental Sustainability For more information see page 15</p>	<p>Air Quality Forums</p> <p>Climate Change Partnership with State Government - committee and working groups established</p> <p>Secured \$500,000 in Commonwealth funding for the Tasmanian Coastal Adaptation Pathways Project</p> <p>Climate Change Case Study Template and Toolkits developed to showcase work by councils to militate against, and adapt to climate change</p> <p>Planet Footprint data analysis three-year service agreement</p> <p>Household Hazardous Waste Collection Program successfully continued into its second year</p>	<p>Objection to the State Climate Change Partnership Agreement required a new way of working with State Government on this issue and caused some delays.</p>
<p>6. Improving Land Use Planning For more information see page 16</p>	<p>Continued roll-out of the Electronic Development Assessment (eDA) pilot project. LGAT achieved grants for three additional councils</p> <p>Input to State planning reforms, State Coastal Policy, proposed planning amnesty, Common Key Elements Template, and standards for single dwellings</p>	<p>Technical and implementation barriers for eDA had to be overcome.</p> <p>New challenges arose in relation to the State Government's planning reforms and it was difficult to gain sectoral consensus on key issues.</p> <p>Limited capacity to redress delays in capital city planning.</p>



Priority Areas	Achievements	Challenges
<p>7. Infrastructure Planning For more information see page 17</p>	<p>Members forum to develop a strategy for presentation to State Forestry Roundtable and Legislative Council Inquiry into the Proposed Transition out of Public Native Forests</p> <p>Liaison with Aurora Energy regarding tranche 5a energy contestability an effects Local Government</p> <p>Continued involvement in developments relating the National Broadband Network</p> <p>Lobbied the Minister for Infrastructure regarding speed limits outside childcare centres</p> <p>Submission to the Australian Energy Regulator regarding increased regulation and transparency on street lighting and lobbied State Government</p> <p>Participated on the State Trails and Bikeways Advisory Committee. More than \$1.8million was allocated during 2010-11</p> <p>Represented Local Government on the newly-formed Tasmanian Road Safety Advisory Group</p> <p>Submission to and attendance at a hearing of the House of Assembly Select Committee inquiring into the three Tasmanian water and sewerage corporations and the common services corporation. Facilitated a meeting between owners and the corporations</p>	<p>Continuing debate on forestry; community concern and industry uncertainty.</p> <p>Ever dwindling availability of funds for infrastructure investment.</p> <p>Lack of competition for electricity supply.</p>

President's Report



Barry Easter

A busy and challenging year, 2010-11 saw a number of achievements for Local Government in Tasmania.

Major funding results were achieved in the areas of asset management, financial planning and climate change. Building on the work progressed since the Association first identified financial sustainability of councils as a key issue, \$870,000 was received from the Commonwealth Government to implement long-term financial plans and asset management plans and structures across all councils. The Association also partnered with the Climate Change Office and the Tasmanian Planning Commission to attract funding for a coastal adaptation project worth \$500,000.

The Metropolitan Councils Group was established, with two successful meetings conducted to date. The forum has provided a unique opportunity for discussion and presentation and it is expected that the program for the upcoming year will provide significant impetus for debate and action. Another key forum, the Premier's Local Government Committee (PLGC), met three times. PLGC continues to provide a great opportunity for cooperation, oversight and input into inter-governmental issues and projects.

The Standards Panel was busy, although it is pleasing to note that the latter half of the year saw some easing of cases. The Association's push for a review of the regulations associated with council Codes of Conduct was acknowledged by the State Government following inputs from member councils and a workshop for all independent panel representatives was held.

Other learning and development opportunities organised by the Association included a workshop for Community Development Officers, support in dealing with competitive neutrality issues and general workshops for mayors, general managers, elected members and potential Local Government candidates.

Local Government continued to attract substantial attention as a result of the *Think Big, Work Local* television campaign, translating into around 1,000 hits per week on the website. Having secured funding last year, the Association coordinated funding contracts under the Enterprise Based Productivity Places Program for over 80 qualifications across 13 councils.

The Household Hazardous Waste project continued with successful collection days conducted throughout the State. The Association, in partnership with the regional waste bodies, also sought to advance the concept of a legislated waste levy with the State Government to fund innovative and necessary waste initiatives.

Electricity contestability featured during the year with many councils having access to the contestable market for the first time. The Association worked closely with councils to ensure an understanding of the competitive environment and to facilitate access to a common contract with energy providers.

With a state round table established to consider the future of the forestry industry failing to consider impacts for local communities, the Association facilitated a meeting of interested councils. An Association-led delegation also met with round table convenor, Bill Kelty and the Federal Minister for Environment to voice concerns and made submissions to both the Legislative Council Committee review and round table.

I look forward to building on the achievements of 2010-11 and to us working together as a sector for a productive 2011-12.

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

Chief Executive Officer's Report



Allan Garcia

Planning for reform was a key issue for 2010-11 and will continue to be so for the year ahead. Likely to bring with it many challenges, 2011-12 will be a time for sectoral solidarity and strength as we work together to manage and ideally lead an agenda of change and reform.

A key requirement to embracing change will be to have our own house in order, with economic sustainability in the forefront of our minds. While the strategic asset management and long-term financial planning project successfully achieved funding and is well underway, work on the Valuation and Rating Review continues to face challenges. A number of delays were experienced due to additional modelling and other requirements. On a positive note, a set of tools to assist with rating arrangements for 2010-11 was achieved. Work to determine new Key Performance Indicators (KPI) continued. The Sustainability Objectives and Indicators project has replaced the former KPI work and should provide a more robust framework against which to ascertain the performance of councils and the sector as a whole.

Planning reform was prominent in 2010-11 with the Association responding to several planning directives and policy concepts. The Association lobbied the State Government and convened an inaugural meeting with the Tasmanian Planning Commission to establish a process and governance arrangements and a consultation and communication protocol. The project to pilot electronic development assessment processes was also progressed by the Association and electronic applications can now be lodged at Hobart Council, with Northern Midlands Council to follow shortly.

Water and sewerage reform remained at the forefront of business. The Association provided evidence to the House of Assembly Select Committee; made representations to the State Government on pricing and governance; liaised with the water and sewerage corporations on strategy and conducted a Special Meeting for members to achieve consensus on a range of matters to present to the State Government.

2011-12 does not look any easier in this regard. A key challenge for the sector in the coming year includes the potential for structural reform of the water and sewerage corporations. Additionally, the adoption of an alternative valuation and rating base will likely bring change and new demands. Both of these issues will require careful and considered thought, particularly with regard to implementation. Both have caused significant consternation in the past and it will be imperative to ensure that councils and communities are fully informed of the implications and outcomes.

The growing impetus for council amalgamations is likely to challenge the sector over the coming year. Local Government will need to spend some effort in highlighting the value and benefits of a strong, robust and resilient sector without appearing defensive about future reform. Local Government has a vital role to play in ensuring that there is an evidence-based discussion in the community and it is appraised of the facts and informed. It is expected that the Association will have a key role in this debate.

I would take this opportunity of thanking member councils for their support throughout the year and pay respects to my dedicated staff who continue to meet deadlines, bring council views together and generate greater understanding and acceptance of policy concepts through the work they undertake.

A handwritten signature in black ink that reads "Allan Garcia". The signature is stylized and written in a cursive-like font.

