



ANNUAL REPORT

2016 - 2017



Latrobe Council
170 Gilbert Street
Latrobe TAS 7307

P: 03 6426 4444

F: 03 6426 2121

E: council@latrobe.tas.gov.au

W: www.latrobe.tas.gov.au

Front Cover Photo: Sassafras

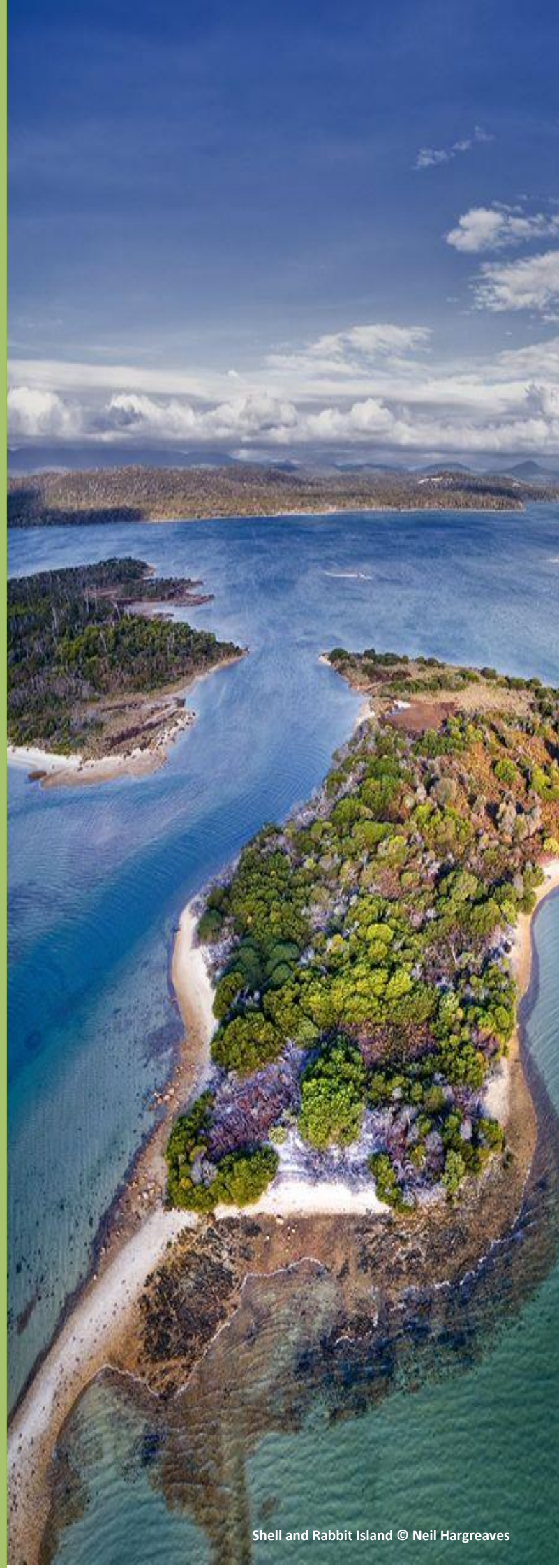
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Feedback

Feedback or questions relating to the annual report are welcome. Contact us via phone or email.

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An aerial photograph of a coastline at sunset. The sun is low on the horizon, casting a golden glow over the water and the sky. The water is dark, with a bright reflection of the sun. The coastline is visible, with a sandy beach and some buildings. The sky is a mix of orange and blue. A white rectangular box is overlaid on the image, containing the text "ABOUT THIS ANNUAL REPORT".

ABOUT THIS ANNUAL REPORT

The Latrobe Council is pleased to present its annual report for 2016/2017

Audience for this Report

This report is intended to provide open, accurate and transparent information to a broad range of stakeholders, including our residents and rate payers, local businesses, non-government organisations, our partners and other government departments and agencies.

It also aims to fulfil Council's statutory responsibilities under the Local Government Act 1993 and other legislation.

Aims of this Report

This report outlines how Council is meeting the strategic objectives identified and prioritised in its strategic plan *Our Place, Our Plan 2012-2017* which was developed through consultation with community. It is this framework that guides Council's decision making, particularly on the provision of major infrastructure and services within the community.

The report details the extent of Council's operations and services delivered to the community throughout the financial year. It also details how Council is governed and managed; it introduces our Councillors and staffing structures

and provides detailed information on the financial performance of Council.

How to use this Annual Report

This annual report begins with an overview detailing Council highlights of the financial year, set-backs and its challenges.

The report looks at *Our Council* including a municipality profile and information on our councillors. We review *Our People* - who make up our Council, their responsibilities and general staffing information. We assess *Our Performance* in relation to community engagement, planning and accountability and the strategic plan.

Corporate Governance is reviewed detailing governance management and statutory information and finally the *Financial Reports* that include detailed statements that fulfil Councils statutory requirements.

Throughout this report we have included a number of tables and graphs to present information as well as useful and informative facts to provide a snapshot of our council and our local community.



Wind Farm @ Port Sorell © Neil Hargreaves

Council has established a vision and set of values which form the foundation of Council and its planning for the future.

Our Vision

Council's vision is for the Latrobe Council area to be known as a friendly and welcoming community which is recognised for:

- The high quality of life that is enjoyed by our residents and visitors within an attractive built environment including the historic township of Latrobe.
- The preservation of the rural character and rich soils of the area which have secured the rural economy as an essential part of the wider economic base.
- The uniquely beautiful natural environment including the serene and picturesque seaside settlement areas of Port Sorell which are responsibly managed and safeguarded for future generations.
- The well-managed, responsive and adaptive local government which provides strong, visionary and consultative leadership.

Our Values

These are the values that guide our choice and behaviour as we seek to implement our vision for the area.

Leadership – Council is committed to provide the highest standard of community leadership and performance.

Community participation – Council encourages community participation and values the contribution made by each person.

Lifestyle and Environment – Council is committed to provide, encourage and promote the area's natural and developed attributes to enhance the quality of life within the community.

Employee Management – Council values the contribution of its team and is committed to the ongoing well-being and development of its employees.

Asset Management – Council is committed to the effective and efficient management of its physical assets.

Regional Co-operation – Council advocates regional co-operation.



Neil Davidson – Lions Club of Port Sorell Inc - Julie Bissett - Eve Bell

Our Achievements

Australia Day Awards

Each year, Latrobe Council invites the community to think about who has made a significant contribution to the Latrobe Municipality and nominate that resident or organisation for recognition in its annual Australia Day Awards.

There are three categories open for nomination - Citizen of the Year; Young Citizen of the Year where nominees must be aged from 14 to 30 years and Community Event of the Year.

The Community Event of the Year Award was awarded to the Lions Club of Port Sorell Inc. for the support they provided to effect BlazeAid Flood Assistance. The club opened its heart and their “fund chest” to provide warm, comfortable facilities to house and feed the BlazeAid volunteers at the Port Sorell Lions Caravan Park. Their “fund chest” equated to around \$36,000 worth of aid with many members helping with meals, providing equipment to run the camp, fencing and much, much more.

The award for the Young Citizen of the Year went to Miss Eve Bell. The qualities sought in this category are based on the impact of contribution, the level of excellence and time committed to their pursuits; all qualities that Eve possesses.

Eve has represented Latrobe High School and her community significantly over the past four years. Late last year, Eve played a main character in the school production and has been in a leadership role through the Leadership Group throughout last year. The latter has included involvement in Anti-Bullying initiatives, coordinating school socials and fundraising for various charities including the Cancer Council through Relay for Life. At Latrobe High School’s Presentation Evening, Eve received the Pierre de Coubertin Award which recognises her sporting achievements and how she has demonstrated those endeavours which are consistent with the aims of the Olympic Movement.

Eve also received an Award for Health and the Zonta Club of Devonport Award which recognises a

student who significantly contributes to her school and local community.

Nominations for the Citizen of the Year Award are commonly of very high quality and reflective of the impact of the person's contribution; how long they have been involved in the community and the level of excellence demonstrated in their chosen field.

This year the award was presented to Julie Bissett. When Julie sees something that she could make a difference to, she doesn't sit back and ask "why isn't someone doing something about that". Julie quickly brings together a group of people to get the job done or tackles it on her own. A hard worker for a variety of causes throughout the Latrobe Municipality over a great many years, Julie's the sort of person that when she sees someone in need, she is the first to offer support and, on many occasions, has opened her home - and shed.

Wild Mersey Mountain Bike Development

Latrobe and Kentish Councils have partnered to be able to deliver a \$4.1M world-class mountain bike experience that links the towns of Latrobe, Railton and Sheffield. The project will comprise three stages, with Stage 1 commencing in 2017/18.

In 2016/17 the two Councils commissioned further environmental studies required by Parks & Wildlife and Forestry Tasmania to be able to finalise lease agreements for the trail over land they manage.

Stage 1 will build the linking trails from Warrawee in Latrobe to Railton and on to Sheffield at a cost of \$708,000. For Stage 1, the Councils secured \$300,000 from the Commonwealth as part of the recent election commitment. The Council's also applied to the Tasmanian Government's Department of State Growth Community Infrastructure Fund for \$150,000. The outcome of the grant application is expected in August/September 2017.

Discussions have been ongoing with State and Federal politicians seeking funding for Stages 2 and 3. The Councils are seeking a commitment from the State Government to make an allocation of

\$1,250,000 (\$600,000 for Stage 2 and \$650,000 for Stage 3 over two financial years) with Kentish and Latrobe Councils contributing \$400,000 ($\$1,250,000 + \$400,000 = \$1,650,000$) so that the Federal Government can be approached for matching funds of \$1,650,000 (\$800,000 for Stage 2 and \$850,000 for Stage 3)

Latrobe/Kentish Municipal Alliance Committee

The Latrobe and Kentish Municipal Alliance Committee identified opportunities for sharing ideas and resources to improve the effectiveness and efficiency of service delivery by the two councils. The Committee consists of:

- Mayor Peter Freshney (Latrobe)
- Deputy Mayor Rick Rockliff (Latrobe)
- Cr Mike McLaren (Latrobe)
- Mayor Don Thwaites (Kentish)
- Deputy Mayor Tim Wilson (Kentish)
- Cr Penny Lane (Kentish)
- General Manager, Gerald Monson

The Committee met five times during the 2016/17 financial year and made recommendations to the respective councils regarding:

- Endorsement of the recommendations of the Australian Centre of Excellence for Local Government Shared Services Review.
- Accepting proposals from LKS Quaero Pty Ltd for consultancy services to assist with the implementation of the above-mentioned recommendations including change management and sustainability considerations.
- Resource-sharing the services of the Kentish Council's Community Development Officer for approximately two days a week to the Latrobe Council.
- Accepting a proposal from LKS Quaero Pty Ltd for consultancy services to integrate the Engineering Services of both councils.
- Allocation of an amount of \$100,000 by each council in the 2017/2018 budget and 2018/2019 budget for Stage Two of the

Wild Mersey Mountain Bike Development.

- Acceptance of an invitation to a combined briefing of North-West council elected members from the Chairman of TasWater, Mr Miles Hampton, on the proposed TasWater reforms.
- Declining support of the proposed Cradle Coast Authority Futures Plan and instead working with council and industry leaders in developing action plans to stimulate economic development within the region.
- Endorse the actions taken by the General Manager to reorganise the operations of the outside work force.
- Further involve LKS Quaero Pty Ltd with implementation of the project to deliver common IT systems across both councils and an amount of \$20,000 allocated towards their involvement in the implementation process, allocated on a 50/50 basis between the two councils.



Our Challenges

TasWater Takeover

During the year Council lobbied strongly against the proposed takeover of TasWater from local government to state government. If the transfer is successful, Latrobe Municipality would be severely impacted with the potential loss of dividends leading to a nine per cent increase in rates or alternatively a cut in services to the community.

