



Local Government Association of Tasmania

Annual Report
2009-10





34 Patrick Street

Hobart Tasmania 7000

GPO Box 1521

Hobart Tasmania 7001

Ph. (03) 6233 5966

Fax (03) 6233 5986

www.lgat.tas.gov.au



Local Government Association of Tasmania Annual Report 2009-10

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Highlights 2009-10

Careers Project

A high-profile television campaign was commenced, alerting potential employees to the career and job opportunities available in Local Government. This was supported by the launch of a new website that provides details of career opportunities and vacant positions for all councils and the council-owned water corporations.

Climate Change

Climate change activities were broad-ranging, with the highlight being the delivery of statewide greenhouse gas data for all Tasmanian councils. Greenhouse mitigation plans were delivered to all councils and regional adaptation forums were other key activities throughout the year.

Financial Sustainability

A long-term financial planning and asset management project was undertaken, providing a scan of present practices across councils and the actions necessary to develop appropriate frameworks, templates and training for councils. The study provided the basis for securing funding from the Australian Government to implement the findings with an announcement imminent.

Infrastructure

The Association was successful in attracting funding for councils of \$5 million in response to damage to infrastructure experienced as a result of the wet winter.

Planning

Stronger Councils Better Services funding was used to develop and run a short course in planning for elected members, in conjunction with UTAS. Submissions were made on a number of legislative reform proposals including the State Coastal Policy and the Historic Heritage Bill. The Tasmanian eDA project continued to be rolled out.

Submissions

The Association made submissions on a number of issues including: Mine Safety; Bushfire Prone Areas; State Budget; Right to Information; *Crown Lands Act/Reserve Roads*; Historic Cultural Heritage; State Coastal Policy; and the *Drains Act*.

Waste

The household hazardous waste project commenced with a very successful initial collection throughout the State.

Water and Sewerage Reform

Water and sewerage reform entered the implementation phase with the water corporations commencing business on 1 July 2009. The Community Service Obligation issue lingered longer than expected but was resolved in favour of councils following strong lobbying by the Association.

President's Report



Barry Easter

It is with pleasure that I make my first report on the activities and outcomes of the Association over the past twelve months.

Water and sewerage reform entered the implementation phase with the water corporations commencing business on 1 July 2009. The Community Service Obligation issue lingered longer than expected but was resolved in favour of councils following strong lobbying by the Association.

A key focus of activity this year was a concentrated project on long-term financial planning and asset management. The project provided a detailed environmental scan of present practices across councils and the actions necessary to develop appropriate frameworks and templates for councils together with training and development requirements. The study provided the basis for securing funding from the Australian Government to implement the findings with an announcement imminent. When completed, the latter project should place councils on a solid footing to understand their asset holdings, condition, funding shortfalls and the funding levels required to be financially sustainable.

Significant input was coordinated and provided into the planning reforms associated with the establishment of the Tasmanian Planning Commission, the formal establishment of a regional planning framework, interim planning schemes and consistent provisions and improvements to planning schemes.

Work on the Council Careers and Workforce Development project continued, with a highlight being the airing of a high-profile television campaign alerting potential employees to the career and job opportunities available in Local Government. This was supported by the launch of a new website that provides details of career opportunities and vacant positions for all councils and the council-owned water corporations.

The household hazardous waste project commenced with a very successful initial collection throughout the State. Climate change activities focused on mitigation, with the Association coordinating council efforts to measure and understand greenhouse emission levels, what was causing them and how to reduce them. Future activity of the Association will focus on adaptation.

A short Planning Course for elected members was developed and offered in conjunction with UTAS, with the inaugural course attracting maximum attendance and all participants sitting the exam passing.

The Valuation and Rating Review commenced following the securing of funding from the State Government. Aimed at analysing the best valuation system for Tasmania and achieving a rating system that will provide councils with greater flexibility and certainty for ratepayers, the independent report is expected to be available later in the calendar year.

The Association was successful in attracting funding for councils of \$5 million in response to damage to infrastructure experienced as a result of the wet winter, funding of \$40,000 to assist with climate change activities and \$200,000 for the Stronger Councils Better Services Program which funded asset management work, partial development of the elected member planning course and a series of developmental and pilot projects in councils associated with shared services. Almost \$1 million is expected to be granted from the Australian Government to further progress some of these concepts.

At the national level, Constitutional Recognition remained the key target, along with continued funding for Roads to Recovery and Community Infrastructure. Significant effort has been put into scoping the approach to constitutional change and determining the mood of the Australian Government to supporting such change.

A handwritten signature in black ink, appearing to read 'Barry Easter', written over a horizontal line.

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.

	<p>Mayor Mike Gaffney President</p>		<p>Mayor Barry Easter Vice President</p>
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Members

			
<p>Lord Mayor Rob Valentine</p>	<p>Mayor Graham Bury</p>	<p>Mayor Kevin Hyland</p>	<p>Mayor Mike Downie</p>
			
<p>Mayor Diedre Flint</p>	<p>Mayor Lynn Laycock</p>	<p>Mayor Robert Legge</p>	

Staff

(as at 30 June 2010)

- Executive
- Policy
- Communications, Learning and Development
- Administration
- Special Projects

<p>Allan Garcia Chief Executive Officer</p>	<p>Dr Katrena Stephenson Policy Director</p> <p>Kate Hiscock Senior Policy Officer</p> <p>Georgia Palmer Senior Policy Officer</p>	<p>Christine Agostinelli Executive Assistant</p> <p>Michelle Freeman Administration Officer/LGATASSIST Administrator</p> <p>Fiona Madigan Administration Officer</p>	<p>Scott Blacklow Careers Development</p> <p>Ben Mooney Household Hazardous Waste</p>
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Chief Executive Officer's Report



Allan Garcia

In another busy year for the Association, the final touches were put on the water and sewerage reform, with an agreement finally reached with the State Government on the Community Service Obligation legislation and ongoing funding by the State Government of concessions for eligible water and sewerage users.

The year saw the first effort at a voluntary amalgamation between two councils denied, with the Association facilitating an early workshop and providing detailed submissions to the inquiry conducted by the Local Government Board.

Significant progress was made in relation to establishing a way forward with long-term financial planning and asset management, with much anticipation of a funding package from the Australian Government to assist with implementation of processes and templates in accordance with national frameworks.

Hazard management was a priority item throughout the year, largely driven by events in Victoria, with the Association responding to a range of national and state emergency issues.

Climate change activities were broad-ranging, with the highlight being the delivery of statewide greenhouse gas data for all Tasmanian councils. Greenhouse mitigation plans were delivered to all councils and regional adaptation forums were other key activities throughout the year.

Electricity contestability presented a new challenge for councils this year and the Association coordinated and facilitated the development of common terms and conditions for contracts for councils which assisted in negotiations with suppliers and will provide a platform for aggregated negotiations in the future.