Organisational Structure

General Management Committee

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



Mayor
Barry Easter President



Mayor
Deirdre Flint Vice President

Members



Lord Mayor
Rob Valentine



Mayor
Albert van Zetten



Mayor
Don Thwaites



Mayor
Lynn Laycock



Mayor
Robert Legge



Mayor
Mike Downie



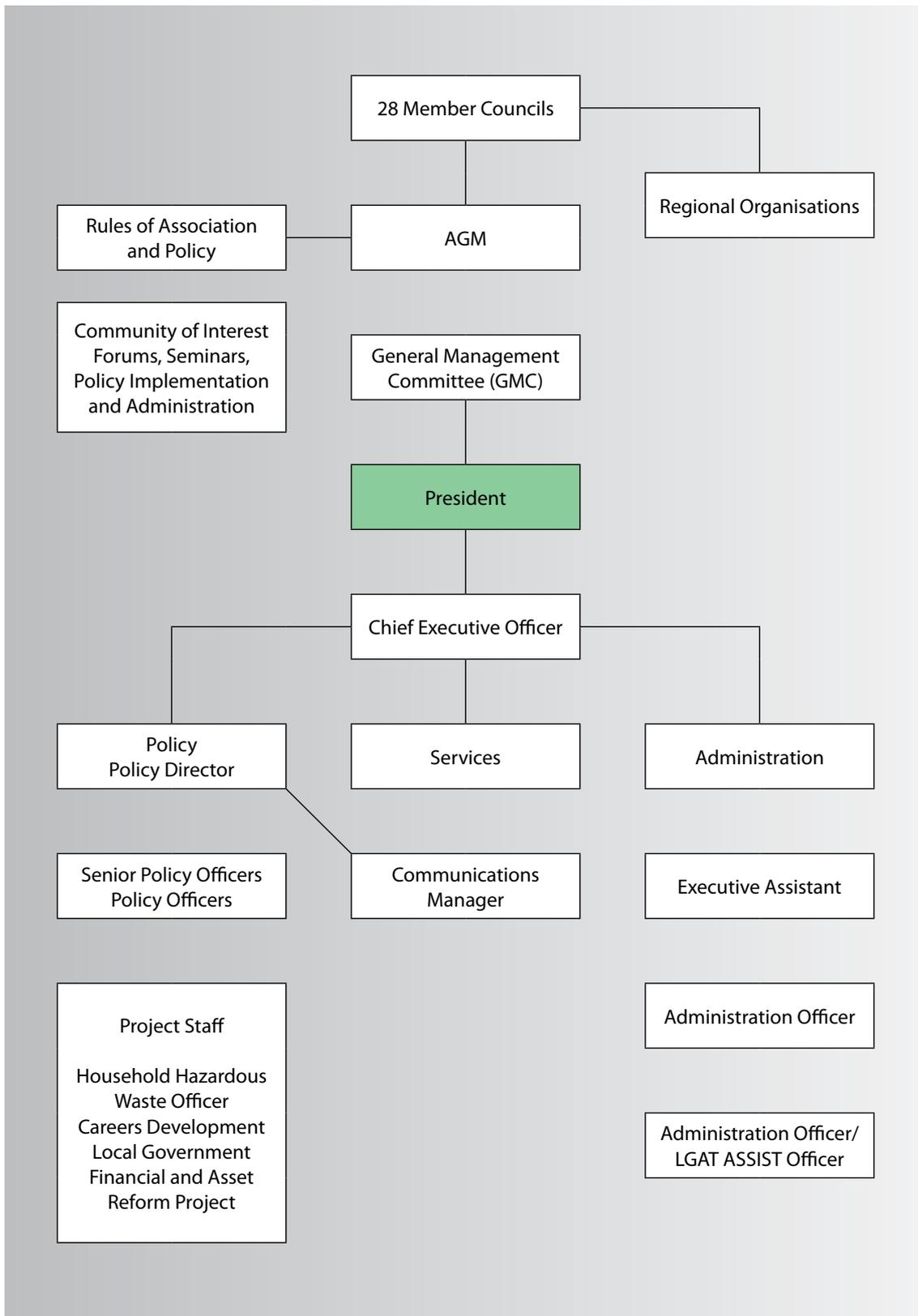
Mayor
Jock Campbell

Vale Mayor Mike Downie

LGAT and GMC pay tribute to Mayor Mike Downie who, sadly, passed away on 23 September 2010. Mayor Downie served as Mayor of Central Coast for 12 years and represented Local Government as a Councillor for almost 30 years. In addition to GMC, Mayor Downie served as an active member of the Premier's Local Government Council and a member of the Cradle Coast Authority from its inception.



Organisational Structure



Strengthening Strategic Relationships

Goals:

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

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

- Alcohol Advisory Group
- Australian Local Government Association (Board and Working Group) meetings.
- Building Industry Reference Group
- Compulsory Voting Steering Committee
- Crane Industry Reference Group
- Crime Prevention and Community Safety Council
- Dog Control Act Reference Group
- Electronic Development Assessment (eDA) Steering Committee
- E-waste Product Stewardship Reference Group
- Forest Practices Advisory Committee
- Government Skills Australia Advisory Council
- HAZMAT CBRN Steering Committee
- Household Hazardous Waste Steering Committee
- Interagency Working Group for Mental Health
- Interagency Working Group on Drugs
- Land Hazard Planning Steering Committee
- Local Government Valuation and Rating Steering Committee
- Litter Working Group
- Local Government Health Promotion Survey Working Group (Heart Foundation)
- Local Government Human Resources (HR) Forum
- National Local Government HR Conference Steering Committee
- Nomenclature Board
- Office of the Tasmanian Economic Regulator Consultative Committee
- Premier's Physical Activity Council, Local Government Subcommittee

- Premier's Local Government Council
- Road Route Review Committee
- Road Safety Advisory Council
- Rural Health Week Steering Committee
- Seniors Bureau Future Directions Working Group
- Sustainability Indicators and Objectives Steering Committee
- State Community Recovery Meeting
- Tasmanian Air Quality Strategy Implementation Steering Committee
- Tasmanian Air Quality Strategy Steering Committee
- Tobacco Coalition
- Trails and Bikeways Advisory Committee
- WomenCan Project Steering Committee

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

- Asbestos - jurisdictional mapping exercise
- Award Modernisation to Fair Work Australia
- Building Act
- Canal Development Legislation
- Cat Management Legislation
- Climate Connect (funding application)
- COAG Road Funding Feasibility Study
- Code of Conduct Regulations Review
- Community Drug and Alcohol
- Community Engagement for the Australian Centre of Excellence for Local Government (ACELG)
- Compulsory Voting
- Dog Control Legislation including working dogs
- Draft State Government Tobacco Action Plan
- Flu Clinic Review
- Homelessness
- Land Titles Act
- Legislative Council Select Committee on Violence in the Community
- Local Government Learning for the Australian Centre of Excellence for Local Government (ACELG)
- Local Government Reform Discussion Paper (PLGC)
- Local Government Training and Skills Shortage for the Australian Centre of Excellence for Local Government (ACELG)
- National Broadband Network (NBN) Planning Exemptions
- Parliamentary inquiry into NBN – input into ALGA submission
- Planning Directive 4 – Standards for single residential dwellings.
- Product Stewardship Bill, and Product Stewardship Consultation Paper

- Rail Regulations
- Review of the Drains Act 1954.
- Rural Default Speed Limits
- Select Committee inquiry into water and sewerage.
- Select Committee on Housing, Building and Constructions Costs
- State Budget
- State Freight Strategy Scoping Document
- State Taxation Review
- Tobacco Laws Discussion Paper

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

- Fortnightly electronic newsletters;
- Targeted electronic newsletters such as Community Development, Careers Development, Financial and Asset Reform;
- The quarterly *LGAT News* magazine;
- Monthly reports to elected members;
- General Meetings;
- General Manager and Mayors' Workshops;
- Elected Member Workshops; and
- Direct correspondence with mayors and general managers.