23 (including Latrobe) of 29 Tasmanian Council's do not believe that there is a "water and sewerage crisis" and that here has been no compelling evidence provided by the State Government that TasWater customers and ratepayers will be substantially better off by the forced takeover of TasWater by the state government.

Flood Recovery

Assisting the community and repairing Council infrastructure was a significant challenge for Council, particularly during the first half of the financial year.

Council hosted an informal community event on 3rd September at the Australian Axemans Hall of Fame. The community rallied to socialize and say thank you to everyone who assisted in the flood response and rebuild.

Mayor Freshney was appointed Chair of the North West Regional Flood Committee established by State Government and Council also made a submission to the Tasmanian Flood Recovery Taskforce. Mr. Mike Blake subsequently conducted an independent review into the June and July 2016 floods. The review found that the response of all levels of government, emergency

services and the community to the floods was generally robust. The report made 24 recommendations for improvement including comprehensive assessment of flood mapping by the State Government, a central flood policy unit be set up by the State Government and the Department of Premier and Cabinet should become the standing Recovery Management Authority.

Recovery for our community is ongoing and Council continues to provide support. Council will also ensure the learnings from the flood event translate into its emergency management plan.

Shared Services

Council, together with the eight other Cradle Coast Council's signed a memorandum of understanding with the State Government to examine how they might resource share and provide services at a lower cost.

Whilst Council's primary focus is to embed shared resources with Kentish Council, it carefully considered the different ways in which these Tasmanian Government reforms could be achieved and believed that not participating in the process was a risk.

Third Horizon Consulting was engaged via Cradle Coast Authority to undertake the feasibility study and Council has contributed information and data to the project.

The final report is expected to be released towards the end of the calendar year and Council will carefully consider the content before making any further commitments to regional resource sharing.



THE YEAR IN REVIEW



A message from the Mayor and General Manager

It is with great pride and pleasure that we jointly present the Latrobe Council's Annual Report for 2016/17.

The past financial year has seen many challenges for both Council and the community, dominated of course by our response to the June 2016 floods and associated issues. The year has again been highlighted by the contribution and commitment of so many with-in our municipality and Council's management team and staff have played a pivotal role in all that has been achieved during the period covered by this report.

We have a great deal to be proud of but even more to be grateful for and above all else, the past financial year has served as a reminder of the strength, the resilience and the compassion that sets our Municipality aside as a wonderful place in which to live, visit and work.

The flood recovery has quite rightly dominated our priority list during the past twelve months but the recovery is far from complete and there are still many in our local community living with the physical and emotional after effects of that event. In more recent times we have had some successful outcomes for a number of insurance policy holders but there are still others who have not been as fortunate and as a result, displaced from their former homes. Similarly, the State government has been able to provide additional funding to some adversely affected within the rural sector and there are high hopes that a predicted bumper season will deliver a windfall for many working in agriculture across the region.

The 10 year funding agreement negotiated for the Mersey Hospital has to be highlighted as an unprecedented achievement given the hospital's chequered past and the tendency for some to use its status as a political plaything, particularly during the all too regular election cycle. This Council's role in achieving the largest single intergovernmental financial agreement in the State's history should not be understated and is something we should all be proud of.

Other significant developments and achievements include the completion of the final two stages of the upgraded Chapel Road link between the Bass and Frankford Highways, the revitalisation of the Axeman's Hall of Fame and Bells Parade precinct, the development of the Piping Lane Industrial park, the continued residential growth at both Latrobe and Port Sorell, footpath and stormwater projects in both townships and long awaited upgrades at the Youth Centre. Work has continued on the Wild Mersey Mountain Bike Trail project, the review of the Strategic Plan for Port Sorell, the rehabilitation of the former Tip Site project at Port Sorell and the Latrobe CBD enhancement project amongst others. The land transfer of Camp Banksia has finally been completed and Council has been buoyed by the evolution of business groups representing both the Latrobe and Shearwater Village retailers.

Our Municipal Alliance with the Kentish Council continues to set the pace in terms of Local Government reform initiatives and we are absolutely committed to Council's continuous improvement regime that has underpinned that arrangement. The resource sharing agreement,



*Mayor
Peter Freshney*



*General Manager
Gerald Monson*

now in its seventh year, enables the respective municipal areas to balance economic efficiency whilst maintaining their local identities, sense of community and local democracy. Council was indeed encouraged when the Australian Centre for Excellence in Local Government published a report in November 2016 that revealed conservative savings of \$768,000 across the two Councils due to resource sharing in the 2015/16 financial year.

Through stringent financial management, Council achieved an underlying surplus of \$515,000 for the financial year, which is a very solid result after the impact of the 2016 flood event, and the “freezing” of financial assistance grants from the Federal Government for 3 years.

Thank you to all elected members, and in particular Deputy Mayor Rockliff, for their ongoing support and active involvement in our community. As a Council, we are heartened by our common vision to ‘preserve the past, promote the present, and plan for the future’. Electors in the municipality can rest assured that this group of Councillors have their community’s best interest at the forefront of every discussion and decision. The cohesive manner in which we as a group continue to work is a strong reflection of a well-balanced, well considered, common sense approach.

Thank you to Council’s Management Team for providing strong and committed leadership.

We recognise that the year has not been particularly easy for staff, both inside and out, however we acknowledge and respect the

professionalism and dedication displayed by our employees and sincerely thank each and every staff member for their efforts over the last twelve months. Sadly, we lost two well respected employees, Leon “Nobby” Sheehan in an accident and Chris Frankcombe due to an illness. Both were highly respected as friends and workmates. They are greatly missed. We also recognise that although the next twelve months may be challenging, there will be opportunities for professional growth and personal development.

Last, but certainly not least, a heartfelt thank you to the community groups, individual, service clubs and organisations who voluntarily give up their time and effort to contribute to our community. Council recognises your invaluable contribution and the support you provide is truly appreciated.

A final thank you to those who have worked so diligently to prepare this report, and again to all those who have contributed to the positive performance over the past twelve months.

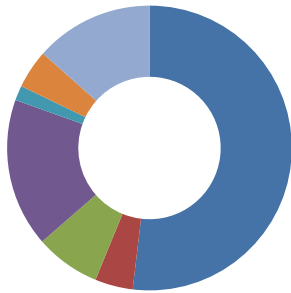
Peter Freshney
MAYOR

Gerald Monson
GENERAL MANAGER
FLGMA; B.Bus (Pub Admin) JP

Financial Overview

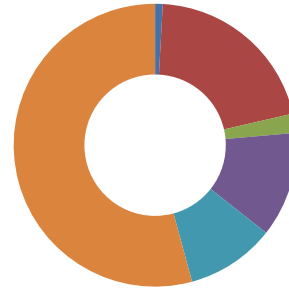
REVENUE & EXPENDITURE SOURCES

Recurrent Revenue



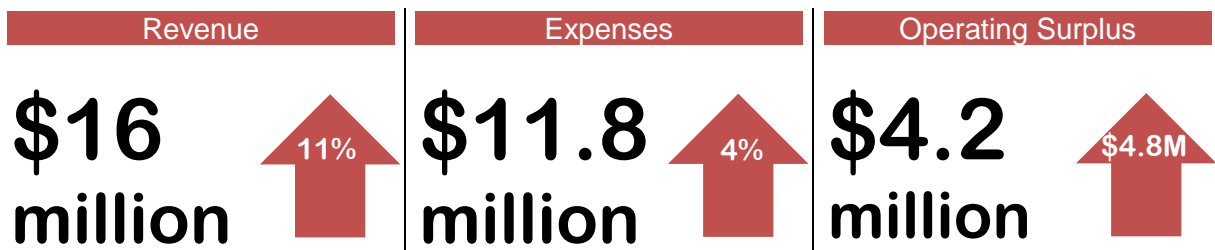
- Rates and charges (52%)
- Statutory fees and fines (4%)
- User fees (7%)
- Grants (17%)
- Interest (2%)
- Investment revenue from water corporation (4%)
- Other income (13%)

Recurrent Expenses



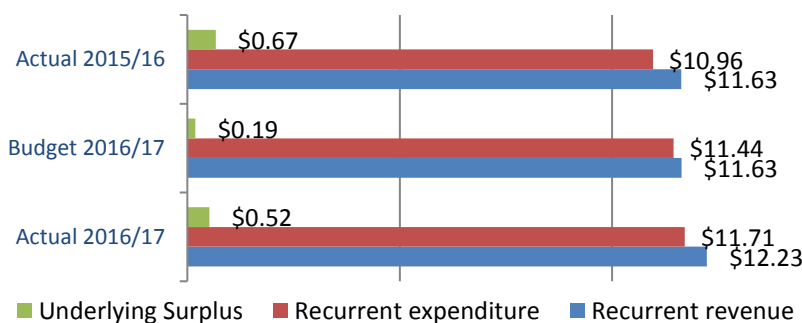
- Latrobe Works operation (1%)
- General operations & management (21%)
- Community development (2%)
- Health & environmental management (12%)
- Planning & development (10%)
- Infrastructure maintenance & operations (54%)

FINANCIAL RESULT COMPARED TO BUDGET



Council's underlying operating surplus was \$515,000 after adjustments for capital grants received specifically for new or upgraded assets, non-recurring or once off items including funds received under the National disaster relief and recovery arrangements.

UNDERLYING RESULT



The calculation of Council's underlying result is shown at note 52 to the Financial Report.

Comparison of Income Statement to Original Budget

	Actual 2016/17	Original Budget 2016/17	\$ Variance	% Variance	Comments
Revenue					
Rates and charges	6,929,961	6,829,050	100,911	1%	Variance due to supplementary rates from new residential properties
Statutory fees and fines	574,963	526,494	48,469	9%	Favorable variance mainly due to increased plumbing compliance activity.
User fees	988,748	882,821	105,927	12%	Favorable variance due to increase in Caravan Park accommodation income and private works activity.
Grants	2,254,629	1,413,140	841,489	60%	Favorable budget variance mainly due to \$745,413 of 2017/18 Commonwealth FAG funds received in advance after the original budget was finalised.
Interest	223,735	175,500	48,235	27%	Favorable budget variance due to higher cash balances than budgeted as a result of carried forward capital expenditure.
Other Income	1,796,443	1,232,865	563,578	46%	Favorable budget variance mainly due to disaster recovery funds received relating to flood events.
Investment revenue from water corporation	587,223	573,000	14,223	2%	Minor favorable budget variance.
Capital grants received specifically for new or upgraded assets	889,390	1,982,610	(1,093,220)	-55%	The majority of the variance is due to the State Government contributions to the Camp Boomerang / Camp Banksia land swap which have been classified below under State Government asset transfers. The unfavorable variance includes funding for the Roads to Recovery program being deferred to future years.
Contributions - cash	98,432	25,000	73,432	294%	Favorable variance mainly due to community contributions towards the construction of the Port Sorell War Memorial.
Contributions – non-monetary assets	139,313	750,000	(610,687)	-81%	Unfavorable variance due to take up of subdivision assets at no cost being less than budget.