The Association also embarked on a series of procurement activities during the year, signing MOUs with other State Associations to provide access for Tasmanian councils to greater purchasing efficiencies in the areas of trucks, office supplies, batteries and tyres. The Association also progressed an opportunity for councils to participate in a Local Government employee health scheme in conjunction with the Municipal Association of Victoria. Almost half of member councils had agreed to participate in the scheme at year end.

Continued representation on working groups and the preparation of a range of submissions, along with direct lobbying on issues such as planning, asbestos removal and a range of legislative matters ensured that the best interests of councils were being progressed at all times.

On a sad note, Glenorchy City Council gave notice of its withdrawal from the Association.

I would like to thank staff of the Association for their professional approach to their work throughout the year and the support from GMC members, mayors, elected members and council officers for the work undertaken by the Association.

A handwritten signature in black ink that reads "Allan Garcia". The signature is stylized and includes a large, sweeping flourish at the end.

LGAT develops and advocates policy positions on behalf of its member councils. Policy priorities and decisions are made through the General Meetings of Local Government. Many issues also arise from State and Federal Government proposals and priorities.

Governance

Code of Conduct/Standards Panel

LGAT has continued to provide executive support to the Standards Panel, to assist in the determination of a number of referred Code of Conduct complaints. The number of complaints has increased considerably in this period.

The Code of Conduct provisions were introduced in 2005 through amendments to the Local Government (General) Regulations. A number of issues have arisen in relation to application, leading to the Association seeking from the Local Government Division a review of the provisions. A discussion paper was prepared and circulated to councils as a mechanism to provide input into the review (to occur during 2010-11).

Compulsory Voting

At the 2008 Local Government Conference, the Premier announced his preference to move to compulsory voting for Local Government Elections. At the May 2010 General Meeting, councils again (as per 2008) ratified a motion that the Association not support compulsory voting.

The Local Government Association joined a working group (following endorsement at a General Meeting) in order ensuring that any debate and documentation addressed key issues and was presented in an objective manner.

An issues paper was distributed to all councils with a request for feedback. Responses were received from 28 of the 29 councils with feedback varying significantly in terms of the level of detail provided.

The Association has made it quite clear that it was not in a position to recommend a model for the implementation of compulsory voting due to the formal policy position of opposing its introduction. The State Government is yet to make any further announcements in relation to this work.

Constitutional Recognition

Throughout the year, LGAT worked to support the Australian Local Government Association's Constitutional Recognition agenda.

Financial Sustainability of Local Government

Of the \$200,000 available to the *Stronger Councils, Better Services* Project, LGAT received \$70,000 to progress a

consultancy project to assess the benefits of, and barriers to implementing a common specified framework for long-term financial planning and strategic asset management planning in all councils in Tasmania.

Based upon the recommendations arising from that work, the Association made a submission, supported as a priority by the State Government, to the Australian Government's Local Government Reform Fund. The project was supported with an announcement of \$870,000 of funding.

Local Government Act (Meeting Procedures Regulations)

A limited review of the meeting procedures regulations was completed in consultation with the Local Government Association of Tasmania, with the *The Local Government (Meeting Procedures) Amendment Regulations 2010* expected to commence operation in July 2010. The proposed amendments to the meeting procedures regulations will clarify a number of existing provisions, including the definition of a 'council workshop' and the requirement for councils to record the minutes of a closed council meeting.

Local Government Board Review into Voluntary Mergers Glamorgan Spring Bay/Break O'Day Councils

The Association facilitated an initial workshop with Glamorgan Spring Bay Council regarding its consideration of progressing the commencement of a process to consider a voluntary merger with Break O'Day Council. The Association also provided comprehensive responses to the consultation processes conducted by the Board in relation to the specific merger proposal and the broader processes considered for future merger attempts.

Model By-Laws

In response to awareness at the imminent expiration of a number of by-laws the Association canvassed the possibility of developing model-by-laws with the Local Government Division. A working group was established and a priority area identified. Work is continuing.

KPI Review

In September 2009, the Minister for Local Government approved a review of the Measuring Council Performance program (KPI Project) in light of national and statewide developments on improving Local Government performance and on the sustainability of the sector. A review committee has been established which includes a LGAT representative.



“Promoting Efficient and Responsive Local Government”

People’s Debate

The Association participated in the organisation of a public debate between the leaders of each of the three political parties contesting the State Election. Focused on providing members of the community with access to the exchanges of views on key election issues, the debate was organised in conjunction with a number of peak community organisations in the state.

Rating and Valuation Review

The Association negotiated with the State Government a funding proposal to appoint an independent expert to review the present rating and valuation structure in place in Tasmania. The project will consider arrangements existing in the State and review those operating in other jurisdictions to determine whether there are merits in moving to a new set of arrangements or adopting/adapting elements of those existing elsewhere. The project brief has been developed with tenders for the project pending. It is anticipated that the project will be completed by the conclusion of the calendar year.

Right to Information

The Association consulted on the Right to Information Bill and provided a sectoral response. In general, Local Government supported the proposed Bill but raised some particular issues including an inability to recoup costs, closed council matters should not be subject to the public interest test, timeframes and a requirement for manuals and guidelines. A number of issues were addressed in the legislation which was passed.

Planning and Infrastructure

Crown Lands Act/ Reserve Roads

The Association made a submission in response to an issues paper. Generally, councils were supportive of the changes proposed. There has been little progression of this work within State Government since that time.

Drains Act Review

The Association is on the Steering Committee overseeing the review of this *Act*. An issues paper was released with limited timeframes and the Association successfully negotiated with DPIPW for an extended response date enabling the development of a whole of sector response, with consideration of the broader policy elements of the review as well as technical elements. A policy working group was convened by the Association to go through the paper in some detail.

Electricity Contestability

The Association has been a Steering Committee member of the Consumer Advocacy Panel, Project 360 - Issues Facing Tasmania’s Newly Contestable Electricity Customers. The Committee examined the

preparedness of Tasmanian Tranche 4 organisations and businesses to enter into the national electricity market. The Association consulted members on the issue of Local Government preparedness in regards to Tranche 4 contestability and played an active role on the Steering Committee, and in the development of the final report which was provided to the State Treasurer.

Procurement of Shared Energy Consultant and Legal Advice on Electricity Contracts

Through participation in the Steering Committee of the Consumer Advocacy Panel – Electricity Contestability, the Association became aware of the need for legal advice for members in regards to retail contracts for entry into the contestable electricity market. The Association arranged a preliminary information session, with an energy consultant and solicitor offered to all members. Following positive feedback from this session, the Association procured shared legal and consultant advice, including the development of special terms and conditions for Tranche 4 retail contracts from the two operating retail electricity providers in Tasmania. The Association is now working with members to examine the broader issue of whole-of-sector procurement for electricity.

Funding for Local Roads

Following one of the wettest winters on record in Tasmania, many councils suffered major damage to roads, creating a significant burden on maintenance budgets. Some councils also experienced significant damage to road related infrastructure, including the loss of bridges. The Association directly raised Local Government concerns on this issue with the Premier through the Premier’s Local Government Council (PLGC) and requested that funding be allocated to councils suffering significant damage through activation of the Local Government Relief Policy. On 8 February 2010, the State Government announced an immediate once-off fund of \$5 million to assist Tasmanian councils to address affected roads in their municipalities.