Highlights:

Communication Protocol with the Tasmanian Planning Commission

Further to consultation with the Premier's Local Government Council (PLGC), discussions were held between LGAT and the Tasmanian Planning Commission (TPC) to formalise consultation and communication processes and to agree on a protocol. The protocol seeks to ensure that the same timeframes applicable to State Government agencies are applied to the Tasmanian Planning Commission, rather than being bound by the present statutory limitations. This should provide member councils the opportunity to have preliminary inputs to policy developments rather than simply addressing issues in response to formal advertising of instruments such as planning directives and state policies.

Establishment of the Metropolitan Councils Group (MCG)

With the endorsement of member councils, this group was established to allow opportunity for regular dialogue between metropolitan councils on matters of mutual interest. To be eligible, councils must be a city, or have a population of greater than 30,000 and be a member of LGAT. Meetings of the MCG are to be conducted four times a year.

The inaugural meeting of the MCG was conducted on 28 January 2011. Attended by all eligible councils, the meeting was constructive, informative and conducted with much goodwill. Mayor Jock Campbell of Clarence City Council was elected Chair of the Group.

LGAT News Magazine

The quarterly *LGAT News* magazine is a key information service provided through the Association at no cost to members. Readership continues to grow and the magazine is widely recognised as a leading publication in the sector.

Premier's Local Government Council – Reform Agenda

At the Premier's Local Government Council (PLGC) meeting of 29 July 2010, it was agreed that State Government and Local Government would work together to identify opportunities for reform. The Premier committed to funding the detailed work that would be required, and to the implementation of outcomes. While the project did not survive the tough State Government Budget, considerable initial efforts were made by the Association toward the development of a scoping/discussion paper, starting with the agreed premise that local representation provides many advantages to local communities and the State as a whole and amalgamations are not necessarily the solution to the challenges facing the sector. Improving services and the reliability of infrastructure were seen as the desired outcomes.

Statewide Community Satisfaction Survey

The fifth biannual, statewide survey of community satisfaction with councils was conducted this year. Over 1,200 people participated in this statistically significant survey. The questionnaire covered a range of service areas including: customer service; water and sewerage; waste management; community health and safety; recreational and cultural facilities and programs; social and community services; roads, footpaths and traffic; informing residents about council activities and decisions; climate change; and planning and development. This year, the survey also canvassed opinion on constitutional recognition of Local Government eliciting a high degree of support.

Stakeholder Breakfast

The Association initiated a Stakeholder Breakfast Program, hosting the Housing Industry Association (HIA), Master Builders Association (MBA), Property Council and Tasmanian Chamber of Commerce and Industry (TCCI) and the inaugural meeting, which allowed parties to discuss issues of mutual interest. Future breakfasts will be hosted by other participants.



Building Sector Capacity

Goals:

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

Highlights:

Careers Project – *Think Big. Work Local*

Councils funded the project for a further two years to combat the impact of skills shortages.

Training

Through further work on an Enterprise Based Productivity Places Program (EBPPP) grant, additional funds were obtained to make delivery of qualifications in accounting, business and horticulture. TAFE NSW's distance education specialist, Open Training Network (OTEN), joined the program at very short notice, to provide King and Flinders Island Councils with training that local providers could not supply. OTEN joined three Tasmanian organisations, offering accredited training to 73 staff with 13 member councils. Through the collective bid process facilitated by LGAT, \$200,000 in training dollars was successfully secured for the sector and we were able to influence course development. Further, LGAT assisted in the development of a course structure and delivery method for a distance based Certificate III Local Government, and Certificate IV Local Government from The Skills Institute through the EBPPP training funding grant.

Advertising

The *Think Big, Work Local* television campaign was run again and analysis has shown a direct link between the television ads and visits to the associated website. Around 800 - 1,000 job seekers per month look at member council's job vacancies through the *Think Big, Work Local* website which collates statewide Local Government vacancies in one convenient location.

Code of Conduct/Standards Panel

The Association progressed the review of the Code of Conduct legislation with the Local Government Division throughout the year and secured commitment to change. Feedback obtained at the end of 2009-10 was collated and advice provided to the Local Government Division on necessary changes to the regulations.

With a number of new panel members in place, LGAT hosted a forum about Council Code of Conduct and the Standards Panel, attended by Code of Conduct Chairs, members of the Standards Panel and the Integrity Commission. The purpose of the forum was to improve the understanding of participants about a range of processes involved in Code of Conduct hearings

and the Standards Panel. Topics included complaints handling, natural justice and equity, rules of evidence, determination of breaches and appeals of decisions. The LGAT also contributed to a seminar run in the Break O'Day municipality which included duties and functions of councillors and Council's Code of Conduct.

Community Development Forum

LGAT held a Community Development Forum in Launceston in March 2011 with the purpose of updating councils on the status of a number of Local Government community development initiatives, programs and strategies, providing an overview of community development initiatives at the State Government level and showcasing an innovative approach to engage with the community, used by Newcastle City Council. The forum received positive feedback.

Competitive Neutrality Workshop

A workshop was held in June 2011 for General Managers to discuss the issues surrounding competitive neutrality principles and their application to the operation of council-operated caravan parks. Representatives from both the Local Government Division and the Office of the Tasmanian Economic Regulator (OTTER) provided attendees with a summary of each department's role, as well as an overview of the legislation, policy and practices surrounding Competitive Neutrality Principles and Government Business Activities. The presentation provided by the representative from OTTER also gave insight into the Regulator's complaints process and how it conducts its investigations. The most important next steps will involve LGAT and the Local Government Division working together to produce a discussion paper which explores options for a statewide policy and a uniform costing model to assist councils with their competitive neutrality obligations going forward.

Mayors' Workshop

A workshop for mayors was held in Launceston in November 2010, providing a valuable opportunity for delegates to discuss issues of importance and to share their experiences.

General Managers' Workshop

Two workshops were held throughout the year for general managers. The sessions involved the delivery of addresses from prominent industry, academic and State Government representatives, as well as demonstrations by service providers of innovation and best practice. The forums provided solid exchanges of information between participants and the opportunity to network and access ideas and improvement capabilities in place at other councils.



Local Government Conference

To avoid clashes with ALGA and LGMA events, members agreed to change the date of the annual conference to July. This means there was no conference in this financial year, although much preparation for our 100th anniversary conference occurred.

Local Government Award Modernisation

LGAT has continued to explore options around the national award modernisation process and provide advice to councils on the impact of changes.

Mildred Warner Workshop

A visiting academic from Cornell University, Professor Mildred Warner met with a range of Tasmanian elected members and officials to discuss privatisation, economic development, the future of Local Government and regional planning. The dialogue was of a high calibre with all attendees benefiting from the exchange of views and experience.

Pre-election Workshops

A series of pre-election workshops were held around the state in June 2011. Attendance at all venues was a little disappointing given past numbers that have attended these sessions. However those that participated were grateful for the information and advice provided. The Local Government Division and the Tasmanian Electoral Commission joined with the Association in presenting material on becoming a councillor, including details of the timeframes for lodgement of candidacy and format, roles and responsibilities and things to consider as part of the election process.

WomenCan Campaign

LGAT was a member of the WomenCan Steering Committee, under the Premier's Local Government Council, in the lead up to the 2011 Local Government elections. WomenCan is an ongoing campaign to increase women's participation by providing encouragement, information and support to women interested in nominating for Tasmanian council elections. The campaign also aims to raise awareness within the community of the importance of diverse representation in councils and to encourage councils to redress gender imbalance at the local level. A number of workshops provided detailed information for individuals seeking to undertake an election campaign, including advice in relation to the planning and undertaking of campaign activities, media interaction, and legislative and regulatory requirements of election candidates.