	Actual 2016/17	Original Budget 2016/17	\$ Variance	% Variance	Comments
Revenue					
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(189,769)	-	(189,769)		Unfavorable variance mainly due to disposal of road assets that have been replaced.
State Government asset transfers	1,494,790	-	1,494,790		Favorable variance relating to Camp Boomerang / Camp Banksia land swap.
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	253,109	-	253,109		Favorable balance due to unbudgeted share of profit of Dulverton Waste Management Authority.
Total Revenue	16,040,967	14,390,480	1,650,487	11%	Overall favorable variance

	Actual 2016/17	Original Budget 2016/17	\$ Variance	% Variance	Comments
Expenses					
Employee benefits	3,550,764	3,388,860	161,904	5%	Unfavorable budget variance due to lower proportion of wages being capitalized on construction projects.
Materials and services	4,005,587	3,798,130	207,457	5%	Unfavorable budget variance due to expenditure on consultants and additional road maintenance due to flood damage.
Impairment of debts	43,873	-	43,873	100%	Uncollectable debts associated with the Axeman's Hall of Fame.
Depreciation and amortisation	2,967,148	2,896,690	70,458	2%	Minor unfavorable budget variance.
Finance costs	3,614	-	3,614	100%	Minor unfavorable budget variance associated with funds borrowed under the Local Government Capital Acceleration Program.
Other Expenses	1,279,955	1,358,480	(78,525)	-6%	Favorable budget variance due to lower building levy reimbursements and rate remissions.
Total Expenses	11,850,941	11,442,160	408,781	4%	Overall favorable variance
Net Surplus / (Deficit)	4,190,026	2,948,320	1,241,706	42%	Overall favorable variance

Comparison of Capital Expenditure to Budget

Capital Works Areas	2016/17 Actual	Original 2016/17 Budget	Adjustment to Carry Forward from 2016	Budget Revision re Flood Costs	Carried Forward to 2017/18	Budget Variance \$
Roads and Bridges	2,215,035	2,034,000	166,025	803,500	681,694	(106,796)
Stormwater and drainage	97,179	390,001	(2,992)	-	330,000	40,170
Land	-	1,030,000	-	-	-	(1,030,000)
Buildings	716,511	466,489	1,600	30,000	290,619	509,041
Land Improvements	438,374	789,975	(3,743)	50,000	506,001	108,143
Plant, Equipment and Other	487,255	627,300	-	-	232,500	92,455
Total Capital Works	3,954,354	5,337,765	160,890	883,500	2,040,814	(386,987)
Represented by:						-
Asset Renewal	3,021,630	2,482,215	59,054	883,500	1,220,215	817,076
New / Upgraded Assets	932,724	2,855,550	101,837	-	820,599	(1,204,064)
Total Capital Works	3,954,354	5,337,765	160,890	883,500	2,040,814	(386,987)

CAPITAL BUDGET VARIANCES EXPLANATION

Total Capital Expenditure

\$387,000

less than budget

7%



Axeman's Hall of Fame – Construction of Alfresco Area

CAPITAL BUDGET VARIANCES EXPLANATION (Cont.)

\$106 ↓ Roads
thousand

Construction costs for the Gilbert Street roundabout were expensed as the asset was transferred to the State Government.

\$40 ↑ Stormwater
thousand

The project to improve drainage in Quinlan Crescent Shearwater encountered issues with shallow rock and services, uncompacted fill and unstable ground.

\$412 ↓ Buildings
Land
thousand Improvements

The Camp Boomerang – Camp Banksia land swap was completed in favour of Council as the value of the land received exceeded the value of the land transferred to the State Government. An opportunity was taken to purchase a residential property adjacent to Council Chambers. Other variations included additions to the Axeman’s Hall of Fame alfresco area.

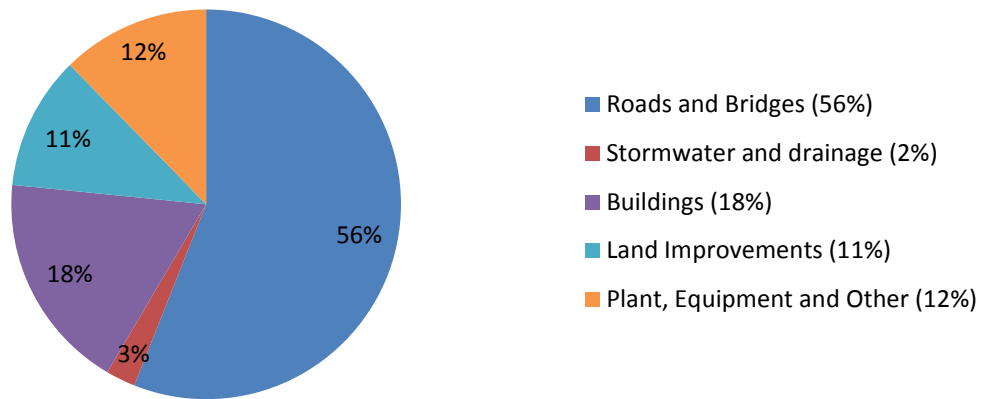
\$92 ↑ Plant Equipment
Other
thousand

The variance includes the purchase of equipment relating to the Axeman’s Hall of Fame and trade-in values relating to machinery purchases.



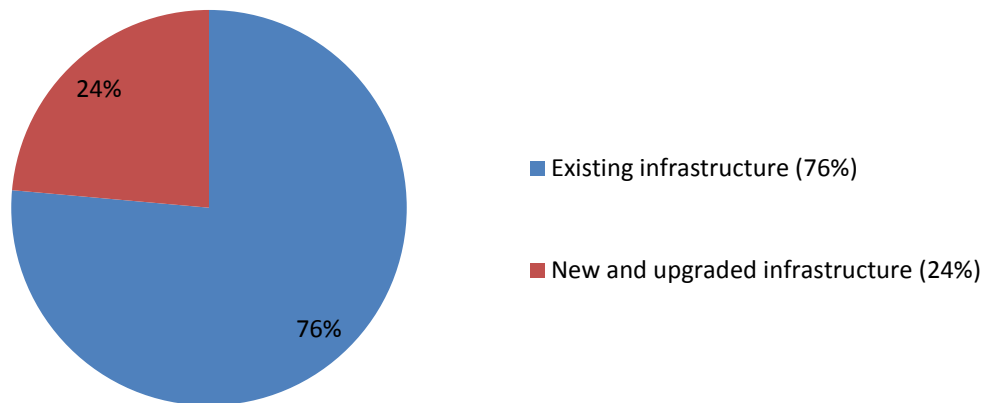
Roundabout Construction @ Gilbert Street, Latrobe

Capital Expenditure by Asset Type 2016/17

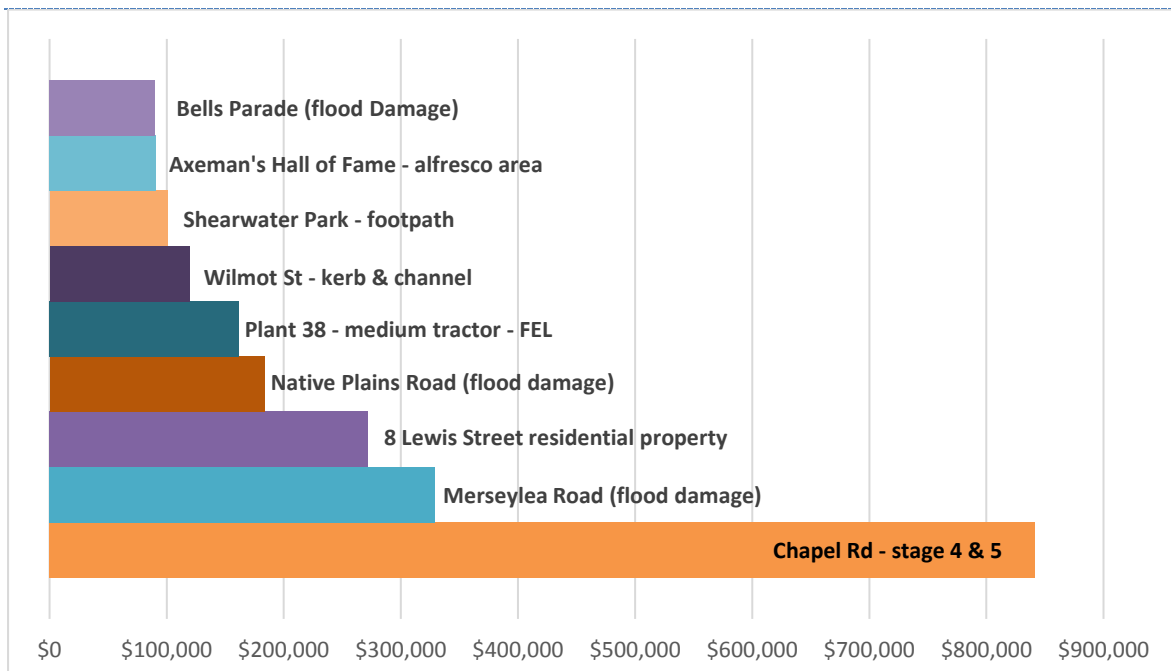


In measuring financial sustainability, it is important to distinguish between expenditure on new and upgraded assets and expenditure on existing assets. This distinction is graphically represented below;

Capital Expenditure - New and Existing Infrastructure



MAJOR CAPITAL EXPENDITURE



Management Indicators

The *Local Government (Management Indicators) Order 2014* (S.R. 2014, No. 36) prescribes and defines the financial and asset management sustainability indicators that councils must now report on in their annual financial statements. The calculation of these management indicators is outlined in Note 52 of the Annual Financial Report included in this Annual Report.

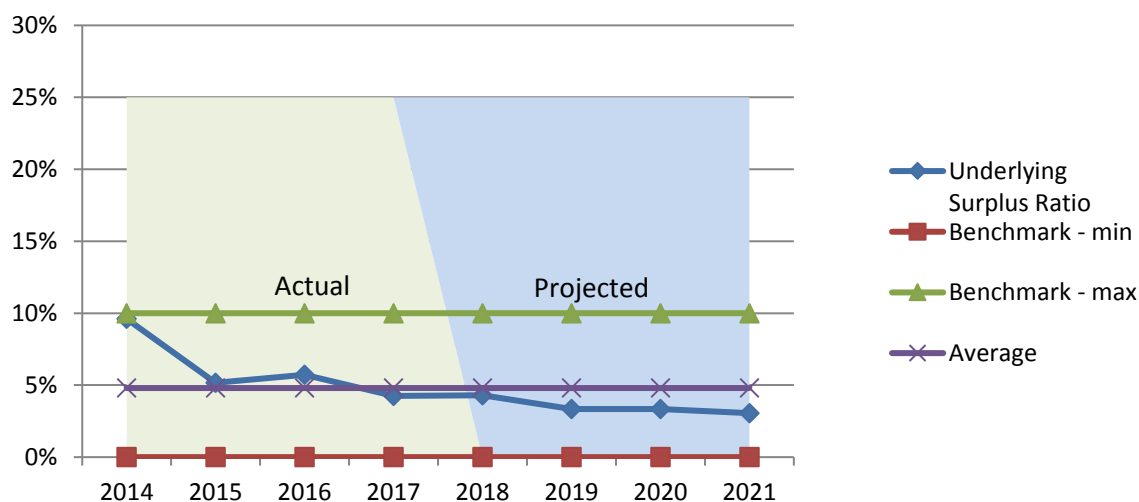
The following graphs and commentary show Council's performance against these indicators over the past four years compared to suggested benchmark results.

Underlying Surplus Ratio

This ratio measures the percentage by which Council's 'controllable' income sources and 'operating' grants vary from day to day expenses (including depreciation). It serves as an overall measure of financial operating effectiveness.

Sustainability should be assessed over a medium to long-term timeframe, so it is the average ratio that is the most relevant measure of Council's performance. On average, over the past four years, Council's results were within the benchmark range however the projected results over the next four years are trending downwards and towards the lower end of the benchmark range.