Local Government (Highways) Act

The Association sought feedback from councils on minor amendments to this legislation and proposed two changes, one of which was accepted. The other proposed change could not be progressed due to legal difficulties.



National Broadband Network / Digital Regions Initiative

The Association is a member of the Digital Futures Stakeholder Group, chaired by the Department of Economic Development, Tourism and the Arts. The purpose of the group is for the Government to keep stakeholders updated on the State's strategy and progress towards maximising the potential of Tasmania as the test bed for the National Broadband Network.

Nomenclature Board

The Association is a member of the Nomenclature Board of Tasmania, which regulates the nomenclature of geographical features in Tasmania, and attends regular meetings.

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.

State Trails and Bikeways

The Association is a member of the State Bikeways and Trails Advisory Committee and assesses applications for grant funding under the Trails and Bikeways Grant Program.

Tasmanian Road Safety Council

The Association continued to participate as a member of the Tasmanian Road Safety Council which is the peak body in Tasmania advising the Minister for Infrastructure on road safety policy. The role of the Council is to provide leadership in developing the Government's road safety policy agenda; provide advice to the Minister on road safety policy and legislation; and undertake community consultation in relation to road safety policy and issues as appropriate.

Urban Passenger/Active Transport Frameworks

The Association has participated in a number of consultative forums as part of the State Government's development of the State Urban Passenger Transport Framework and its associated Walking and Cycling for Active Transport Strategy.

Work is continuing towards the development of improved understanding between Local and State Government in regards to responsibility for the provision and maintenance of roadside bus stop shelters.

Water and Sewerage

The regional water corporations commenced operations on 1 July 2010, although the matter of the responsibility for funding of the Community Service Obligation (CSO) was not resolved at that time. The Association conducted a significant campaign against the shifting of responsibility for the CSO away from State Government and to the water corporations, including detailed and forceful lobbying of individual and collective Legislative Councillors. The resulting decision to hold the State Government accountable for the ongoing payment of this concession was a major financial victory for the Association on behalf of member councils.

Bushfire Prone Areas

The Association has continued to participate in forums, provide comments and participate in reference groups in relation to State Governments Review of Construction and Development in Bushfire Prone Areas.

Capital Cities Planning

The Association has lobbied heavily behind the scenes to ensure that this project was given a higher priority by State Government agencies and that all appropriate parties were provided the opportunity for input and participation. This followed significant frustration on the part of Hobart City Council, in particular, in not being able to obtain clear indications from the State Government on timing, direction, commitment and resourcing. An initial workshop was convened on 23 June 2010 which was attended by key State Government agencies, the Association, Southern Tasmanian Councils Authority (STCA) and Hobart City Council. A project governance structure has been agreed and various responsibilities assigned.

Communication Protocol with Tasmanian Planning Commission

Further to discussions at the Premier's Local Government Council, discussions between LGAT and the Tasmanian Planning Commission (TPC) regarding formalising consultation and communication processes have been undertaken and a draft protocol completed.

The protocol seeks to ensure that the same timeframes applicable to State Government agencies is applied to the Tasmanian Planning Commission rather than being bound by the present statutory limitations. This should allow 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.



“The Voice of Local Government in Tasmania”

Electronic Development Assessment (eDA) Project

A number of issues have been encountered in relation to full completion of this project including:

- Delays in the development of, and access to, the national test harness;
- Technical issues related to data security at one pilot council which has required new solutions to be developed including external hosting and data migration, and delayed the capacity of that council to go ‘live’;
- No ‘real’ data for the evaluation and cost benefit analysis, limiting the conclusions which can be drawn at this stage.

Regardless, the two participating councils feel positive about the possible benefits to be realised once all systems are working effectively and applicants are using the system. The project is ongoing.

Emergency Management

The Association has continued to respond to national and state emergency management issues. LGAT contributed feedback to the review of the Fire Management Area Committees and continued its involvement in a review of natural disaster relief arrangements for Local Government in Tasmania.

The Association represented Local Government on a number of advisory committees including the:

- Natural Hazards Land Use Planning Group;
- State Preparedness Reference Group;
- State Community Recovery Committee;
- Hazardous Materials and CBRN Advisory Group; and
- PWS Strategic Fire Management Plan Stakeholder Committee.

Healthy by Design

The Association continued to participate on the Healthy by Design Project Steering Committee. Healthy by Design is a guide to planning and designing environments for active living in Tasmania which will provide practical guidance to planners, urban designers and related professionals. The guidelines were launched in 2009-10 and were featured in a conference workshop.

Historic Heritage

A submission was developed on the draft Historic Heritage Bill following consultation, including a workshop, with councils. Not all councils were in specific agreement but outlined a number of key points to be raised including the potentially significant cost of implementation, the difficulties of the ‘opt-in’ approach, overly complex processes, a lack of transitional

arrangements, a lack of detail to fully assess, and no future funding commitment.

Heritage Tasmania (HT) continues to work consultatively and have expressed appreciation for the level of feedback from Local Government. HT is currently reviewing all submissions in order to provide recommendations to the Minister.

National Planning Performance Measures

The Council of Australian Governments agreed in February 2010 to a set of National Performance Measures that can be used to assess the ‘health’ of development assessment systems across jurisdictions, with a view to publishing those in a national report each financial year. The Association sought feedback from General Managers on this matter. Data will have to be provided to the State Government by the 31 July each year. It is hoped that reporting can be incorporated in the annual return of data made by Local Government to the Local Government Division (currently incorporated within the Key Performance Indicators review project).

Productivity Commission

The Association was invited to meet with the Productivity Commission regarding the performance benchmarking of the states and territories’ planning and zoning systems and land development assessments. In particular, the Commission has been asked to report on the impacts of planning, zoning and development assessment processes on business compliance costs, competition, and the efficiency and effectiveness with which cities function. Attention was also to be given to measures to prevent ‘gaming’ of appeals processes, practices to maintain adequate supplies of land, and ways to eliminate unjustifiable protections for existing businesses.

Standards for Single Dwelling and Ancillary Development in the Residential Zone

A whole of sector submission was made following consultation with councils. There was no consensus on the standards and this was outlined in the submission. It was felt that the process should be captured in the work on the common key elements template planning scheme. Concern was expressed that a disconnect would result in duplication of effort for councils and a considerable resource impost in having to adopt the standards within their current planning schemes and then reconsider the matter in relation to the template process.



Photo David Bellamy

State Coastal Policy (2008)

A whole-of-sector submission was made following consultation with councils. There was support in relation to the purpose, objectives and outcomes outlined in the Policy, however a number of issues were raised including a lack of reference to/alignment with planning reforms, in particular, the regional planning initiatives, and a lack of specific/technical guidance in relation to implementation. It was also felt that the skills and knowledge required to implement the Policy fully may well be out of range, or place an unreasonable burden on planning authorities, particularly in relation to isolated coastal areas where specific proposals may never eventuate.