Supporting Recognition and Reform

Goals:

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

Highlights:

Campaign for Constitutional Recognition

The Association and its member councils remained committed to the national Local Government advocacy for financial recognition of Local Government in the Australian Constitution. Members endorsed a proposal to develop a 'fighting fund' through future additional subscriptions.

Move Well Eat Well

Move Well Eat Well Grants were awarded for the second year following provision of funding by the Department of Health and Human Services to promote active play, recreational cycling or walking for primary age children and their families within their communities. The successful applicants were Burnie City Council for the Kommunity Kids Cycleway; Brighton Council for a community walking event held for the Bridgewater/Gagebrook communities; and Launceston City Council for the Invermay Bicycle Lending program.

Natural Disaster Resilience Program Funding Assessment Panel

LGAT participated in the assessment of Natural Disaster Resilience Program (NDRP) funding applications. This funding, open to Local Government, allows for the identification and addressing of disaster risk priorities.



Ensuring Financial Sustainability

Goals:

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

Highlights:

Local Government Financial and Asset Reform Project

The Association was successful in securing \$870,000 from the Commonwealth Government's Local Government Reform Fund to implement frameworks for strategic asset management and long-term financial planning. The project is a partnership between the Association, the Federal and State Governments and all Tasmanian councils, as represented in the composition of the Steering Committee overseeing the project.

Four Steering Committee meetings were convened from January 2011, with significant work also progressed out of session. Achievements during this reporting period include a completed Project Plan, Communications Strategy, a State Local Government Asset Management Policy, as well as fact sheets and newsletters for council finance and asset management contacts. An expert Working Group was formed to develop a long-term financial planning framework to be adopted by all Tasmanian councils. Further, an elected member reference group was established to provide review and advice on major aspects of the project. The second stage of the project supported asset management planning, the introduction of the long-term financial planning framework, and training for elected members and council staff.

Review of Local Government Rating and Valuation

A review of Local Government valuation and rating was established in response to a range of issues surrounding council rating, including fluctuations arising from the re-valuation process, variation of rating values and models across councils, and the desire for greater flexibility for council rating. The objective of the review process is to seek a land valuation and rating model that is more efficient and flexible, simpler to use, cost effective, equitable and sustainable. LGAT has participated on the Steering Committee and with specialist assistance, produced a discussion paper, conducted workshops, and reviewed recommendations for State Government. A suite of rating tools was developed in terms of legislative amendment. The Association has been forceful in its advocacy on this matter.

Procurement Workshops

Health Insurance for Employees

LGAT collaborated with the Municipal Association of Victoria to allow member councils to access a health insurance scheme which provides a competitive outcome for employees by piggy-backing on the Victorian base. The scheme offers savings of up to 30% on premiums and is offered on a no cost basis to councils.

Local Buy

The Association partnered with the Local Government Association of Queensland's procurement arm, Local Buy, to maximise the purchasing power of Local Government nationally to minimise the price from manufacturers while ensuring that dealers at the local level were not penalised in the process. Workshops were conducted in each region for council managers and procurement staff on a regional basis to explain access, pricing and related issues with the contract.

Sustainability Objectives and Indicators Project (SOI)

In addition to continued participation on the Steering Committee for this project, LGAT facilitated expert working groups to develop potential indicators. The Association had some concerns about the nature and timing of workforce development data and so the Careers Development Officer worked with the Local Government Division to ensure the best outcomes for all parties. A number of issues remain to be resolved during 2011-12 following further consultation with councils.



Ensuring Environmental Sustainability

Goals:

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

Highlights:

Air Quality

LGAT convened Air Quality Forums in partnership with the Environmental Protection Agency with a focus on smoke management. A key outcome was raising awareness of the capabilities of the EPA and opportunities for Local Government to highlight air quality issues.

Climate Change

Partnership Committee and Work Plan

LGAT continued to liaise with the Tasmanian Climate Change Office in an effort to address some key issues facing the sector, particularly around planning and liability. A Climate Change Partnership Committee has been convened, along with working groups, and both with broadened Local Government representation to progress priority climate change issues between Tasmania's State and Local Governments. The Partnership Committee will oversee the development and implementation of a statewide Climate Change Work Program on behalf of the Premier's Local Government Council. The Work Plan includes goals to: reduce greenhouse gas emissions; understand and communicate the implications of a national carbon price; better identify, understand and respond to climate change impacts; and develop and implement state, regional and local initiatives and policies to assist councils to adapt to climate change impacts.

Information Sharing and Toolkits

A number of case studies have been developed by Tasmanian councils and are available on the LGAT website. These case studies showcase the work being undertaken by councils to mitigate against, and adapt to, climate change. The purpose of the case studies is to share knowledge and new understandings on climate change projects in order to motivate progressive action within Local Government and local communities. A Climate Change Action Plan Template has been developed as an outcome of the 2010 Climate Change Adaptation Forums, held by LGAT and the Tasmanian Climate Change Office. The template is intended as a guide to enable individual councils to set out their own frameworks for climate change action within their own

(corporate) activities. The template provides councils with an example Climate Change Action Plan that can be adapted for each council's situation and required purpose.

Planet Footprint

In January 2010, LGAT reached terms of agreement with Planet Footprint for the provision of data analysis services over the next three years, until the end of 2013. Planet Footprint will provide statewide or regional aggregated data upon request from LGAT, subject to the terms of the agreement. The work with Planet Footprint continued to bear fruit, with an identification that Aurora Energy had been charging some councils for the energy costs associated with water and sewerage assets post the June 2009 hand over, leading to reimbursement for affected councils.

Tasmanian Coastal Adaptation Pathways Project

LGAT and the Tasmanian Climate Change Office secured \$500,000 in Federal Funding for the Tasmanian Coastal Adaptation Pathways (TCAP) Project. This project, which will be delivered over 2011-12, aims to significantly improve the ability of Tasmanian communities and decision-makers to adapt to climate change. The TCAP project will explore the types of realistic options available to councils and communities when tackling the localised effects of climate change, and provide councils with a platform to then plan and respond appropriately to likely future scenarios in their area. Working with four councils across the State, the TCAP project will follow a 'flexible planning pathway' that will involve participation from a range of stakeholders, including residents and other users of the study areas. The experiences and learning gained can then be used by communities and councils across Tasmania and nationally.

Waste Management

Household Hazardous Waste (HHW) Collection Program

The HHW project has been very successful during its first two years of operation. The program has:

- Conducted 30 drop-off days across 24 council jurisdictions;
- Been accessed by 1,942 people;
- Collected 52,499 kg of household hazardous waste;
- Primarily consisted of high-volume, low-toxicity material such as water and solvent-based paint (55.8%), lead acid batteries (10.8%), flammable liquids (eg fuels) (5.9%), gas bottles (5.3%)
- Collected substantial quantities of low-volume high-toxicity material such as toxic pesticides (3,260 kg), toxic organics (1,392.5 kg), cyanides (42 kg), arsenic based compounds (33.5 kg)



National Packaging Covenant

As a signatory to the Australian Packaging Covenant, LGAT developed a three-year Action Plan 2011-2013. The plan includes commitment to:

- The promotion of Sustainable Packaging Guidelines and procurement practices;
- The promotion of recycling on-site, assessment of procurement policy and increasing the recycled component;
- Promoting and participating in product stewardship schemes such as e-waste consultation; and
- Continuing representation on the Statewide Litter Working Group and collaboration with members.