	2014	2015	2016	2017	2018	2019	2020	2021	Av.
Underlying Surplus Ratio	9.6%	5.2%	5.7%	4.2%	4.3%	3.3%	3.4%	3.1%	4.8%
Benchmark - min	0	0	0	0	0	0	0	0	0
Benchmark - max	10%	10%	10%	10%	10%	10%	10%	10%	10%
Average	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
To assess sustainability									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying Surplus (excluding income to fund new or upgraded assets)	1,103	594	666	515	501	409	415	381	573
Recurrent Income	11,485	11,486	11,628	12,226	11,634	12,253	12,379	12,456	11,944



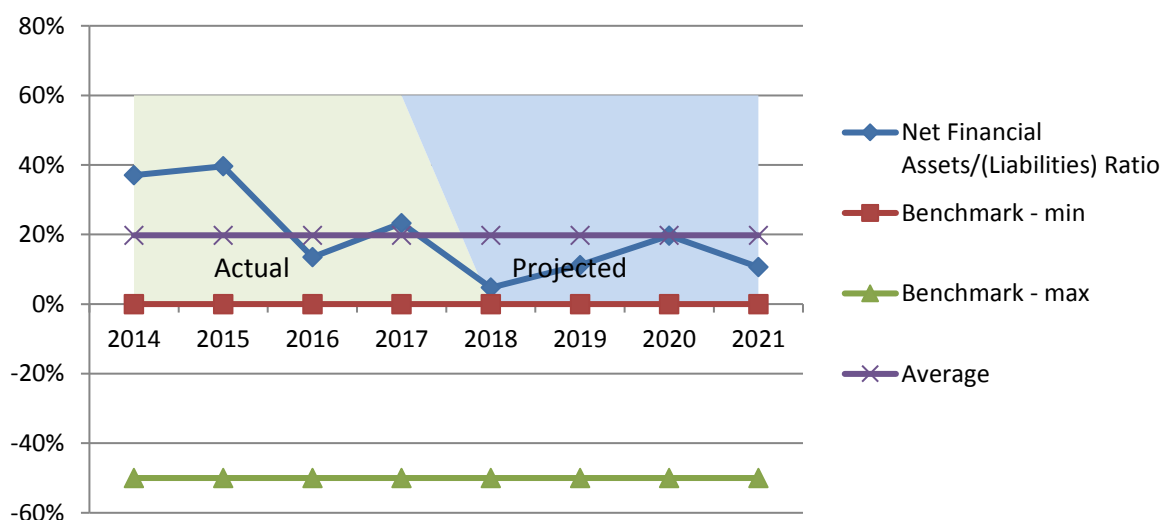
Management Indicators

Net Financial Assets/(Liabilities) Ratio

This ratio indicates Council's capacity to meet its financial obligations from its operating activities. Council's trend of maintaining positive ratios indicates that it has no net debt and that its ability to sustain additional debt is significant.

Council's ratio for this measure is well outside the benchmark range partially due to the majority of Council's debt being transferred to the new Water Corporation on 1 July 2009 and partially due to an apparent past aversion to debt. Council's current financial management strategy accepts debt as a legitimate funding source for new and upgraded assets, however while Council holds cash reserves it is expected that these cash reserves will be used in preference to debt to meet future capital requirements.

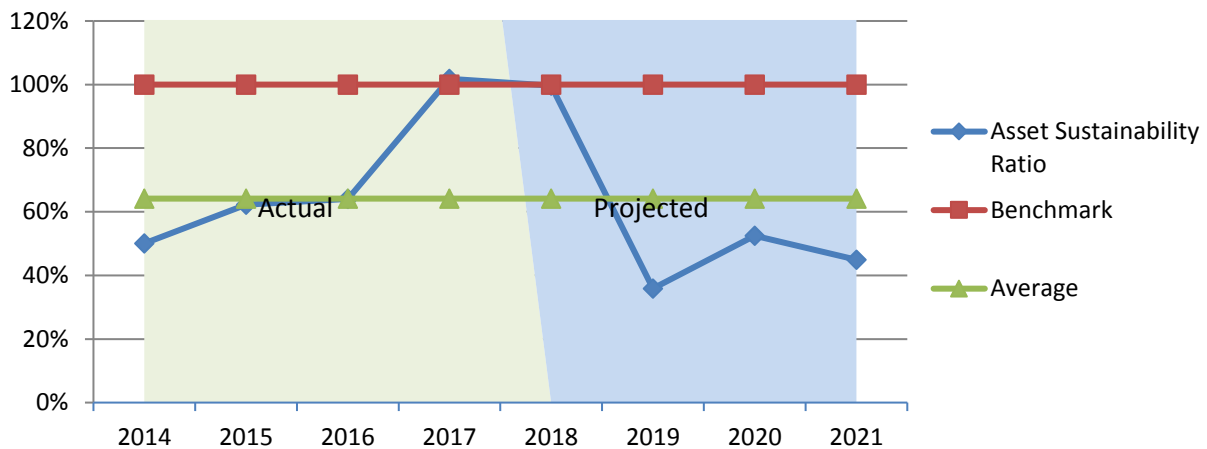
	2014	2015	2016	2017	2018	2019	2020	2021	Av.
Net Financial Assets/(Liabilities) Ratio	37.0%	39.6%	13.5%	23.3%	4.7%	11.2%	19.6%	10.7%	19.8%
Benchmark - min	0	0	0	0	0	0	0	0	0
Benchmark - max	-50%	-50%	-50%	-50%	-50%	-50%	-50%	-50%	-50%
Average	20%	20%	20%	20%	20%	20%	20%	20%	
To assess the level of debt held by Council									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Financial Assets/(Liabilities)	4,252	4,550	1,575	2,849	549	1,372	2,431	1,327	2,363
Recurrent Income	11,485	11,486	11,628	12,226	11,634	12,253	12,379	12,456	11,944



Asset Sustainability Ratio

This ratio measures whether assets are being replaced at the rate they are wearing out. Council's projected average ratio of 64% for the 8 years ending in 2021 is below the benchmark, however Council aims to match its asset renewal expenditure with actual asset renewal demand as identified by its asset management plans rather than the long term average as indicated by this benchmark. It is expected that at some time in the future, Council's asset renewal expenditure will exceed the benchmark to compensate for the current below benchmark expenditure.

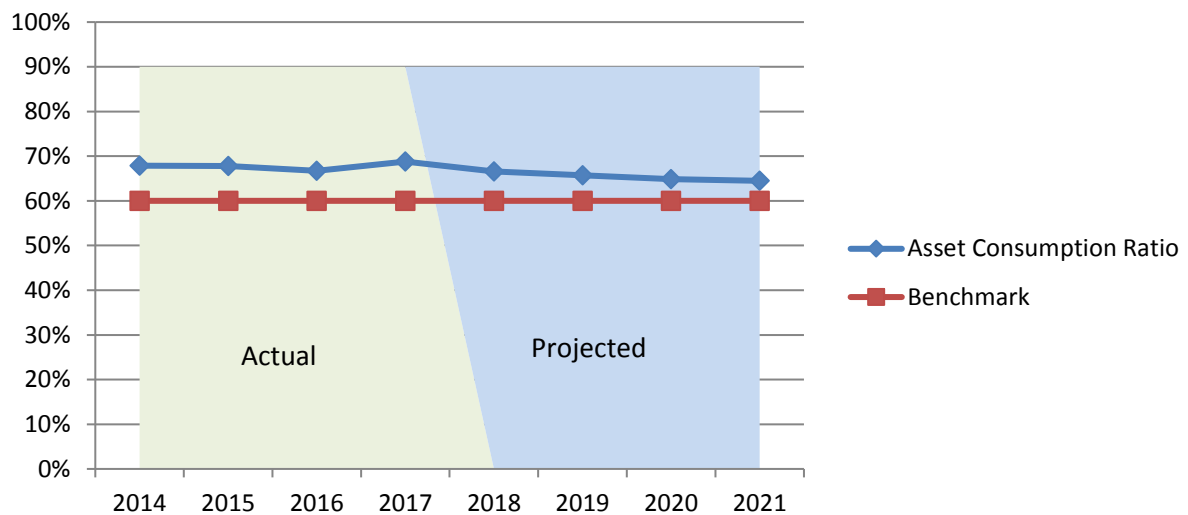
	2014	2015	2016	2017	2018	2019	2020	2021	Av.
Asset Sustainability Ratio	50.0%	62.2%	64.0%	101.8%	99.7%	35.9%	52.4%	45.0%	64.1%
Benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%
Average	64%	64%	64%	64%	64%	64%	64%	64%	
Indicates if assets are being renewed at the same rate as they are being consumed									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure on renewal of existing assets	1,252	1,774	1,696	3,021	2,690	1,002	1,480	1,278	1,774
Depreciation Expense	2,503	2,850	2,650	2,967	2,698	2,793	2,823	2,843	2,766



Asset Consumption Ratio

This indicator shows the average proportion of 'as new' condition left in Council's infrastructure assets. When used in conjunction with the asset sustainability ratio, Council's asset consumption ratio indicates that on average the council's infrastructure is only around 34% into its expected useful life which explains why there may not currently be a high demand for asset renewals.

	2014	2015	2016	2017	2018	2019	2020	2021	Av.
Asset Consumption Ratio	67.9%	67.8%	66.7%	68.8%	66.6%	65.7%	64.9%	64.5%	66.6%
Benchmark	60%	60%	60%	60%	60%	60%	60%	60%	60%
Indicates the average portion of 'as new' condition left in assets									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciated replacement cost of assets	113,407	116,650	120,888	130,354	120,255	120,262	120,537	122,958	120,664
Current replacement cost of assets	167,120	172,123	181,158	189,521	180,556	183,018	185,779	190,704	181,247



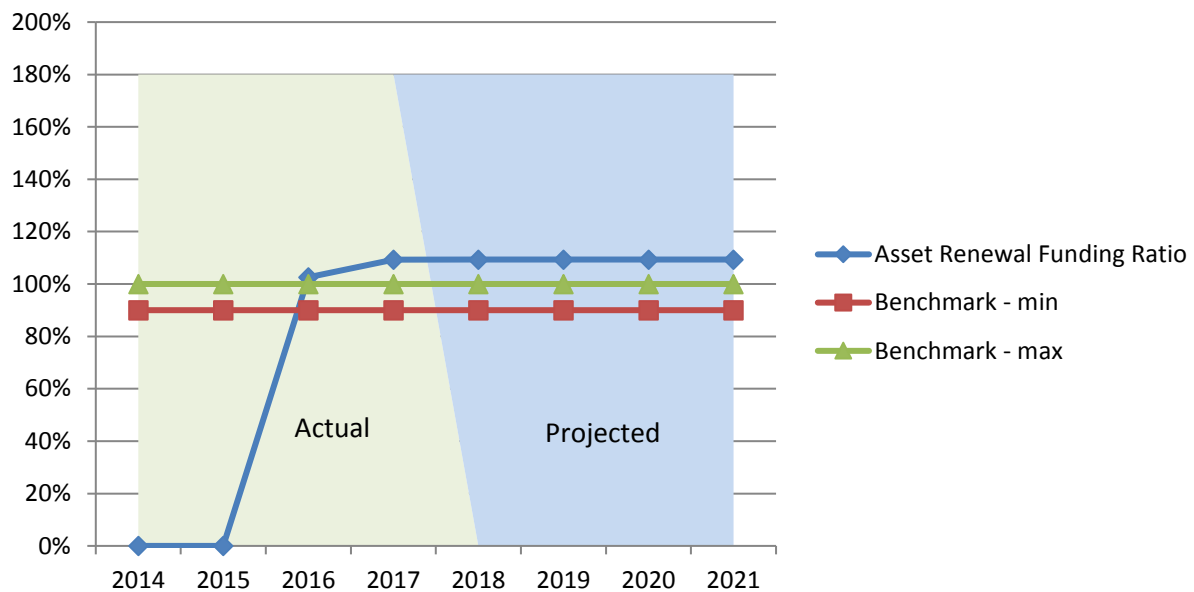
Asset Renewal Funding Ratio

Asset management plans for each of Council's major asset classes were completed during 2014/15 allowing the Asset Renewal Funding Ratio to be calculated from that time. The current projected capital renewal outlays in Council's Long-Term Financial Plan exceed the projected expenditure demand as reflected by Council's Asset Management Plans.