Environment

Climate Change

In December 2008, the State Government and the Association signed a Statewide Partnership Agreement on Climate Change on behalf of councils. All requirements of the agreement have now been met. The following outputs have been delivered this year:

- Delivery of statewide greenhouse gas data for all Tasmanian Councils;
- Delivery of Greenhouse mitigation action plans to all 28 councils participating in the Planet Footprint program;
- Delivery of regional forums to councils participating in the Planet Footprint program;
- Delivery of climate change adaptation forums to council officers and elected members; and
- Delivery of quarterly climate change e-newsletters to council officers and elected members.

LGAT has also supported a number of Tasmanian research grant applications under the National Climate Change Research Facility funding. The Association is currently working with the State Government to establish priorities for joint work between LGAT and the State Government on climate change into the future.

Household Hazardous Waste Collection Program

Ten drop-off days were conducted across the State, with 1,092 participants utilising the service. All participants were surveyed by the program coordinator and the data will be used to better meet the needs of the householder in planning future drop-off days.

Over the ten drop-off days, 25,000kg of potentially hazardous waste was collected and categorised for suitable treatment.

National Packaging Covenant (NPC)

Consistent with its 2006-2009 Action Plan, LGAT continued to focus its efforts on working with the three Tasmanian regional waste bodies to support the development of state and national policy instruments aimed at strengthening waste management initiatives and improving and extending product stewardship schemes.

The Association continued its membership of the Tasmanian Jurisdictional Project Group (JPG), which comprises representatives from State and Local Government and industry, to identify suitable Tasmanian projects that are consistent with NPC funding guidelines.

Waste Management

LGAT continued to convene the Local Government Waste Management Reference Group, with representation from LGAT and each of the three regions, and the State Government. This group considered a range of waste management issues including the controlled waste strategy, container deposit system, product stewardship, packaging covenant, pit waste and oily waste, Regional Waste Management activities and the household hazardous waste collection pilot project. During the year, the Association represented Local Government on the Litter Working Group and the selection panel for the Waste Advisory.

Public Health

Asbestos Reference Group

LGAT has been a member of the Asbestos Reference Group, Chaired by Workplace Standards Tasmania. The Asbestos Reference Group and Asbestos Steering Committee were formed following a Tasmanian Asbestos Forum, held in March 2009. The Asbestos Reference Group was tasked with providing advice to the Steering Committee on policy and legislation, increasing public awareness and improving education in regards to the management of asbestos in Tasmania. The recommendations of the Reference Group included the creation of a State Government Asbestos Unit to examine issues and provide advice on asbestos related matters. The establishment of a State Government Asbestos Unit was announced in the 2010/2011 State Budget.

Community Drug and Alcohol Issues

As a member of the Inter-Agency Working Group on Drugs, the Association provided Local Government input into the development of the Tasmanian Alcohol Action Plan and the reporting on the Tasmanian Tobacco Action Plan.



“Supporting Councils
to Serve Their Communities”

Dairy Effluent MOU

Subsequent to consultation in 2008-09, a Memorandum of Understanding (MOU) was agreed between the Tasmanian Dairy Industry Authority (TDIA), LGAT and the Environment Protection Authority (EPA) for the Assessment and Reporting of Suspected Breaches of the Environmental Management and *Pollution Control Act (EMPCA) 1994* by Dairy Premises. The MOU is intended to clarify the interrelationships between and expectations of the various parties. Under the MOU, TDIA will audit dairy farms and require corrective actions. TDIA will not take on the regulator role under EMPCA, this will continue to be fulfilled by Local Government and the EPA.

Dog Control

Amended legislation was passed this year in relation to restricted and dangerous dogs and the introduction of compulsory micro-chipping for all dogs. The Association has been involved in the progress of these changes since 2006 through working groups and submissions, and working with the Local Government Division on the draft Bill. The Association has emphasised the requirement for adequate training for Animal Control Officers and broad public education. During this year, the Local Government Division developed an implementation program in collaboration with LGAT and the Animal Management Officers Association of Tasmania (AMOAT) through a joint implementation group.

Interagency Working Group for Mental Health

As a member of the Inter-Agency Working Group on Drugs, the Association provided Local Government input into the development of the State Suicide Prevention Strategy.

Mine Safety – Regulatory Impact Statement

The Association consulted with councils and made a submission on the proposed amendments to the *Workplace Health and Safety Act 1995* regarding the mining industry. The proposed changes would particularly impact on those councils who operate quarries on a periodic basis throughout the year without any permanent staff and, as such, the position put forward by the Association is that where council operations are small-scale, periodic and non-commercial, that they be excluded from these requirements and continue to work under the current WHS frameworks.

Community and Social Development

Awards Judging

The Association was asked to act as a judge for a number of awards programs including the Positive Ageing Grants and the Community of the Year Awards.

Crime Prevention and Community Safety Council

The Association continued to participate on the Crime Prevention and Community Safety Council during 2008-09. The Council is a strategic body that guides the implementation, support and promotion of crime prevention and community safety strategies in Tasmania through the development of partnerships.

Healthy and Active Communities

The Association continued to participate on the Premier's Physical Activity Council Local Government Subcommittee, including the inaugural regional forum and dissemination of information to councils. The Association promoted PPAC initiatives such as the *Find 30* campaign and Get Walking Tasmania Week, and continued the use of 'Moving Moments' during the annual Local Government Conference.

LGAT continued to be involved in the Heart Foundation's *Healthy by Design* project through membership on the working group, and participated in forums for the national *Healthy Spaces and Places* Project.

LGAT awarded *Move Well, Eat Well* funding, provided by the Department of Education and Department of Health and Human Services, to three Tasmanian councils.

The Association also participated in the national Preventative Health Taskforce Consultation and in the State Government's Chronic Disease Strategy Stakeholder Workshops.

Homelessness/Affordable Housing

The Association participated in consultation on the Tasmanian Homelessness Plan, attended a National Housing Supply Forum and provided input through ALGA to the Commonwealth's Affordable Housing Agenda.

Social Inclusion

Social Inclusion has been identified as critical social policy issue and the Association continues to consider it as a common element that runs through the majority of social policy agendas at Local, State and Commonwealth levels.



Photo Brendan Dart

Workforce Development

Council Careers Project

The Council Careers project commenced in September 2008 and continued through the 2009 to 2010 financial year. A new range of proposed actions and a budget were approved by members, for continuation of the project from 2010 to 2012.

Careers Advertising

The *Think Big. Work Local* campaign commenced with the development and launch of television advertising and an associated website.

Hits on the website went from 0 to a peak of 1,600 per month when the advertisement showed in April and June. Benchmarked against other Tasmanian media campaigns, this a good result. By July, the number of hits was still high at 1,000 per month, though trending downward steadily. Early results from surveying at careers fairs indicates 60% of students have seen the advertisement. In 2007, 0% of students surveyed said they would consider working for a council. After the advertising in 2010, it was pleasing to see 18% of students would now consider working for a council.