Waste Levy

LGAT was called upon to facilitate the introduction of a statutory levy on waste disposal with a view to generating revenue to implement waste initiatives. LGAT coordinated discussions between the regional waste groups and commenced a dialogue with the responsible State Government agency and Minister. The matter was also elevated to the Premier's Local Government Council for discussion, with dialogue on responsibility, governance and revenue levels continuing.

Improving Land Use Planning

Goals:

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

Highlights:

Electronic Development Assessment (eDA)

The Association continued to roll-out the eDA pilot project at Hobart City Council and Northern Midlands Council. A number of technical and implementation barriers have been overcome, although new issues have arisen in relation to the State Government's Planning Reforms. Following successful negotiation with the Federal Government to vary the agreement, the Association was able to run a grants round for councils to improve the reliability and validity of planning data and to develop business cases for three additional councils.

Land Hazard Planning

LGAT is participating on the Steering Committee and association working groups which will result in a state framework for land use planning and natural hazards as well as hazard statements for landslip, flood and coastal inundation. Work will continue in 2011-12.

Planning Legislation

The State Government continued to pursue a significant planning reform agenda. The LGAT worked with member councils to provide comprehensive feedback on proposed changes such as the Common Key Elements Template (PD1), standards for residential dwellings (PD4), and a proposed amnesty.



Infrastructure Planning

Goals:

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

Highlights:

Crane Industry Reference Group

LGAT was asked to participate in a reference group comprised of experienced crane industry representatives along with both State and Local Government, with the goals of achieving a confirmed and categorised crane network by September 2011, agreed access for cranes on certain networks; avoidance of anti-competitive scenarios for operators; and as far as practicable, the allowance of extended time-frames for permits.

Electricity Contestability

LGAT liaised with Aurora Energy to seek information in relation to the introduction of a new tranche of electricity consumption that was opened up to contestability in 2011. 'Tranche 5a' contestability was introduced on July 1 to Tasmanian businesses/sites with electricity consumption above 50MWh per year. A number of Local Government sites fall within this category and have thus been potentially affected by the changeover. Unlike previous entries into the contestable market, there is no obligation to elect to move to a contract arrangement under Tranche 5a. Thus councils have the option to either negotiate and enter into a contestable market contract, or to stay on their current tariff.

Forestry

A forum was held for all interested councils at Campbell Town in May to develop a position and strategy to progress the concerns of councils in relation to the socio-economic issues that will flow from the proposed rationalisation of forestry activity in Tasmania. Around 20 participants from 10 councils attended. The constructive session allowed development of a document that could form the basis of discussions with Bill Kelty, the convenor of the Forestry Roundtable, and also as a submission to the Legislative Council Inquiry into the Proposed Transition out of Public Native Forests.

National Broadband Network

The Association continued to be involved in developments relating to the National Broadband Network (NBN) and the issue was included on the agenda for the Premier's Local Government Council. Through the Australian Local Government Association (ALGA), the Association contributed examples of councils using communications and information technology to

deliver improved services to a submission to the House of Representatives Committee on Infrastructure and Communications' Inquiry into the national Broadband Network. In addition, the Association made a submission to the State Government on a proposed exemption for low-impact infrastructure relating to the NBN from the planning scheme approval process.

Road Routes Codes Advisory Group

The Association is a member of the Road Route Code Advisory Group (RRCAG), which was established by the Tasmanian Government Spatial Committee in 2009. RRCAG includes representatives from Tasmanian road custodians and mapping organisations. The first action of the RRCAG has been to ensure that all road custodians review and confirm the route codes allocated to their roads. This information will be used to update data held in the transport layer within the LIST. The same data will be recommended to the Nomenclature Board for adoption as part of the official name for each road along the routes. The RRCAG has met on several occasions over 2010/11 to consider the various proposals put forward by road custodians for additions, amendments and deletions to current road route codes, and to devise processes of submission and consideration for future proposed changes.

Speed Limits Outside Child Care Centres

Pursuant to a motion put forward by Launceston City and Burnie City Councils that was carried at the October 2010 General Meeting, the Association undertook to lobby the State Government to reduce speed limits around all Tasmanian child care centre facilities (not family day care placements in private houses) to mirror the same speed limits as are in place around schools (that being 40km).

Following a letter to the Minister, the Association met with representatives of the Department of Infrastructure, Energy and Resources and then convened a working group to investigate and form recommendations in relation to the safety of children on roads outside child care centres. The work of the group has included compiling crash history data to determine what situations place child pedestrians in the most statistically likely danger, as well as studying the legislative and regulatory measures already in place that may, or may not contribute to the safety of children attending child care centres. It is intended that this information will inform the recommendations of the group to the Minister and ensure that those recommendations include consideration of the most appropriate use of any prospective funding for child pedestrian safety.



Street Lighting

The Association has been addressing the issue of street lighting through a number of avenues. Street lighting represents both a significant cost and a sizeable proportion of reported electricity consumption for councils. Whilst councils are looking to decrease both costs and usage in terms of emissions, there are a number of hurdles that make such reductions difficult to achieve. Improving the energy efficiency of street lighting and, where practical, proceeding with the implementation of options, has been highlighted as a particular focus of the Premier's Local Government Council's Climate Change Partnership Committee. In addition, the Association has continued to lobby for changes to the regulatory framework for electricity, providing a joint submission along with the State Government's Department of Infrastructure, Energy and Resources in 2010 to the Australian Energy Regulator. The submission supported the AER's preliminary position to regulate all public lighting service prices and advocated for increased transparency requirements on electricity providers and distributors, along with the unbundling of the billing system, in order to assist councils in reducing their costs and emissions.

Urban Passenger/Active Transport Frameworks (inc. State Trails and Bikeways)

The Association continued to participate on the State Trails and Bikeways Advisory Committee which has responsibility for assessing funding applications. More than \$1.8 million was allocated during 2010-11, mostly to councils.

The Association was a member of the assessment panel for the State Government's Cycling for Active Transport - Local Infrastructure Development Fund. The aim of the fund is for the State Government to partner with Local Government and not-for-profit and community based organisations to develop local cycling infrastructure, facilities and initiatives that support people to use a bike to undertake every-day work, school, shopping and other transport journeys. The panel, consisting of representatives from the Department of Infrastructure, Energy and Resource and LGAT, gave priority to projects that demonstrated a high return in terms of encouraging people to cycle for transport, and made recommendations to the Minister for Sustainable Transport for funding.

Tasmanian Road Safety Advisory Council

The Association represented Local Government on the newly formed Tasmanian Road Safety Advisory Council. The most critical work undertaken by the Council was the development and adoption of the Action Plan for

2011-13 of the Tasmanian Road Safety Strategy. Safer travel speeds remain a key priority for the Council, with significant progress made throughout the year on reviewing speed limits for rural roads, in particular.

Water and Sewerage

The Association made a submission to and attended a hearing of the House of Assembly Select Committee enquiring into the three Tasmanian water and sewerage corporations and the common services corporation Onstream. Key issues raised included pricing (distortion), governance, and the need for a more direct relationship between owners and the entities and structure.

The Interim Report handed down by the Select Committee proposed a meeting between council owners, the corporations and the State Government to address the issues associated with pricing. The Association facilitated a meeting between owners and the corporations with the State choosing not to participate. An agreed proposition on a pricing and funding structure was put to the government for consideration. While the future pricing process was agreed, the previously announced funding flows from the State Government to the corporations were reduced dramatically as part of State Budgets cuts.