	2014	2015	2016	2017	2018	2019	2020	2021	Av.
Asset Renewal Funding Ratio	n/a	n/a	102.6%	109.3%	109.3%	109.3%	109.3%	109.3%	n/a
Benchmark - min	90%	90%	90%	90%	90%	90%	90%	90%	n/a
Benchmark - max	100%	100%	100%	100%	100%	100%	100%	100%	

Indicates financial capacity to continue to provide existing levels of asset-based service

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Present Value (NPV) of ten year projected capital renewal outlays	n/a	n/a	9,425	10,044	10,045	10,045	10,045	10,045	n/a
Net Present Value (NPV) of ten year projected capital renewal expenditure demand	n/a	n/a	9,187	9,187	9,186	9,186	9,186	9,186	n/a





Calendar of Events

July	August	September	October	November	December
Council approved 2016/2017 budget	Chocolate Winterfest, Latrobe	NWFL Grand Final	Port Sorell Spring Fair	Truly Tasmanian Craft Exhibition and Sale	Latrobe Lions Christmas Parade and Carols in King Park
	Tasmanian Boxing Championship		Antiques and Collectables Expo (Lions)		Port Sorell Lions Carols
					SCAT Latrobe Boxing Day Carnival
					PSSLSC Market by the Beach
January	February	March	April	May	June
PSSLSC Market by the Beach	Latrobe Flower and Vegetable Show (CWA)	Van Diemen Antiques & Collectable Expo	Rotary Wedding Expo	Latrobe Apex Art & Photographic Exhibition	Latrobe Bulb Sale
Henley-on-Mersey	Concert in the Vines		ANZAC Day - Latrobe and Port Sorell		Council approved 2017/2018 budget
Henley Triathlon (State triathlon series)					
Latrobe Liliium Show					
Latrobe Speedway – Australian Title Event					



OUR COUNCIL



Frankford Highway, Moriarty towards Bass Strait



Municipality Profile

Our municipality

The Latrobe Municipality covers an area of 600.5 square kilometres at the eastern end of the North West Coast of Tasmania. The Council area includes the towns/localities of Latrobe, Tarleton, Wesley Vale, Moriarty, Northdown, Port Sorell, Shearwater, Hawley Beach, Squeaking Point, Thirlstane, Harford, Sassafras and Merseylea.

No of electors	7,975
No. of rateable properties	6,165
Length of sealed roads (km)	228
Length of unsealed roads (km)	60
No. of bridges	35

Our Population

As at 30 June 2016, the Australian Bureau of Statistics estimated population of the municipal area was 10,940 up from 10,738 at 30 June 2015. Population data is based on the latest census which was held in 2016. Latrobe was again one of the fastest-growing Tasmanian local government areas in 2015-16, with a population growth rate of 1.9% and a five year annual average growth rate of 1.1%. The population grew at an estimated average of 2.0% per year over the ten years to 30 June 2016.

Our History and Heritage

Latrobe township is named after Charles Joseph La Trobe who in 1846 was lieutenant-governor of Van

Diemen's Land (Tasmania). In 1851 he then became the first governor of Victoria. Latrobe boasts the country's oldest continuously playing brass band (established in 1872), the famous Latrobe Bicycle Race Club Wheel Race which has been held for over 100 years and it is also the birthplace of competitive wood chopping.

Port Sorell is located on the Rubicon River. It was established in the early 1820's and named after Lieutenant-Governor William Sorell who arrived in Hobart Town in 1817. Originally developed as a fishing and sealing port by the Van Dieman's Company, it was the oldest European settlement on Tasmania's north coast and, by the 1840's it had grown to be the largest town on the coast. It declined with the development of Devonport and most of its early history was wiped out by bushfires.

Today during the summer period the population of the picturesque area doubles with visitors taking advantage of swimming, fishing and boating.

The rich farmland in Sassafras, Wesley Vale and Moriarty provide poppies, fruit and vegetables and livestock for both the local and overseas market.

Our municipality includes the Warrawee Reserve and Narawntapu National Park, a home to many types of Tasmanian wildlife in its native habitat.

Our Councillors

As leaders in the community, Councillors acknowledge the importance of high standards of behaviour in maintaining good governance. Good governance supports each councillor's primary goal of acting in the best interest of the community.



Mayor Peter Freshney

Term of Office: 2011 – 2018

Committee Membership:

Cradle Coast Authority Representatives Group, General Manager's Evaluation Group, Port Sorell Advisory Committee, Municipal Alliances Committee, Mersey Regional Emergency Management Committee, Camp Banksia Management Committee, Port Sorell Neighbourhood Watch Committee, LGAT Annual and General Meeting Representative, Tasmanian Water and Sewage Corporate Representative and Latrobe High School Liaison Officer.

M: 0417 287 006

E: mayorfreshney@latrobe.tas.gov.au



Deputy Mayor Rick Rockliff AM

Term of Office: 1987 – 2018

Committee Membership:

Australia Day Awards Committee, Community Development Grants Committee, General Manager's Evaluation Committee, Henley on Mersey Committee, Bells Parade Development Committee, Latrobe Sport and Recreation Management Committee, Latrobe Audit Panel Member (December – June), LGAT Annual and General Meeting Representative, Municipal Alliances Committee and Sassafras Primary School Liaison Officer.

M: 0418 600 300

E: crrockliff@latrobe.tas.gov.au



Councillor Graeme Brown AFSM

Term of Office: 2014 – 2018

Committee Membership:

Axeman's Hall of Fame Management Committee, Pardoe Fire Committee, Latrobe Community Cemetery Working Group, Latrobe and Districts Youth Centre Committee and St Patrick's School Liaison Officer.

M: 0417 598 116

E: crbrown@latrobe.tas.gov.au



Councillor Dayna Dennison

Term of Office: 2010 – 2018

Committee Membership:

Port Sorell Advisory Committee, Ports Sorell Men’s Shed Liaison, Cradle Coast Authority Director (to October 2016), Port Sorell History Group Liaison, Port Sorell Memorial Hall Controlling Authority, Australia Day Awards Committee, Audit Panel Member (July – November) and Port Sorell Primary School Liaison Officer.

M: 0409 587 844

E: crdennison@latrobe.tas.gov.au



Councillor Mike McLaren

Term of Office: 1999 – 2002 & 2003 – 2018

Committee Membership:

Aged Persons Unit Advisory Committee, Australia Day Awards Committee, Community Development Grants Committee, Dulverton Regional Waste Management Authority Representative Committee, General Manager’s Evaluation Committee, Latrobe National Trust, Latrobe Neighbourhood Watch, Axeman’s Hall of Fame Management Committee, Municipal Alliances Committee and Rubicon Coast and Landcare Group.

T: 03 6426 2777

E: crmclaren@latrobe.tas.gov.au



Councillor John Perkins

Term of Office: 1991 – 1994, 1995 - 1999 & 2002 – 2018

Committee Membership:

Community Development Grants Committee, Cement Australia Community Consultation Committee and Latrobe Primary School Liaison Officer.

T: 0417 320 509

E: crperkins@latrobe.tas.gov.au



Councillor Garry Sims

Term of Office: 1994 – 2018

Committee Membership:

Aged Persons Unit Advisory Committee, Australia Day Awards Committee, Community Development Grants Committee, Moriarty Hall Committee, Banksia Centre Management Committee and Andrews Creek Primary School Liaison Officer.

M: 0419 139 053

E: crsims@latrobe.tas.gov.au



Councillor Gerrad Wicks

Term of Office: 2014 – 2018

Committee Membership:

Latrobe Sport and Recreation Committee, Latrobe Cemetery Committee and Kings Park Working Group.

M: 0488 325 590

E: crwicks@latrobe.tas.gov.au



Councillor Lesley Young AO

Term of Office: 2009 – 2018

Committee Membership:

Port Sorell University of the Third Age Liaison, Community Development Grants Committee, Latrobe and Districts Youth Centre Committee, Camp Banksia Management Committee, Kentish and Latrobe Road Safety Partnership Committee, Kings Park Working Group, Audit Panel Member and Geneva School Liaison Officer.

M: 0419 326 250

E: cryoung@latrobe.tas.gov.au



OUR PEOPLE



Our Staff

Council is the governing body that appoints the General Manager to oversee the day-to-day management of all operating matters relating to Council.

Executive Management Team

The General Manager, together with four service managers deliver high level leadership to the organisation.

General Manager – Gerald Monson

Areas of responsibility include; Organisation leadership, council's operational and service delivery performance, community development, tourism/economic development and organisational support for elected members. This position is resource-shared with Kentish Council.

Corporate Services Manager – Jan Febey

Areas of responsibility include; Finance, rates, information technology, records management, risk management coordination and customer service.

Planning and Building Services Manager – Sharon Holland

Areas of responsibility include; Management of Council's statutory and strategic planning services and building and plumbing control. This position is resource-shared with Kentish Council.

Engineering Services Manager – Jonathan Magor

Areas of responsibility include; Emergency Management, environmental and public health

services, animal control and council infrastructure including roads, bridges, drainage, parks, reserves and buildings. This position is resource-shared with Kentish Council.

Works Manager – David Sondergeld

Areas of responsibility include; Maintenance and renewal of council infrastructure including roads, bridges, drainage, parks, reserves and buildings. This position is resource-shared with Kentish Council.

Remuneration of Senior Employees

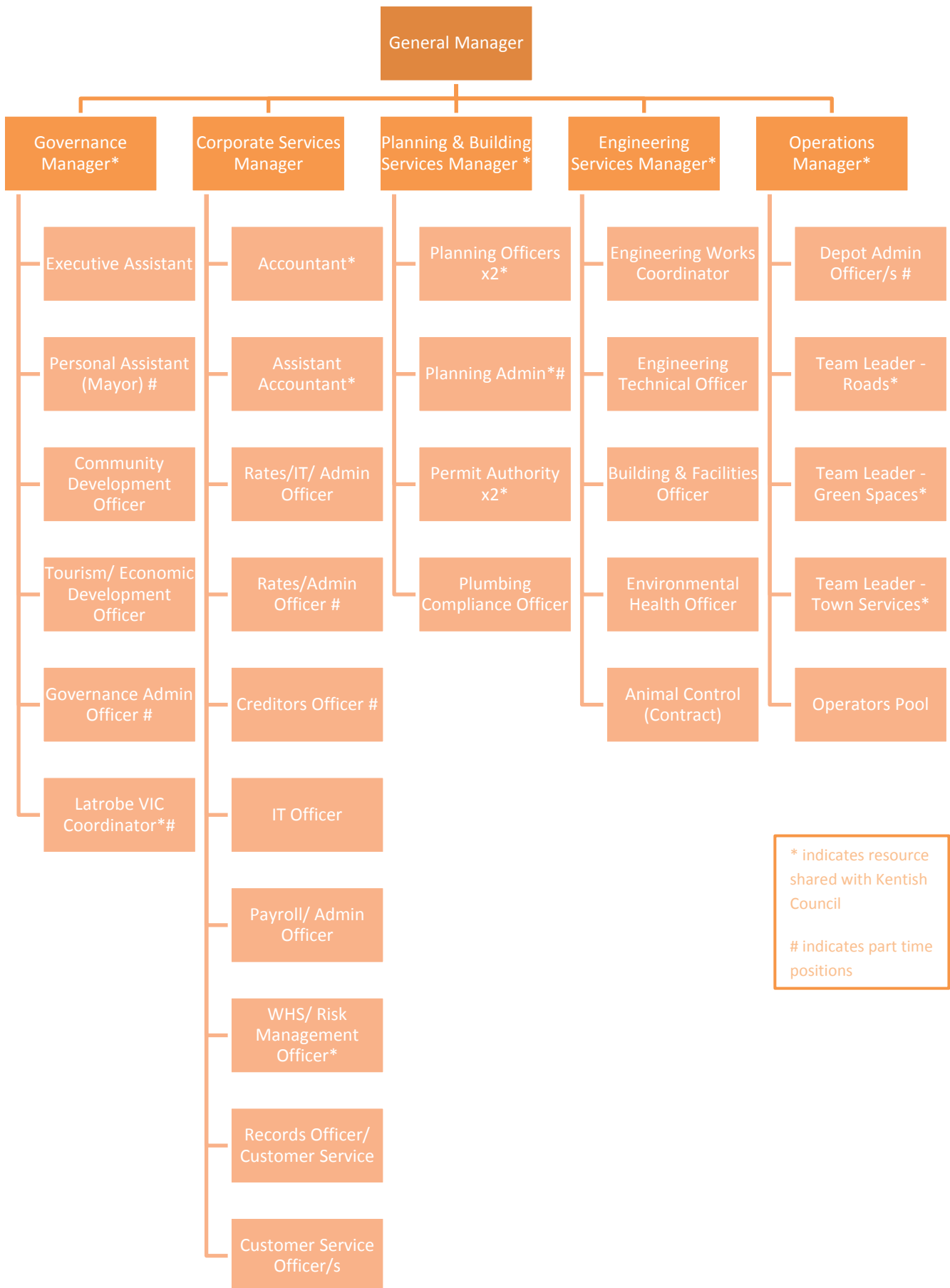
Section 72 (1) (cd), 72 (4) & 72 (5) Local Government Act 1993