Careers Fairs

A number of careers fairs were attended through the year, at the University of Tasmania and at a number of colleges and regional events in Hobart and in the north, such as Longford. Devonport City Council worked with Reece High School to deliver an innovative subject integrated with work experience but conducted with teams of students working on real council projects. The Devonport project has a lot of advantages over careers fairs and work experience, and LGAT is suggesting that the Department of Education continue and expand the project. Also, 'Try-a-Trade' and UTAS student research were pursued as options but there was insufficient interest or capacity in councils, or among other parties for these options. In time, it is hoped that more councils be able to participate in advertising careers to students in engaging ways.

Careers Training

A number of policy inputs made since 2008 by the project, began to produce results in the area of training. New industry controlled training grants became available, for a range of courses relevant to Local Government.

LGAT was successful in obtaining a \$200,000 Commonwealth grant for councils to use to pay for up to 90% of vocational training for courses for 79 current staff. In total, 11 councils participated, including King and Flinders Island. Distance education was facilitated where possible. This was a crucial factor in enabling smaller

and remote councils to receive assistance and, in some instances, to access training at all.

The most popular course requested through the Expression of Interest (EOI) for the funding was in fact a brand new distance course developed because of the grant - called the Certificate IV Local Government. This qualification is part of the national Local Government Training Package of courses and subjects. Late in 2010, this course will begin providing junior administrative and technical staff with important skills to progress their careers in areas like contracts, conflict, risk, OHS management, public consultation, regulatory enforcement, compliance and project management.

The concept of a LGAT HECS-free scholarships was developed with UTAS. Councils will be asked for an EOI to access the scholarships to do existing UTAS courses in engineering, science or health areas, with study commencing in 2011. A HECS-free degree represents a substantial cost saving to councils and staff.

Careers Data

A pilot workforce data project was initiated in a small and a medium-sized council. The results point to the importance of incorporating knowledge of staff intentions on retirement, resignation, training and advancement in the realistic management of workforce issues. The method is available for all councils to use, and some results may be available once privacy and confidentiality issues are resolved to participating council's satisfaction.

A method for gathering data from council's human resources systems is under development in consultation with council human resources staff, with the aim of producing data to help make councils make good decisions and take effective actions in managing succession, recruitment, retention and training. The impact of various other proposed national and state level surveys is being addressed through LGAT's draft council survey in an attempt to rationalize the expanding number of surveys that councils experience.

Local Government Award Modernisation

A paper was developed and circulated to General Managers outlining issues related to the Australian Government's *Fair Work Act* and Award Modernisation Processes following advice from the LGAT representative on a national working group and Page Seager. A series of recommendations were made in relation to modernisation of the current transitional awards and nominations were sought for a working group, with the detailed work to be conducted in 2010-11.



“Promoting Efficient and Responsive Local Government”

Learning and Development

Local Government Conference

The 98th Local Government Conference was held from 12-14 May 2010, at Wrest Point in Hobart. Themed *Up Up Up - a Focus on Excellence and Innovation*, the conference highlighted the necessity for Local Government to strive for improvement in all areas of council business. Plenary and workshop topics included sustainable infrastructure, building community advantage through values, broadband and social media, social innovation, recruiting and retaining skilled personnel, and improving worker health and productivity. Forty-one trade exhibitors provided product and service information during meal breaks, and delegates were transported to the Hotel Grand Chancellor for the Conference Dinner and the presentation of the Local Government Awards for Excellence.

Councillor Workshop

A two-day, weekend workshop was held for elected members in Launceston in February 2010. Delegates had the opportunity to learn about the fundamentals of council finance, asset management, land use planning, the *Local Government Act* and developing better presentation skills. The opportunity for learning and networking was valued by all in attendance.

Mayors' Workshop

A workshop for mayors was held in Burnie in November 2009, providing the opportunity for mayors to discuss issues of particular interest and to share their experiences.

Local Government Awards for Excellence

LGAT is committed to fostering the expertise of councils and, each year, runs the Local Government Awards for Excellence which recognise excellence in Local Government for the benefit of Tasmanians. Twenty-five nominations were received for the 2010 Local Government Awards for Excellence from 13 councils across the State. The winners were announced by Local Government Minister, the Hon Bryan Green. Kingborough Council emerged as the winner of the *Delivering Excellence for our Communities* category for their 'Conversations in Kingborough' project. Launceston City Council won the *Delivering Excellence for our People* category for their 'Employer of Choice' project, and also the *Delivering Excellence in Natural or Built Environments* category for 'Launceston Aquatic'. Brighton Council received the award for *Demonstrating Operational Excellence* with their 'Common Services Provision Model'.

Planning Course for Elected Members

A short Planning Course for elected members was developed with the Stronger Councils Better Services funding from State Government. This course was offered in

conjunction with the University of Tasmania. The inaugural course attracted maximum attendance and all participants who sat the exam passed. The course is to be evaluated, revised as appropriate and offered again next year.

WomenCan Campaign

LGAT participated in the WomenCan working group and related campaign designed to encourage more women to run for Local Government.

Communications and Marketing Services

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.

Newsletter and Community Development Bulletin

The Association continued to produce a fortnightly newsletter, distributed to councils and community organisations statewide, to keep readers up-to-date with the latest news and developments. It also continued to provide a monthly email bulletin to council officers working in community development, youth, economic development and recreation, providing details of upcoming conferences, training, grants, and awards.

Websites

The Association launched the *Think Big. Work Local* careers website (see Learning and Development) and commenced a review of the current website.

LGAT Assist

From 2009-2010, the LGAT ASSIST Board was made up of the following representatives: Kaye Reeves (Chairman), Allan Garcia (LGAT), John Phillips (Hobart City Council / Australian Services Union), Tony Wolfe (Kingborough Council / Australian Services Union), and Geoff Dodge (Local Government Managers Australia, Tasmania).

The fund continues 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 58 low interest loans to the value of \$332,600 were approved, and non-refundable grants to the value of \$7,000 were provided. LGAT supplies administration services to the fund and the board wishes to record its continuing appreciation for this support.

Local Government Association of Tasmania Income and Expenditure Statement

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED

30TH JUNE 2010



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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 2010.

General Management Committee

The names of the committee members in office during 2009/10 financial year are:

President	Mayor Barry Easther	(Re-elected May 2010) (President from July 2009)
Vice President	Mayor Kevin Hyland	(Vice President from July 2009 – May 2010)
	Mayor Deirdre Flint	(Resigned May 2010)
	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)
	Mayor Adriana Taylor	(Elected May 2010) (Resigned June 2010)
	Mayor Jock Campbell	(Elected June 2010)
	Mayor Lynn Laycock	(Resigned May 2010)
	Mayor Graham Bury	(Resigned May 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 from general operations amounted to \$114,694 (2008/09 \$103,775). The net surplus from LGAT Assist amounted to \$6,269 (2008/09 \$21,166).