LGAT Assist

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

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

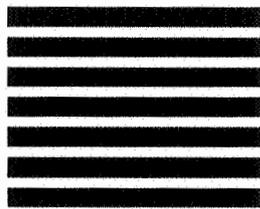
This financial year a total of 64 low interest loans to the value of \$363,000 were approved and non-refundable grants to the value of \$4,481.30 were provided. In recent years, an annual donation of \$10,000 has been made to the Menzies Institute towards its ongoing medical research. The Board wishes to record its continuing appreciation for the support of LGAT which supplies administration services for the fund.



Local Government Association Tasmania

Financial Report

30 June 2011



Wise Lord & Ferguson



advice to advantage
Chartered Accountants



Financial Report

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LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

General Management Committee Report

The General Management Committee submits the special purpose financial report of the Local Government Association of Tasmania Association (the Association) for the year ended 30th June 2011

General Management Committee

The names of the committee members in office during 2010/11 financial year are:

President	Mayor Barry Easther	(Re-elected May 2010) (President from July 2009)
Vice President	Mayor Deirdre Flint	(Re-elected May 2010) (Vice President from May 2010)
	Mayor Robert Legge	(Re-elected May 2010)
	Lord Mayor Rob Valentine	(Re-elected May 2010)
	Mayor Albert Van Zetten	(Re-elected May 2010)
	Mayor Don Thwaites	(Elected May 2010)
	Mayor Mike Downie	(Elected May 2010 – deceased)
	Mayor Lynn Laycock	(Elected October 2010)
	Mayor Jock Campbell	(Elected June 2010)

Principal Activity

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

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

Operating Result

The net surplus/(deficit) from general operations amounted to (\$18,973) (2009/10 \$114,694). The net surplus from LGAT Assist amounted to \$16,678 (2008/09 \$6,269).

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 12th day of August, 2011 in accordance with a Resolution of the General Management Committee.



Mayor Barry Easter
President

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

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

- 1 (a) the Association is not a reporting entity; and
 - (b) the financial statements and notes thereto, set out on pages 5 to 25, are drawn up, in accordance with the basis of accounting described in Note 1(a), so as to present fairly the financial position of the Association as at 30 June 2011 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

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

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



Mayor Barry Easther
President

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Statement of Comprehensive Income for the Year Ended 30 June 2011

	Note	Assist 2011 \$	General 2011 \$	Assist 2010 \$	General 2010 \$
Income					
Grants and contributions	2	-	579,286	-	810,277
Subscriptions		-	882,833	-	1,030,377
Interest income		69,780	189,942	60,673	153,548
Other income		1,600	60,882	1,425	285,756
Total income		71,380	1,712,943	62,098	2,279,958
Expenses					
Employee benefits		-	(826,340)	-	(723,783)
Depreciation and amortisation		-	(32,546)	-	(35,954)
Grant and contribution expenses			(515,153)	-	(802,919)
Other expenses	17,18	54,702	(357,877)	(55,829)	(602,608)
Total expenses		54,702	(1,731,916)	(55,829)	(2,165,264)
Surplus		16,678	(18,973)	6,269	114,694
Other comprehensive income		-	-	-	-
Comprehensive result		16,678	(18,973)	6,269	114,694

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

To be read in conjunction with the notes to the Special Purpose Financial Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Statement of Financial Position as at 30 June 2011

	Note	Assist 2011 \$	General 2011 \$	Assist 2010 \$	General 2010 \$
Assets					
Current assets					
Cash and cash equivalents	3	785,996	824,277	784,805	761,193
Trade and other receivables	4	-	367,140	-	142,550
Financial assets	5	231,301	1,855,947	240,108	1,739,448
Other assets	6	3,037	92,571	2,796	50,933
Total current assets		1,020,334	3,139,935	1,027,709	2,694,124
Non-current assets					
Financial assets	5	154,308	500,000	130,126	500,000
Plant and equipment	7	-	95,131	-	121,064
Intangible assets	8	-	280	-	1,464
Total non-current assets		154,308	595,411	130,126	622,528
Total assets		1,174,642	3,735,346	1,157,835	3,316,652
Liabilities					
Current liabilities					
Trade and other payables	9	6,064	259,657	5,935	125,519
Unexpended grants	10	-	617,561	-	322,118
Provisions	11	-	166,181	-	154,375
Total current liabilities		6,064	1,043,399	5,935	602,012
Non-current liabilities					
Provisions	11	-	18,597	-	22,317
Total non-current liabilities		-	18,597	-	22,317
Total liabilities		6,064	1,061,996	5,935	624,329
Net Assets		1,168,578	2,673,350	1,151,900	2,692,323
Equity					
Accumulated surplus		1,168,578	2,673,350	1,151,900	2,692,323
Total Equity		1,168,578	2,673,350	1,151,900	2,692,323

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 2011

	Assist \$	General \$
2011		
Balance at beginning of the financial year	1,151,900	2,692,323
Surplus for the year	16,678	(18,973)
Other comprehensive income	-	-
Balance at end of the financial year	<u>1,168,578</u>	<u>2,673,350</u>
2010		
Balance at beginning of the financial year	1,145,631	2,577,629
Surplus for the year	6,269	114,694
Other comprehensive income	-	-
Balance at end of the financial year	<u>1,151,900</u>	<u>2,692,323</u>

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Statement of Cash Flows for the Year Ended 30 June 2011

	Note	2011		2010	
		Assist Inflows/(Outflows) \$	General Inflows/(Outflows) \$	Assist Inflows/(Outflows) \$	General Inflows/(Outflows) \$
Cash flows from operating activities					
General receipts		1,600	1,233,283	1,425	1,412,721
Grants		-	758,956	-	406,814
Interest		69,539	183,047	59,628	137,795
Payments to suppliers		(54,570)	(1,175,293)	(57,872)	(1,663,539)
Payments to employees		-	(814,981)	-	(715,800)
Net cash provided by (used in) operating activities	12(a)	16,569	185,012	3,181	(422,009)
Cash flows from investing activities					
Payments for plant and equipment	7	-	(5,429)	-	(90,040)
Proceeds from sale plant and equipment		-	-	-	51,092
Payments for other financial assets		(250,000)	(116,499)	-	(1,340,978)
Net cash provided by (used in) investing activities		(250,000)	(121,928)	-	(1,379,926)
Cash flows from financing activities					
Loans advanced		(363,000)	-	(332,600)	-
Repayment of loans advanced		347,622	-	372,337	2,000,000
Net cash provided by (used in) financing activities		(15,378)	-	39,737	2,000,000
Net increase (decrease) in cash and cash equivalents		(248,809)	63,084	42,918	198,065
Cash and cash equivalents at the beginning of the financial year		784,805	761,193	741,887	563,128
Cash and cash equivalents at the end of the financial year	12(b)	535,996	824,277	784,805	761,193

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 2011

Note 1 Significant accounting policies

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

(a) Basis of accounting

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

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

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

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Balance Sheet Date
AASB 116	Property Plant and Equipment
AASB 117	Leases
AASB 119	Employee Benefits
AASB 136	Impairment of Assets
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 138	Intangibles
AASB 1004	Contributions
AASB 1031	Materiality
AASB 1048	Interpretation of Standards

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

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2011

(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 2011

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

Disposal Proceeds

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

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

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

	2011	2010
Motor Vehicles	22.5%	22.5%
Office Furniture and Equipment	10-36%	10-36%

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

(e) **Taxation**

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

(f) **Goods and services tax**

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

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2011

(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 employees of local government owned entities 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 2011 are set at 8.0% (2010 9.5%) for welfare loans and 8.0% (2010 9.5%) for general purpose loans. These loans are designated as financial assets held to maturity and are therefore brought to account at cost. An impairment provision is recognised when the Board has determined that there is objective evidence that the loan may not be repaid in full.