Annual Remuneration	No. of Employees
\$120,000 - \$140,000	1
\$140,000 - \$160,000	2
\$220,000 - \$240,000	1

Total annual remuneration is defined as the total of the:

- base salary payable to the employee
- amount of employer superannuation contributions to the employee's contribution
- gross value for the use of a fully-maintained motor vehicle provided to the employee
- value of any other allowances or benefits paid or payable to, or provided for, the benefit of the employee.

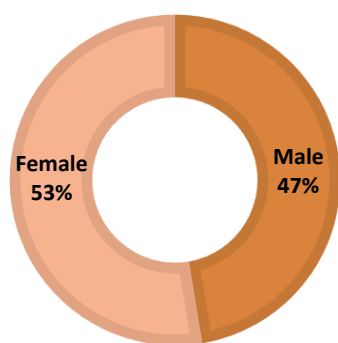
Organisational Chart



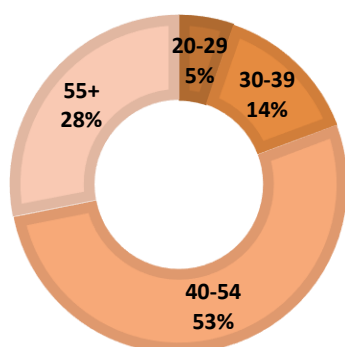
* indicates resource shared with Kentish Council
indicates part time positions

Council is committed to ensuring staff are well supported, highly skilled and professional to deliver quality services.

Percentage of Employee by Gender



Percentage of Employee by Age



Professional Development

Council staff have undertaken various training sessions and attended professional development forums throughout the year. Council is also an advocate for supporting staff in obtaining and upgrading qualifications. In 2016-17 a number of employees undertook training and professional development courses and attended conferences of benefit and relevance to their positions at Latrobe Council.

Flexible Family Work Arrangements

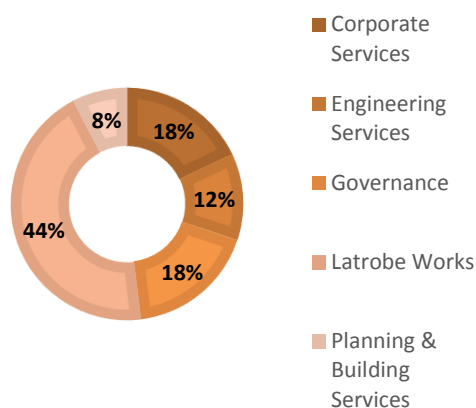
Council is committed to best practice by fostering flexibility to achieve a better balance between work and family responsibilities for all employees. Some examples of family friendly workplace initiatives of Council include:

- offering an employee assistance program
- accessing annual leave in single or part day periods
- taking time off in lieu of overtime payments
- working additional hours to make up for time taken off
- rostered day off system
- working part-time or creating part-time work opportunities
- job share arrangements.

Full Time Equivalent Employees

	2016/2017	2015/2016
Latrobe Employees	52.5	51.2
Labour Hire Adjustments	-2.0	-1.7
Net Latrobe Labour	50.5	49.5

Percentage of Employees (FTEs) by Department



Our Volunteers

Latrobe Council values the wonderful contribution that volunteers make in our community. Volunteers provide valuable assistance and enrich the lives of the people and groups they are helping.

Council is fortunate to have volunteers assisting in a number of areas supporting its capacity to deliver a range of service and programs.

There are a number of ways that people can volunteer within Latrobe including the council managed activities described below.

Visitor Information Centre

Volunteers at the Latrobe Visitor Information Centre provide excellent service to our visitors, sharing their local knowledge of the community and tourism experiences in Latrobe. The Latrobe Visitor Information Centre offers volunteers familiarisation tours and training opportunities. Currently there is a team of 18 volunteers who attend to the many visitors and their enquiries.

Latrobe Landcare and Rubicon Coast & Landcare

In the urban areas of Latrobe, the small but dedicated Latrobe Landcare Group have proactively developed and continue to maintain Pig Island within the Bells Parade Precinct. The June 2016 floods caused significant damage to the island, with the Hedditch family that make up the

backbone of Latrobe Landcare, working with Council to rehabilitate the site and maintain its diversity for many interests.

Similarly, Rubicon Coast and Landcare (RCLC) Inc are proactive in the Port Sorell area, specifically the Aubrey Luck Reserve, North Freers Beach Reserve and foreshore space. Their works align to approved vegetation plans and while frustrated with foreshore vandalism to plantings, their tenacity bears through. RCLC Inc also work proactively with Cradle Coast Natural Resource Management and students of Port Sorell Primary School to generate awareness and support of their activities.

Special Committees of Council

Special Committees of Council are established by Council under the Local Government Act 1993 to carry out specific functions on behalf of council. Council have a number of special committees that assist with the management of many of the municipality facilities, including the Latrobe and Districts Youth Centre, Banksia Centre, Camp Banksia and Port Sorell Memorial Hall through to considering new economic development opportunities for the municipality. A number of community members volunteer their time to the Committees.



OUR PERFORMANCE

Community Consultation

Community conversations continue to be at the heart of Council's operations and are a driving factor of our success and performance.

Community Engagement

In considering appropriate issues and opportunities for Council the potential impact on those we serve is always at the forefront of our decision making.

Council is committed to developing strong links with its community through local conversations. To ensure Council engage with as many people as possible it holds community meetings, administers various committees made up of local community members, clubs and organisations and offers, attends and participates in local events.

Council encourages feedback and views this as an opportunity to improve our practices, efficiency and service delivery. Council also produces a bi-monthly newsletter which is delivered to every household in the municipality. This is used to promote the activities within the municipality, achievements of local volunteer organisations and

to provide regular opportunity for them to report to the community on activities within their group/club. A weekly Mayor's Message in the local newspaper also provides another avenue for Council decisions to be communicated to residents.

Council also has a strong social media presence with an informative website and Facebook page.

Advocating for our Community

An important role of Council is to advocate on behalf of its community to improve the economic, social and environmental wellbeing of the municipality. This is done at Federal, State, Regional and Local levels through participating in various forums and meetings.

Council submitted information on priority projects for the Municipality prior to the Federal Government election and to State Government representatives as it met with various Ministers throughout the year.

Council is also a member of the Local Government Association of Tasmania, Cradle Coast Authority and Dulverton Regional Landfill Authority.

How do we engage with our community?

Tools used by Council to engage with the community and encourage participation include:

Method	Description
Council's website www.latrobe.tas.gov.au	News updates, events, community consultation and major publications are uploaded to Council's website for the community to access.
Media releases	Regular media releases are written and distributed to local newspapers, radio stations and relevant community groups and included in the weekly <i>Coast to Coast</i> section of The Advocate and can be found on our website.
Advertisements	Council advertises community engagement activities in the local newspaper.
Newsletters	Council produces <i>Council Coast and Country News and Views</i> bi-monthly.
Community noticeboards	Council has a number of Community Noticeboards distributed around the municipality providing information for residents and visitors.
Community meetings/forums	Formal community meetings are held.
Social media	Council has a Facebook page.
Consultation with existing groups	Small meetings are held with affected community groups.
Community surveys	Survey provided to community members for feedback.



Port Sorell Strategic Plan Review Meeting – 23 February 2017

Planning and Accountability

It is important that Council has detailed plans in place to guide its decision making to achieve strategic and operational outcomes.

Council has a number of strategies, plans and policies in place that it reviews on a regular basis to ensure it is progressing forward and achieving goals. This also ensures accountability for Council, its councillors, managers and staff.

Statutory Requirements

The Local Government Act requires councils to prepare the following planning and reporting documents:

- A strategic plan
- A long-term financial management plan
- A long-term strategic asset management plan
- A budget for each financial year
- An annual report in respect of each financial year.

Our Strategic Plan

Our strategic plan '*Our Place, Our Plan*' articulates the direction of the municipality for 2012-2017.

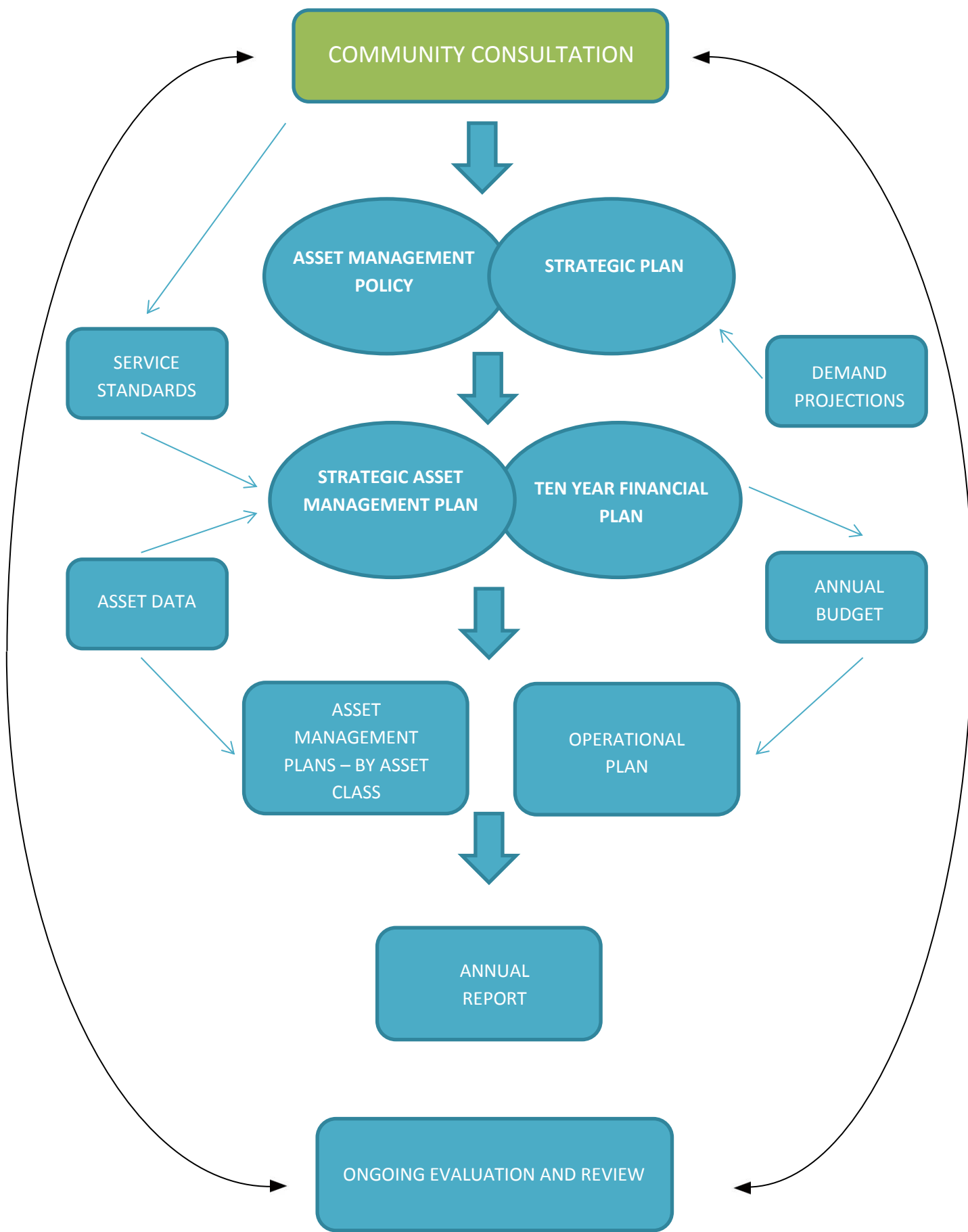
This framework highlights a diverse range of local issues that focus on key strategic initiatives and target dates. '*Our Place, Our Plan*' is inextricably linked with the Council's Annual Plan and budget and is regularly evaluated and revised.