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 15th day of November 2010 in accordance with a Resolution of the General Management Committee.



Mayor Deirdre Flint
Vice 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 4 to 18, 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 2010 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 Deirdre Flint
Vice President

Financials

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2010

	2010		2009	
	Assist	General	Assist	General
	\$	\$	\$	\$
Government Grants	-	810,277	-	206,717
Subscriptions	-	1,030,377	-	994,593
Interest	60,673	153,548	67,865	190,783
Other Income	1,425	285,756	1,600	374,759
Total Revenues	62,098	2,279,958	69,465	1,766,852
Depreciation expense	-	32,189	-	30,987
Amortisation expense	-	3,765	-	3,665
Employee benefits expense	-	708,340	-	743,597
Other expenses	55,829	1,420,970	48,299	884,828
Total expenses	55,829	2,165,264	48,299	1,663,077
SURPLUS FOR THE YEAR	6,269	114,694	21,166	103,775
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL OF COMPREHENSIVE INCOME FOR THE PERIOD	6,269	114,694	21,166	103,775

A detailed account of revenue and expenditure for the General Account and the accounts of LGAT Assist are disclosed in notes 15 and 16 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

BALANCE SHEET
AS AT 30TH JUNE 2010

	Note	2010		2009	
		Assist	General	Assist	General
		\$	\$	\$	\$
CURRENT ASSETS					
Cash Assets	2	784,805	2,500,641	741,887	1,461,598
Receivables	3	2,796	193,483	1,751	99,245
Financial Assets	4	240,108	-	251,331	2,000,000
TOTAL CURRENT ASSETS		<u>1,027,709</u>	<u>2,694,124</u>	<u>994,969</u>	<u>3,560,843</u>
NON-CURRENT ASSETS					
Cash Assets	2	-	500,000	-	-
Financial Assets	4	130,126	-	156,127	-
Plant and Equipment	5	-	121,064	-	112,059
Intangibles	6	-	1,464	-	5,229
TOTAL NON-CURRENT ASSETS		<u>130,126</u>	<u>622,528</u>	<u>156,127</u>	<u>117,288</u>
TOTAL ASSETS		<u>1,157,835</u>	<u>3,316,652</u>	<u>1,151,096</u>	<u>3,678,131</u>
CURRENT LIABILITIES					
Payables	7	5,935	125,519	5,465	190,769
Unexpended Grants	8	-	322,118	-	725,581
Provisions	9	-	154,375	-	155,456
TOTAL CURRENT LIABILITIES		<u>5,935</u>	<u>602,012</u>	<u>5,465</u>	<u>1,071,806</u>
NON-CURRENT LIABILITIES					
Provisions	9	-	22,317	-	28,696
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>22,317</u>	<u>-</u>	<u>28,696</u>
TOTAL LIABILITIES		<u>5,935</u>	<u>624,329</u>	<u>5,465</u>	<u>1,100,502</u>
NET ASSETS		<u>1,151,900</u>	<u>2,692,323</u>	<u>1,145,631</u>	<u>2,577,629</u>
EQUITY					
Retained surplus – General		-	2,692,323	-	2,577,629
Retained surplus – LGAT Assist		1,151,900	-	1,145,631	-
TOTAL EQUITY		<u>1,151,900</u>	<u>2,692,323</u>	<u>1,145,631</u>	<u>2,577,629</u>

Financials

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2010

	Retained Earnings	
	Assist \$	General \$
Balance at 1 July 2008	1,124,465	2,473,854
Surplus for the year	21,166	103,775
Balance at 30 June 2009	<u>1,145,631</u>	<u>2,577,629</u>
Balance at 1 July 2009	1,145,631	2,577,629
Surplus for the year	6,269	114,694
Other comprehensive income	-	-
Balance at 30 June 2010	<u>1,151,900</u>	<u>2,692,323</u>

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2010

		2010		2009	
		Assist \$	General \$	Assist \$	General \$
CASH FLOWS FROM OPERATING ACTIVITIES					
General Receipts		1,425	1,412,721	1,600	1,601,168
Government Funding		-	406,814	-	401,686
Interest Received		59,628	137,795	70,238	190,357
Payments to Suppliers		(57,872)	(1,663,539)	(40,899)	(1,164,305)
Payments to Employees		-	(715,800)	-	(694,739)
Net cash flows from/(used in) Operating Activities	10 (a)	<u>3,181</u>	<u>(422,009)</u>	<u>30,939</u>	<u>334,167</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Non-Current Term Deposit			(1,340,978)		(898,470)
Proceeds From Sale of Plant & Equipment		-	51,092	-	-
Purchase of Plant & Equipment		-	(90,040)	-	(51,969)
Purchase of Intangible Asset – Computer Software		-	-	-	(815)
Net cash provided by (used in) Investing Activities			<u>(1,379,926)</u>	<u>-</u>	<u>(951,254)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans Advanced		(332,600)	-	(362,510)	(2,000,000)
Repayments of Loans Advanced		372,337	2,000,000	375,498	-
Net cash provided by (used in) Financing Activities		<u>39,737</u>	<u>2,000,000</u>	<u>12,988</u>	<u>(2,000,000)</u>
Net increase (decrease) in cash held		42,918	198,065	43,927	(2,617,087)
Cash at beginning of financial year		<u>741,887</u>	<u>563,128</u>	<u>697,960</u>	<u>3,180,215</u>
Cash at end of year	10 (b)	<u><u>784,805</u></u>	<u><u>761,193</u></u>	<u><u>741,887</u></u>	<u><u>563,128</u></u>

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

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

1. STATEMENT OF 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 Preparation

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. The accounting policies have been consistently applied, unless otherwise stated.

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 138	Intangibles
AASB 1031	Materiality

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.

The following material accounting policies have been adopted in this special purpose financial report.

(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 operation of the Association.

To be read in conjunction with the Financial Report and Subsequent Pages

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

(c) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

Government Grants

A significant part of Association revenue consists of Government grants which fund projects administered by the Association. Any funding for projects continuing beyond the end of the financial year is carried forward as unexpended government grants, where there is a requirement for the grants to be refundable to the Government if not fully expended.

Grant funds that are not required to be refunded, nor are there additional expenditure required in relation to those funds beyond the financial year, are treated as revenue of the Association.

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.

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

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 the accurate representation of asset benefits over remaining life. Current rates of depreciation are:

	2010	2009
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. 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.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

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.

(g) Cash and Cash Assets

For the purposes of the Statement of Cash Flows. Cash, includes cash on hand and monies held with financial institutions with an original maturity date of three months or less that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value. All short term investments at call have been included as cash in the Statement of Cash Flows. Cash on hand and monies held with financial institutions are stated at nominal value.

Non-current investments are brought to account at cost and are classified as cash assets. The carrying amount of investments is reviewed annually by the General Management Committee to ensure it is not in excess of the recoverable amount of the investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts. The investments of the Association and of LGAT Assist comprise short term deposits at financial institutions.