(i) Trade and other receivables

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

(j) Plant and equipment and intangible assets

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

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2011

(j) Plant and equipment and intangible assets (cont'd)

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

(k) Payables

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

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

(l) Employee benefits

Wages and salaries

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

Annual leave

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

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

Sick Leave

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

Long service leave

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2011

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

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

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

Classification of employee benefits

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

(m) **Leases**

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

(n) **Contingent**

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

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2011

(o) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Association but are not yet effective. They have not been adopted in preparation of the financial report at reporting date. B24

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government Association of Tasmania financial statements</i>
AASB 9: Financial Instruments, AASB 2009–11 and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.</p> <p>(a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.</p> <p>(b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p>	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2011

(o) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Association but are not yet effective. They have not been adopted in preparation of the financial report at reporting date. B24

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government Association of Tasmania financial statements</i>
AASB 9: Financial Instruments, AASB 2009-11 and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report for the Year Ended 30 June 2011

(o) Pending Accounting Standards (cont'd)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government Association of Tasmania financial statements</i>
AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139].	These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project.	Applicable for annual reporting periods commencing from 1 January 2010.	These amendments are not expected to impact the Association.
AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact the Association.
AASB 2010-5 : Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010).	This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Report. There is no financial impact resulting from the application of this revised Standard.	Applicable for annual reporting periods commencing on or after 1 July 2010.	These amendments are not expected to impact the Association.
AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7].	This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.	Applicable for annual reporting periods commencing on or after 1 July 2010.	These amendments are not expected to impact the Association.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2011

	Assist 2011 \$	General 2011 \$	Assist 2010 \$	General 2010 \$
Note 2 Grants and contributions				
Grants and contributions were received in respect of the following :				
Summary of grants and contributions received and receivable				
Federally funded grants	-	287,138	-	183,214
State funded grants	-	448,824	-	223,600
Others	-	138,767	-	-
Total summary of grants and contributions received	-	874,729	-	406,814
Grants and contributions recognised as revenue				
Stronger council, better service (a)	-	-	-	46,898
SCBS - planning course (a)	-	-	-	30,364
NRM Facilitator (a)	-	-	-	8,314
Household Hazard Waste (a)	-	378,464	-	294,910
eDais (a)	-	13,631	-	364,314
Climate Change (a)	-	-	-	55,477
MWEW Tasmania (a)	-	10,000	-	10,000
LG Reform Fund (a)	-	38,424	-	-
Council Careers and Environment (b)	-	138,767	-	-
Total grants and contributions recognised as Revenue	-	579,286	-	810,277

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

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

Expenditure relating to grants and contributions recognised as revenue in prior financial years

The Association did not incur any expenditure on grants and contributions which were recognised as revenue in prior financial years and were expended during the current year.

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2011

	Assist 2011 \$	General 2011 \$	Assist 2010 \$	General 2010 \$
Note 3 Cash and cash equivalents				
Current				
Cash on hand	-	371	-	500
Cash at bank	93,792	197,513	123,292	192,316
Short term investments at call	442,204	376,393	661,513	568,377
Fixed term deposits	250,000	250,000	-	-
Total cash and cash equivalents	785,996	824,277	784,805	761,193
Note 4 Trade and other receivables				
Current				
Trade debtors	-	367,140	-	142,280
Net GST receivable	-	-	-	270
Total trade and other receivables	-	367,140	-	142,550
Note 5 Financial assets				
Current				
Fixed term investments	-	1,855,947	-	1,739,448
LGAT Assist loans	247,368	-	255,534	-
Provision for impairment	(16,067)	-	(15,426)	-
Total current financial assets	231,301	1,855,947	240,108	1,739,448
Non-current				
Fixed term investments	-	500,000	-	500,000
LGAT Assist loans	154,308	-	130,126	-
Total non-current financial assets	154,308	500,000	130,126	500,000
Note 6 Other assets				
Current				
Prepayments	-	49,391	-	10,548
Accrued interest	3,037	41,287	2,796	34,392
Other	-	1,893	-	5,993
Total other assets	3,037	92,571	2,796	50,933

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2011

	Assist 2011 \$	General 2011 \$	Assist 2010 \$	General 2010 \$
Note 7 Plant and equipment				
Motor vehicles at cost	-	117,388	-	117,388
Accumulated depreciation	-	(42,198)	-	(20,370)
	-	75,190	-	97,018
Office furniture and equipment at cost	-	137,688	-	157,667
Accumulated depreciation	-	(117,747)	-	(133,621)
	-	19,941	-	24,046
Total plant and equipment	-	95,131	-	121,064
<i>Motor Vehicles</i>				
Carrying amount at beginning of the financial year	-	97,018	-	86,990
Acquisitions	-	-	-	81,062
Disposals	-	-	-	(48,846)
Depreciation expense	-	(21,828)	-	(22,188)
Carrying amount at end of the financial year	-	75,190	-	97,018
<i>Office Furniture and Equipment</i>				
Carrying amount at beginning of the financial year	-	24,046	-	25,069
Acquisitions	-	5,429	-	8,978
Disposals	-	-	-	-
Depreciation expense	-	(9,534)	-	(10,001)
Carrying amount at end of the financial year	-	19,941	-	24,046
Note 8 Intangibles				
Computer software	-	9,612	-	12,811
Accumulated amortisation	-	(9,332)	-	(11,347)
Total intangibles	-	280	-	1,464
Note 9 Trade and other payables				
Trade payables	-	14,266	-	99,456
Net GST payable	-	43,038	-	-
Sundry creditors	6,064	8,838	5,935	8,948
Accrued employee expenses	-	20,387	-	17,115
Unearned revenue	-	173,128	-	-
Total trade and other payables	6,064	259,657	5,935	125,519

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2011

	Assist 2011 \$	General 2011 \$	Assist 2010 \$	General 2010 \$
Note 10 Unexpended grants				
Stronger Council, Better Service	-	-	-	8,419
eDais	-	66,007	-	7,500
Household Hazard	-	148,559	-	296,199
MWEW Tasmania	-	-	-	10,000
Local Government Reform Fund	-	187,995	-	-
Coastal Adaption Pathway Project	-	215,000	-	-
Total unexpended grants	-	617,561	-	322,118
Note 11 Provisions				
Current				
Annual leave	-	92,099	-	103,924
Long service leave	-	74,082	-	50,451
Total current provisions	-	166,181	-	154,375
Non-current				
Long service leave	-	18,597	-	22,317
Total non-current provisions	-	18,597	-	22,317
Note 12 Cash flow statement reconciliation				
a) Reconciliation of cash flows from operating activities to surplus				
Surplus/(Deficit)	16,678	(18,973)	6,269	114,694
<i>Other Adjustments</i>				
Bad debts written off	3	-	(2,513)	-
Depreciation/amortisation	-	32,546	-	35,954
(Profit)/loss on disposal of plant and equipment	-	-	-	(2,246)
<i>Change in assets and liabilities:</i>				
Decrease/(increase) in trade and other receivables	(241)	(266,228)	(1,045)	(94,238)
Increase/(decrease) in trade and other payables	129	(38,990)	470	(65,250)
Increase/(decrease) in provisions	-	8,086	-	(7,460)
Increase/(decrease) in other liabilities	-	468,571	-	(403,463)
Net cash provided by/(used in) operating activities	16,569	185,012	3,181	(422,009)

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2011

	Assist 2011 \$	General 2011 \$	Assist 2010 \$	General 2010 \$
Note 12 Cash flow statement reconciliation (cont'd)				
b) Cash and cash equivalents				
Cash on hand and at Bank	93,792	197,884	123,292	192,816
Short term investments (at call)	442,204	376,393	661,513	568,377
Fixed term deposits	-	250,000	-	-
Total cash and cash equivalents	535,996	824,277	784,805	761,193

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 and employees of local government owned entities 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 2011 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT Assist's surplus by approximately \$11,716 (2009/10 \$11,550). An increase in an interest rate of one percent would have the same but opposite impact.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2011

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

As at 30th June 2011 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT General's surplus by approximately \$31,802 (2009/10 30,006). An increase in an interest rate of one percent would have the same but opposite impact.