How we measure our progress

Information in the following section provides details of our achievements and challenges in delivering the planned activities, programs and projects for the 2016/17 financial year, as well as our plans for the future ahead.

Council's Planning Process

The following diagram shows the relationship between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



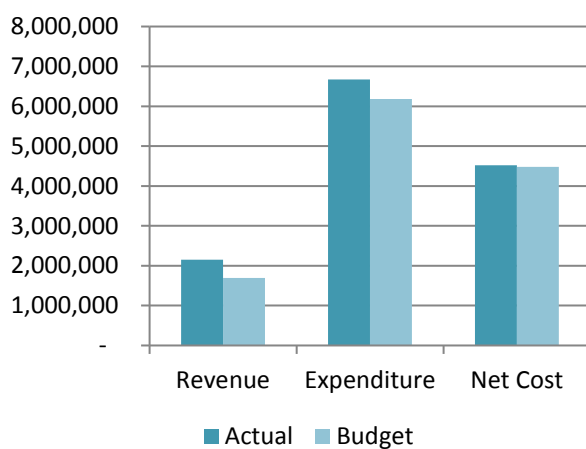
STRATEGIC OBJECTIVE ONE: Infrastructure

About this Objective

Our population growth is supported through public infrastructure, land use and development strategies that create a connected, sustainable and accessible community.

Performance against Budget

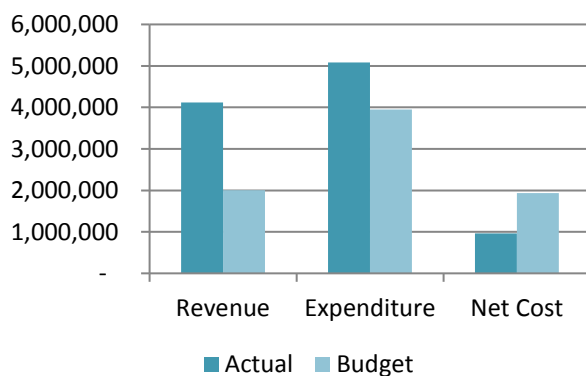
Total Infrastructure - Operating



Financial Assistance grants relating to 2017/18 were received in advance.

Building depreciation expense was significantly higher due to revaluations undertaken last financial year which reduced the average useful life of buildings.

Total Infrastructure - Capital



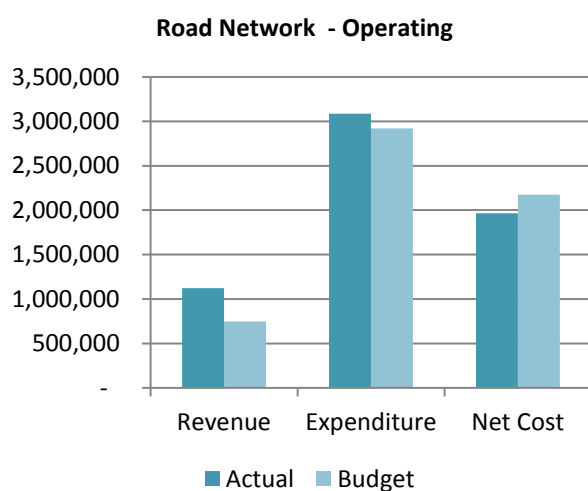
Camp Banksia land and buildings were transferred from the State Government in exchange for Camp Boomerang. The difference in values between the land and buildings swapped was \$1.85m in favour of Council.

Capitalised expenditure relating to flood projects which were not included in the budgeted exceeded \$600,000.

ROADS

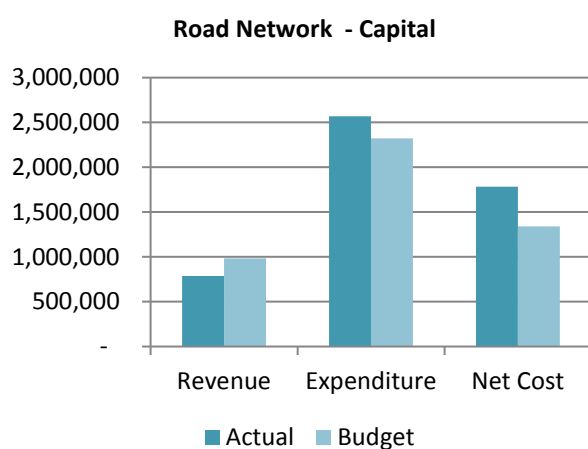
Objective To provide an appropriate, safe and well-maintained road network throughout the municipality

Performance against Budget



Financial Assistance grants relating to 2017/18 were received in advance. The advance payment for roads was \$371,000.

The written down value of roads assets disposed of due to replacement was \$173,000.



Capitalised expenditure relating to flood projects which were not included in the budget exceeded \$600,000.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Implement the Transport Services Asset Management Plan adopted in January 2012	Demonstrate responsible management of transport assets	✓
Lobby Governments for the continued upgrade of Port Sorell Main Road	Road upgraded	✗

Prepare a traffic management plan for Gilbert Street (including heavy vehicle usage)	Plan endorsed	>
Provision of further off-street car parking areas adjacent to commercial districts	Car parking developed	X
Maintain a policy of free parking within the Municipality	Free parking	✓
Lobby Governments to assist with providing an improved access off National Highway to Council Depot	Access Improved	>
Incorporate shared pathways including for mobility scooters where feasible	Shared pathways constructed	✓
Participate in State Government DIER initiatives including the Community Road Safety Partnership Kentish Latrobe (CRSP-KLa) and Latrobe Traffic Committee meetings	Road safety initiatives implemented	>

Initiative	Comments	Result
Widen and reconstruct sections of Chapel Road – Stages 4 of 5	Stage 5 was brought forward due to funding available under the Accelerated Local Government Capital Program.	✓
Road reconstruction at Alexander Street to prevent localised flooding	The project has been scoped and designed. Construction is scheduled for 2017/18	>
Road reseals at various locations	Bitumen road sealing was undertaken at 24 sites across the municipality.	✓
Shearwater Park – widen remaining footpath to 2.5m		✓
Wilmot Street footpath opposite Felina Way to Breteeca Close		✓
Construct kerb and channel at Lewis/Benny/Hamilton Streets Latrobe	The project has been delayed to co-ordinate construction with the adjacent developer. The design has been progressed.	X
Construct kerb and channel from Felina Way to Breteeca Close		✓
Install guardrail Green Creek Road and Smith and Others Road		✓

Additional Initiatives

- Road safety improvements at junction of Lochner St and Liverpool Street, Latrobe.
- Construction of alternative exit at rear of 152 Gilbert Street.
- Improved safety for vehicles exiting Percival Street onto Moriarty Road.
- Improved safety for vehicles exiting Bonneys Lane onto Moriarty Road.
- Improved safety for vehicles exiting Mill Dam Road onto Charles Street.
- Pitcairn Street kerb and channel from Anderson Street to road reservation.
- Various footpath construction projects across the municipality.

Key Challenges

The 2016/17 financial year was challenging in terms of project delivery due to flooding in June 2016, Flood related projects included the reconstruction of Merseylea Road, reconstruction of Native Plains Road, installation of a guard rail on Lochner Street, and the design Twiss St flood damage repairs.

Projects Carried Forward

- Raising the nature strip at Alexander Street to minimise flood damage.
- Twiss Street flood damage.
- Shale Road flood damage (temporary repairs undertaken).

Plans for the next 12 months

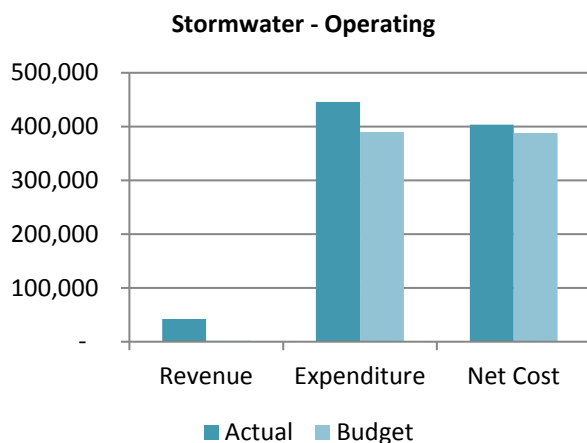
- Complete carried forward projects delayed due to flood damage.
- Complete a full revision of the Roads Asset Management Plan.



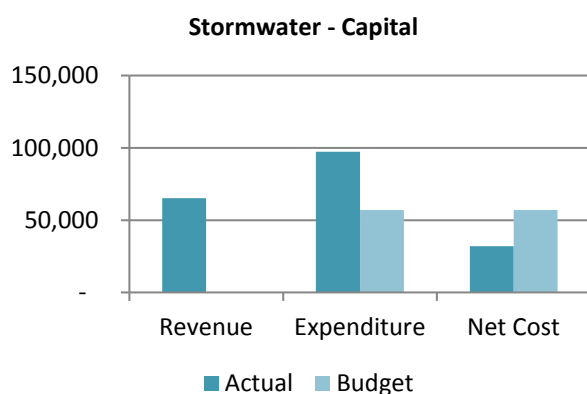
STORMWATER

Objective To develop and improve system for stormwater reticulation and disposal

Performance against budget



Operating revenue and expenditures are higher than budget due to grant funding for flood mitigation in Latrobe and surrounding areas and related expenditure.



Revenue was higher than budget due to sub-division assets received free of charge which were not budgeted for. Expenses were higher than budget due to the project to improve drainage in Quinlan Crescent Shearwater encountering issues with shallow rock and services, uncompacted fill and unstable ground.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Implement the actions from the Stormwater Management Strategy for the Port Sorell Area	Recommendations implemented	>
Upgrade and extend the Latrobe stormwater reticulation system in consultation with TasWater and agreed priority areas	System improved	>
Develop a policy to improve the open drains and creeks in the Latrobe Township as opportunities present	Policy adopted	✗

Initiative	Comments	Result
Pipe open drain between Laura and Bradshaw Streets, Latrobe (\$300,000)	Project delayed due to June 2016 flooding and efforts to reinstate damaged infrastructure	X
Additional entry pits in Lewis Street, Latrobe (\$15,000)	Complete	>
Additional entry pits in Gilbert Street, Latrobe (\$20,000)	Complete	>
Drainage improvements at Poyston Drive, Shearwater (\$30,000)	Awaited finalisation of the Stormwater Management Strategy for the Port Sorell Area	X

Additional Initiatives

- Relay section of damaged 375mm diameter pipe near junction of Estuary Views and Quinlan Crescent.