(h) Financial Assets - LGAT Assist Loans

LGAT Assist loans are made only to local government employees and are repayable on demand. These loans are not secured. The term of the loan and the amount available are limited by the years of service of the employee. The maximum loan is \$7,500 and the maximum term 5 years. Interest rates can be varied from time to time by the LGAT Assist Board and as at 30 June 2010 are set at 9.5% (2009 8.1%) for welfare loans and 9.5% (2009 8.1%) 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) Tasmanian Water and Sewerage Corporation (Common Services) Pty Ltd Loan

LGAT provided short-term finance in 2009 to the Tasmanian Water and Sewerage Corporation (Common Services) Pty Ltd to assist in setting up the Corporation. The loan attracted an interest rate of 3.5% and was repaid in the 2010 financial year.

(j) 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.

(k) Plant and Equipment, Intangibles and Impairment of Assets

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

All assets acquired are initially recorded at their cost of acquisition, being the fair value of the consideration plus incidental costs directly attributable to acquisitions.

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.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

(l) 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.

(m) Provisions

Annual leave expected to be settled within 12 months of the reporting date is recognised in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary level, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity as closely as possible matching the future cash outflows.

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.

The superannuation expense for the reporting period is the amount of the contribution the Association makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 12.

(n) 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, and the lease recognised as an expense rental payments in the income statement on a straight-line basis.

(o) Comparatives

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

Financials

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

	2010		2009	
	Assist \$	General \$	Assist \$	General \$
2. CASH ASSETS				
Current				
Cash on Hand	-	500	-	325
Cash at Bank	123,292	192,316	102,757	118,379
Short Term Investments	661,513	2,307,825	639,130	1,342,894
	<u>784,805</u>	<u>2,500,641</u>	<u>741,887</u>	<u>1,461,598</u>
Non-Current				
Long Term Investments	-	500,000	-	-
	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
	<u>784,805</u>	<u>3,000,641</u>	<u>741,887</u>	<u>1,461,598</u>
3. RECEIVABLES				
Trade Debtors	-	142,280	-	65,484
Accrued Interest	2,796	34,392	1,751	18,639
GST Receivable	-	270	-	7,266
Prepayments	-	10,548	-	7,773
Other Receivables	-	5,993	-	83
	<u>2,796</u>	<u>193,483</u>	<u>1,751</u>	<u>99,245</u>
4. FINANCIAL ASSETS				
Loans Held to Maturity				
Current				
LGAT Assist Loans	255,534	-	266,992	-
Provision for Impairment Tasmanian Water and Sewerage Corporation (Common Services) Pty Ltd	(15,426)	-	(15,661)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
	<u>240,108</u>	<u>-</u>	<u>251,331</u>	<u>2,000,000</u>
Non-Current				
LGAT Assist Loans	130,126	-	156,127	-
	<u>130,126</u>	<u>-</u>	<u>156,127</u>	<u>-</u>
	<u>370,234</u>	<u>-</u>	<u>407,458</u>	<u>-</u>

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

	2010		2009	
	Assist \$	General \$	Assist \$	General \$
5. PLANT AND EQUIPMENT				
Motor Vehicles at Cost	-	117,388	-	135,801
Accumulated Depreciation	-	(20,370)	-	(48,811)
	-	97,018	-	86,990
Office Furniture & Equipment at Cost	-	157,667	-	156,037
Accumulated Depreciation	-	(133,621)	-	(130,968)
	-	24,046	-	25,069
Total plant and equipment	-	121,064	-	112,059
Reconciliations of the carrying amounts of plant and equipment				
Motor Vehicles				
Carrying amount at beginning	-	86,990	-	72,647
Additions	-	81,062	-	36,326
Disposals	-	(48,846)	-	-
Depreciation expense	-	(22,188)	-	(21,983)
Carrying amount at end	-	97,018	-	86,990
Office Furniture & Equipment				
Carrying amount at beginning	-	25,069	-	18,829
Additions	-	8,978	-	15,643
Disposals	-	-	-	(399)
Depreciation expense	-	(10,001)	-	(9,004)
Carrying amount at end	-	24,046	-	25,069
6. INTANGIBLES				
Computer Software	-	12,811	-	12,811
Accumulated Amortisation	-	(11,347)	-	(7,582)
	-	1,464	-	5,229

Financials

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

	2010		2009	
	Assist \$	General \$	Assist \$	General \$
7. PAYABLES				
Trade Creditors	-	99,456	-	158,562
Sundry Creditors	5,935	8,948	5,465	16,666
Employee Expenses	-	17,115	-	15,541
	<u>5,935</u>	<u>125,519</u>	<u>5,465</u>	<u>190,769</u>
8. UNEXPENDED GRANTS				
Stronger Council, Better Service	-	8,419	-	55,317
NRM Facilitator	-	-	-	8,314
SCBS – Planning Course	-	-	-	30,363
eDais	-	7,500	-	188,600
Household Hazard	-	296,199	-	432,987
MWEW Tasmania	-	10,000	-	10,000
	<u>-</u>	<u>322,118</u>	<u>-</u>	<u>725,581</u>
9. PROVISIONS				
Current				
Provision for Annual Leave	-	103,924	-	103,455
Provision for Long Service Leave	-	50,451	-	52,001
	<u>-</u>	<u>154,375</u>	<u>-</u>	<u>155,456</u>
Non-Current				
Provision for Long Service Leave	-	22,317	-	28,696
	<u>-</u>	<u>22,317</u>	<u>-</u>	<u>28,696</u>
	<u>-</u>	<u>176,692</u>	<u>-</u>	<u>184,152</u>

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

	2010		2009	
	Assist	General	Assist	General
	\$	\$	\$	\$
10. STATEMENT OF CASH FLOWS				
a) Reconciliation of surplus from operations to net cash flows from operations				
Surplus for the year	6,269	114,694	21,166	103,775
Non-cash Items				
Bad Debts Written Off	(2,513)	-	6,541	-
Depreciation and Amortisation	-	35,954	-	34,652
(Profit)/Loss on Disposal of Plant & Equipment	-	(2,246)	-	399
Changes in Assets and Liabilities				
Increase/(Decrease) in Other Receivables	(1,045)	(94,238)	2,373	(28,697)
Increase/(Decrease) in Trade Creditors & Accruals	470	(65,250)	859	(19,789)
Increase/(Decrease) in Employee Provisions	-	(7,460)	-	48,858
Increase/(Decrease) in Unexpended Grants	-	(403,463)	-	194,969
Net cash flows from (used in) operating activities	<u>3,181</u>	<u>(422,009)</u>	<u>30,939</u>	<u>334,167</u>
b) Cash and Cash Equivalents				
Cash on Hand and at Bank	123,292	192,816	102,757	118,704
Short term investments (at call)	<u>661,513</u>	<u>568,377</u>	<u>639,130</u>	<u>444,424</u>
Total Cash and Cash Equivalents	<u>784,805</u>	<u>761,193</u>	<u>741,887</u>	<u>563,128</u>

11. 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.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit Risk

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

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

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

Interest Rate Risk

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 2010 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT Assist's surplus by approximately \$11,550 (2008/2009 \$11,493). An increase in an interest rate of one percent would have the same but opposite impact.