Liquidity risk

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

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

Note 14 Superannuation

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

General 2011	General 2010
\$	\$

Note 15 Operating lease commitment

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

Payable not later than 1 year	70,230	70,230
Payable later than 1 year but not later than 5 years	-	70,230
Total operating lease commitment	70,230	140,460

The current operating lease expires on 20th June 2012.

Note 16 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 2011

	General 2011 \$	General 2010 \$
Note 17 Detailed statement of general account - revenue and expenditure		
Revenue		
Government grants	440,519	810,277
Fees and commissions	52,742	52,658
Interest - general account	133,932	107,430
Interest – building proceeds	56,010	40,119
Interest – Tasmanian Water and Sewerage Corporation (Common Services Pty Ltd)	-	5,999
Surplus/(Deficit) on sale of plant and equipment	-	2,246
Sponsorship, conferences/seminars	7,522	230,492
Subscriptions	882,833	1,030,376
Council careers	138,767	-
Other	618	361
	1,712,943	2,279,958
Expenditure		
Advertising	2,210	2,309
Accommodation expenses	733	1,639
Accounts administration	12,113	11,610
ALGA	98,762	105,114
Amortisation - computer software	1,184	3,765
Auditors' remuneration	12,728	11,625
Catering	4,254	4,122
Cleaning	12,968	12,765
Consultancy fees	6,000	4,684
Council careers and skills shortage	113,789	41,836
Conferences and seminars	6,936	189,426
Cost Recovery - welfare administration	(24,000)	(24,000)
Cost Recovery - grant administration	(35,255)	(22,792)
Depreciation - computers	9,112	9,612
Depreciation - motor vehicles	21,828	22,188
Depreciation - furniture and equipment	422	389
Fringe benefits tax	12,886	15,443
Insurance	26,710	24,265
Members emoluments	55,237	49,903
Motor Vehicle - running expenses	9,061	9,288
Motor Vehicle - repairs and maintenance	1,409	2,413
Network and internet	12,792	12,789
Other expenses	9,359	17,136

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Notes to the Financial Report For the Year Ended 30 June 2011

	General 2011 \$	General 2010 \$
Note 17 Detailed statement of general account - revenue and expenditure (cont'd)		
Postage	7,723	8,023
Power	2,580	2,552
Printing and publications	5,991	2,924
Rates and taxes	9,278	9,515
Rentals	70,410	69,053
Salaries, wages and employee benefits (incl. Grant Staff)	727,979	629,092
Software	2,003	1,538
Sponsorship	3,000	5,750
Stationery	3,166	3,389
Subscriptions - general account	10,083	9,640
Superannuation contribution (incl. Grant Staff)	85,475	79,248
Telephone	20,877	21,963
Travelling Expenses	10,749	14,129
Government grants expenditure (excluding wages and superannuation):		
Stronger Councils, Better Service	-	77,261
NRM Facilitator	-	8,314
Household Hazardous Waste	331,157	252,011
eDAIS	13,630	364,314
Climate Change	-	55,477
MWEW Tasmania	10,000	10,000
LG Reform	23,458	-
LG IT Strategies	23,119	35,542
Total expenses	1,731,916	2,165,264
Operating surplus - general account	(18,973)	114,694

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 2011

	Assist 2011 \$	Assist 2010 \$
Note 18 Detailed statement of general account - revenue and expenditure		
Revenue		
Interest on Loans	33,536	33,689
Other Interest Revenue	36,244	26,984
Other LGAT Assist Income	1,600	1,425
	71,380	62,098
Expenditure		
LGAT Assist Accounts Administration	27,828	28,271
Auditors Remuneration	4,243	3,875
Advertising	921	-
Bad Debts Written Off/(Recovered)	(403)	(2,542)
Donations and Research Projects	17,500	19,000
Grants to Members – Welfare	4,481	7,000
Other Expenses – Welfare	132	225
Total Expenses	54,702	55,829
Operating surplus – LGAT Assist account	16,678	6,269



INDEPENDENT AUDITOR'S REPORT

To the members of the Local Government Association of Tasmania

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

Special Purpose Financial Report for the Year Ended 30 June 2011

I have audited the accompanying special purpose financial report (the financial report) of Local Government Association of Tasmania (the Association), which comprises the statement of financial position as at 30 June 2011 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the General Management Committee.

Auditor's Opinion

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

- (a) presents fairly, in all material respects, its financial position as at 30 June 2011 and financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and accounting policies as outlined in note 1 (a) of the financial report.

Basis of Accounting and Restriction on Distribution

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

The Responsibility of the General Management Committee for the Financial Report

The General Management Committee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1(a) of the financial report meet the financial reporting requirements of Section 331 of the *Local Government Act 1993* and are appropriate to meet the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Making a Difference

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the General Management Committee's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Management Committee, as well as evaluating the overall presentation of the financial report. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

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

Independence

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

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

TASMANIAN AUDIT OFFICE



J J Tongs
TECHNICAL AND QUALITY DIRECTOR
Delegate of the Auditor-General

HOBART
26 September 2011

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

Making a Difference

Local Government Representatives

Animal Welfare Advisory Committee

Mr David Moser, Tasman Council

Mr Jeffrey Cairns, Northern Midlands Council - Deputy

Assessment Committee for Dam Construction (ACDC)

Mr Neil Blaikie

Building Appeals Board

Mayor Deirdre Flint, Central Highlands Council

Community Review Committee – Threatened Species Network

Ms Elizabeth Quinn, Kingborough Council

Crime Prevention and Community Safety Council

Ald Sandra French, Burnie City Council

LGAT Assist

Mr Kaye Reeves

Local Government Board

Mrs Elizabeth Gillam

Local Government Award Modernisation

Mr Peter Rodwell, Hobart City Council

Marine Farming Planning Review Panel

Ald Jock Campbell, Clarence City Council

Nuclear Power Warships Visits Committee

Mr Frank Henderson, Clarence City Council

Premier's Physical Activity Council

Mr Greg Preece, Meander Valley Council

State Fire Commission

Mr Rod Sweetnam, Launceston City Council

Mayor Carmel Torenus, Sorell Council

State Fire Management Council

Mr Stephen Bresnehan, Hobart City Council

State Grants Commission

Mr Barrie Southorn

Mr Hugh Denny

State Marine Oil Pollution Committee

Mr Frank Henderson, Clarence City Council

Statewide Immunisation Reference Group

Mr Mark Dwyer, Hobart City Council

Tasmanian Spatial Information Council (TASSIC)

Mr Mark Wise, Hobart City Council

Tasmanian Heritage Council

Ald Sandra French, Burnie City Council

Mr Roger Howlett

Tasmanian Library Advisory Board

Ald Sandra French, Burnie City Council

Ald Doug Chipman, Clarence City Council

Mr Stephen Brown, George Town Council

Ms Narelle Calphy, Glenorchy City Council

Tasmanian Planning Commission

Ms Sandra Hogue

Tasmanian Suicide Prevention Committee

Mr Mark Joseph, Hobart City Council

Member Councils