As at 30th June 2010 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT General's surplus by approximately \$30,006 (2008/2009 \$34,615). 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.

12. 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.

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA
NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

13. OPERATING LEASE COMMITMENTS

	2010	2009
	\$	\$
Non-cancellable operating leases contracted for but not provided for in the financial statements:		
Payable not later than 1 year	70,230	66,915
Payable later than 1 year but not later than 5 years	<u>70,230</u>	<u>-</u>
	<u>140,460</u>	<u>66,915</u>

The current operating lease expires on 20th June 2012.

14. SUBSEQUENT EVENTS

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

Financials

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

	2010 \$	2009 \$
15. DETAILED STATEMENT OF GENERAL ACCOUNT REVENUE AND EXPENDITURE		
Revenue		
Government Grants	810,277	206,717
Fees & Commissions	52,658	56,409
Interest - General Account	107,430	139,212
Interest – Building Proceeds	40,119	36,341
Interest – Tasmanian Water and Sewerage Corporation (Common Services Pty Ltd)	5,999	15,230
Surplus/(Deficit) on Sale of Plant & Equipment	2,246	(399)
Sponsorship, Conferences/Seminars	230,492	253,170
Subscriptions	1,030,376	994,593
Water & Sewerage Funds	-	65,000
Other	361	579
	<u>2,279,958</u>	<u>1,766,852</u>
Expenditure		
Advertising	2,309	1,581
General Accommodation Expenses	1,639	2,505
General Accounts Administration	11,610	12,925
ALGA	105,114	93,327
Amortisation – Computer Software	3,765	3,665
Auditor's Remuneration	11,625	10,357
Catering	4,122	6,642
Cleaning	12,765	10,897
Consultancy Fees - General Account	4,684	19,118
Council Careers/Skills Shortage	41,836	24,184
Conferences/Seminars	189,426	202,977
Cost Recovery – Welfare Administration	(24,000)	(22,800)
Cost Recovery – Grant Administration	(22,792)	(17,587)
Depreciation – Computers	9,612	8,758
Depreciation - Motor Vehicles	22,188	21,983
Depreciation - Furniture & Equipment	389	246
Fringe Benefits Tax	15,443	14,373
Insurance	24,265	23,671
Members Emoluments	49,903	50,905
Motor Vehicle Running Expenses	9,288	9,787
Motor Vehicle - Repairs & Maintenance	2,413	3,061
Network & Internet	12,789	15,574
Other Expenses - General Account	17,136	20,810
Postage	8,023	7,925
Power	2,552	7,050
General Printing & Publications	2,924	6,838
Rates & Taxes	9,515	9,923
Rentals	69,053	69,592
Salaries, Wages and Employee Benefits (incl. Grant Staff)	629,092	668,178

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

	2010	2009
	\$	\$
15. DETAILED STATEMENT OF GENERAL ACCOUNT REVENUE AND EXPENDITURE		
Expenditure (Continued)		
Software	1,538	1,896
Sponsorship	5,750	4,450
Stationery	3,389	4,620
Subscriptions - General Account	9,640	3,237
Superannuation Contributions (incl. Grant Staff)	79,248	75,419
Telephone	21,963	21,245
Travelling Expenses	14,129	25,314
Government Grants Expenditure (excluding Wages and Superannuation):		
Stronger Councils, Better Service	77,261	14,683
NRM Facilitator	8,314	66,297
Household Hazardous Waste	252,011	9,813
eDAIS	364,314	62,724
Climate Change	55,477	40,000
MWEW Tasmania	10,000	-
LG IT Strategies	35,542	46,914
	<u>2,165,264</u>	<u>1,663,077</u>
Operating Surplus – General Account	<u>114,694</u>	<u>103,775</u>

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.

16. DETAILED STATEMENT OF LGAT ASSIST ACCOUNT REVENUE AND EXPENDITURE

Revenue		
Interest on Loans	33,689	34,295
Other Interest Revenue	26,984	33,570
Other LGAT Assist Income	1,425	1,600
	<u>62,098</u>	<u>69,465</u>
Expenditure		
LGAT Assist Accounts Administration	28,271	25,740
Auditors Remuneration	3,875	3,453
Bad Debts Written Off/(Recovered)	(2,542)	6,541
Donations & Research Projects	19,000	11,000
Grants to Members – Welfare	7,000	565
Other Expenses – Welfare	225	440
Printing & Publications	-	560
	<u>55,829</u>	<u>48,299</u>
Operating Surplus – LGAT Assist Account	<u>6,269</u>	<u>21,166</u>



Tasmanian Audit Office

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INDEPENDENT AUDIT REPORT

To the Members of the Local Government Association of Tasmania

Special purpose financial report for the Year Ended 30 June 2010

Report on the special purpose financial report

I have audited the accompanying special purpose financial report of the Local Government Association of Tasmania (the Association), which comprises the balance sheet as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Management Committee's statement.

The Responsibility of the General Management Committee for the Special purpose financial report

The General Management Committee is responsible for the preparation and fair presentation of the special purpose special purpose 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 special purpose special purpose financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the special purpose special purpose 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 special purpose special purpose financial report is free of material misstatement.

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

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assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the special purpose special purpose 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 special purpose special purpose 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

Auditor's Opinion

In my opinion the special purpose financial report of the Local Government Association of Tasmania:

- (a) presents fairly, in all material respects, the financial position of the Association as at 30 June 2010, and of its 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 special purpose special purpose financial report.

TASMANIAN AUDIT OFFICE



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

HOBART
13 November 2010

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Local Government Representatives

Animal Welfare Advisory Committee

Mrs Kym Curran, Launceston City Council

Assessment Committee for Dam Construction (ACDC)

Mr Neil Blaikie

Building Appeals Board

Mayor Deirdre Flint, Central Highlands Council

Community Review Committee – Threatened Species

Ms Lisa Nelson, Waratah Wynyard Council

Crime Prevention and Community Safety Council

Ald Sandra French, Burnie City Council

LGAT Assist

Mr Kay Reeves

Local Government Board

Mrs Lynn Mason

Local Government Award Modernisation

Mr Peter Rodwell, Hobart 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

Tasmanian Spatial Information Council (TASSIC)

Mr Mark Wise, Hobart City Council

Tasmanian Cultural Heritage Council

Ald Sandra French, Burnie City Council

Mr Roger Howlett

Tasmanian Library Advisory Board

Ald Doug Chipman, Clarence City Council

Ald Sandra French, Burnie City Council

Mr Stephen Brown, George Town Council

Ms Narelle Calphy, Glenorchy City Council

Tasmanian Suicide Prevention Steering Committee

Mr Mark Joseph, Hobart City Council

Member Councils