Key Challenges

- Rectifying damage to infrastructure resulting from the June 2016 flooding. This includes significant works at Bells Parade and various road culverts.

Projects Carried Forward

- Pipe open drain between Laura Street and Bradshaw Street due mainly to efforts by engineering and depot staff being redirected to other projects and outcomes following the June 2016 flooding.

Plans for the next 12 months

- Complete the identified carried forward project.
- Continue upgrades in Port Sorell following the stormwater study.
- Commence modelling the stormwater network in Latrobe township.

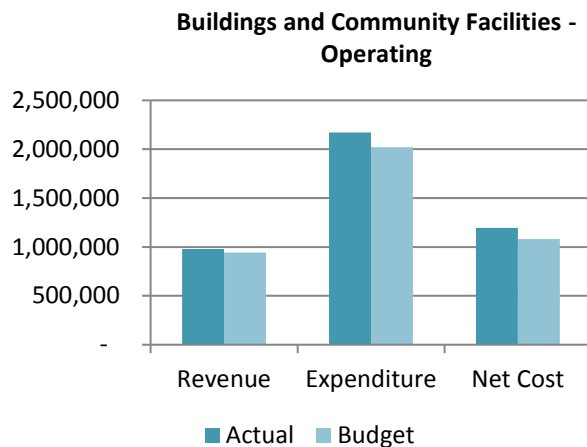


Shingle deposits on Pig Island, Latrobe post 2016 floods

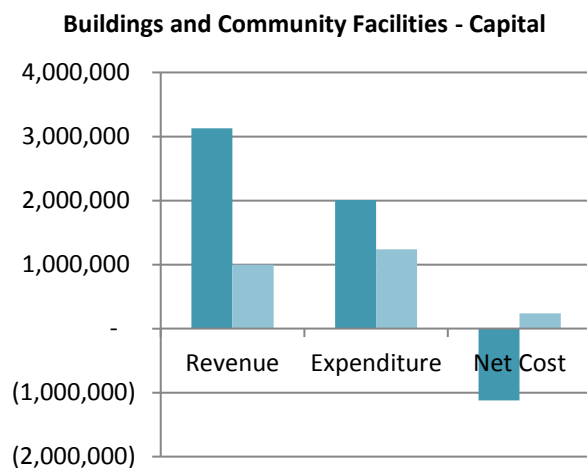
BUILDINGS AND COMMUNITY FACILITIES

Objective To ensure Council owned building are maintained to a safe and functional standard and meet community needs

Performance against budget



Operating revenues were similar to budget. Expense budget variations included additional depreciation as a result of the building revaluation undertaken last financial year.



In 2011 Council agreed with the State government to exchange Camp Boomerang for Camp Banksia, parcels of land that are located adjacent to each other in Port Sorell. The value of buildings, land and land improvements received were significantly more than the value of land and buildings transferred to the State Government. The settlement was delayed due to the construction of the Port Sorell Primary School and subsequent discussions regarding stamp duty payable to the State Government.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Review the Building Services Asset Management Plan – June, 2017	Review completed bi-annually	>
Secure ownership of the Camp Banksia site	Ownership secured	✓

Initiative	Comments	Result
Construct steps between the stadium seats at the Latrobe and Districts Youth Centre (\$6,000)	Delayed - reconsidering all options.	X
Replace Latrobe and Districts Youth Centre basketball backboards (\$7,500)		✓
Replace lighting in the Latrobe and Districts Youth Centre stadium (\$30,000 – carried forward)		✓
Replace glazing at the Latrobe Recreation Ground (\$15,000)		✓
Replace electrical wiring in the Latrobe Recreation Ground (\$60,000 – carried forward)	The future use of various facilities is being determined prior to upgrades.	X
Upgrade and replace electrical switchboards at the Latrobe Recreation Ground (\$9,600)	The future use of various facilities is being determined prior to upgrades.	X
Elderly Persons Units building upgrades (\$52,000)	Upgraded as units become vacant.	✓
Replace ceiling at the Latrobe Senior Citizens Club (\$8,000)		✓
Re-clad northern external wall of the Latrobe Youth Centre and install new signage (\$120,000 – carried forward)		✓
Re-clad the Port Sorell Memorial Hall (\$36,000)		✓
Extend the carpark at Camp Banksia (\$40,000)	Deferred due to workload following June 2016 flooding.	X

Additional Initiatives

- Energy efficient lighting improvements at the council office.
- Various improvements in and around the Australian Axeman's Hall of Fame.
- Improvements to the serviceability and presentation of the Bells Parade toilets.

Key Challenges

- Finalisation of the transfer of the Camp Banksia site from the State Government.

Projects Carried Forward

- Electrical switchboard and wiring upgrades at the Latrobe Recreation Ground.
- Extending the carpark at the Banksia Centre.

Plans for the next 12 months

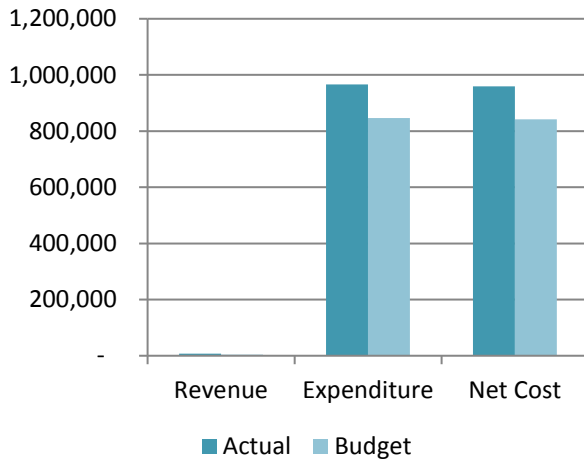
- Complete carried forward projects.
- Update the Buildings and Facilities Asset Management Plan.

PARKS AND RESERVES

Objective To maintain our parks and reserves to an appropriate standard to enhance lifestyle

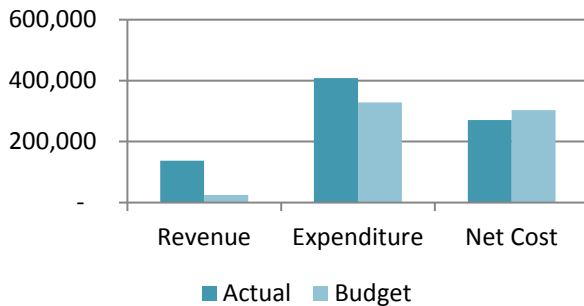
Performance against Budget

Parks and Reserves - Operating



Higher expenditures include flood damage repairs to Bells Parade, Atkinson and Thompson's Parks.

Parks and Reserves - Capital



Higher than budget revenue and expenses are related to the construction of the Port Sorell War Memorial and the Bells Parade playground upgrade.



Bells Parade Playground Construction

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Review the Parks and Reserves –Land Improvements Asset Management Plan	Review completed bi-annually	>
Finalise the Kings Park Redevelopment Plan	Plan approved	>
Continue implementation of the Bells Parade Development Plan	Plan implemented	>
Review the Shearwater Park Development Plan 2010	Plan reviewed and projects completed	>
Review the Latrobe Recreation Area Development Plan 2011	Plan reviewed and projects completed	>

Initiative	Comments	Result
Establish a playground at Bosworth Park, Latrobe (\$124,800)	The project has been progressed significantly during 2016/17 and tenders have been called for construction.	>
Upgrade play equipment at Bells Parade, Latrobe (\$60,000 – carried forward)		✓
Construction of a beach access ramp at Freers Beach, Port Sorell (\$20,000)		✓
Install seats, picnic table and barbeque facilities at Shearwater Park (\$20,000 – carried forward)	Project is on hold and will potentially contribute towards a greater project by a service club.	✗
Contribution towards a War Memorial at Port Sorell (\$25,000)		✓

Key Challenges

- Restoring flood damage to Bells Parade – a picturesque natural attraction and location of the Henley on Mersey event held on Australia Day each year.

Projects Carried Forward

- Bosworth Park Playground due to site investigations.
- BBQ and Picnic Facilities at Shearwater Park near playground and surf club.

Plans for the next 12 months

- Complete carried forward projects.
- Finalise flood rectification works.
- Update Asset Management Plan.
- Continue working to finalise use of existing spaces and facilities at Camp Banksia and Latrobe Recreation Ground.

STRATEGIC OBJECTIVE TWO: Economic and Community Development

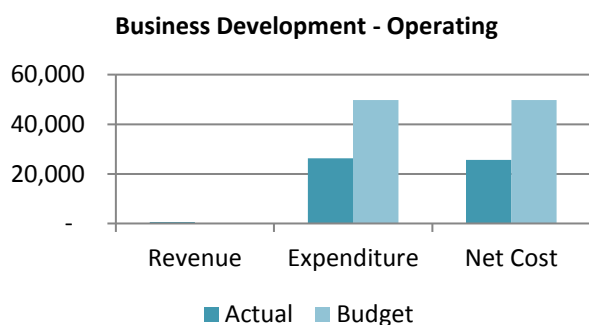
About this Objective

A strong local economy improves local employment opportunities and provides a broader range of services, facilities and infrastructure to the benefit of both the business and residential sectors. The range and quality of community services and events offered within the area plays a key role in making the Latrobe area a special place to live by fostering community pride and involvement.

BUSINESS DEVELOPMENT

Objective To identify, promote and support economic development opportunities in the Latrobe Council area


Performance against budget





The expenditure variance relates to land tax on parcels of land which are no longer held for sale which have been expensed elsewhere.

Performance against Annual Plan

	Completed ✓	In Progress >	Delayed ✗
Strategy	Performance Measure	Result	
Actively promote the Municipality as an ideal location to conduct business and commerce	Increased business numbers	>	
Support and assist potential and existing developers in identifying and managing opportunities for business growth and development	Support provided	>	
Support the diversification of industries within the municipality to reduce reliance on major industry	Support provided	>	
Prepare an economic development plan.	Plan prepared	✓	
Prepare an economic profile of the Latrobe Council area	Profile prepared	>	

Encourage the 'Wesley Vale Paper Mill Site' as a Light Industrial Hub	Industrial Hub established	
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Initiative	Comments	Result
Review surplus land and buildings owned by Council and progress the sale or utilisation of these properties	A small working group comprising Crs. Rockliff, Wicks, McLaren and Perkins and Manager Corporate Services commenced a review of all Council owned land. A number of properties identified require further investigation pending a strategic review of the particular area.	
Complete preparation of an economic development plan for the Latrobe Municipality	Completed and approved by Council in March, 2017. Some of the important strategies in the report are: <ul style="list-style-type: none"> • Utilise Council's communication channels for economic development promotions. • Support local businesses to participate in district, regional and state-wide marketing initiatives. • Support existing industrial park zones with quality road access, stormwater, wastewater and signage • Investigate creation of new industrial park zones. • Make it efficient to do business in the municipal area. • Ensure adequate infrastructure and services to support retail growth. 	

Additional Initiatives

- Established the Shearwater Village Business Group and assisted with the co-ordination and establishment of the Latrobe Business Network.

Key Challenges

- Support for the 2017 Australian Masters Games to be held across the North-West Coast in October 2017, specifically, providing information on sites, signage, businesses, location maps and working with businesses to benefit from the games.
- Attracting new businesses/industry to enhance local employment opportunities.

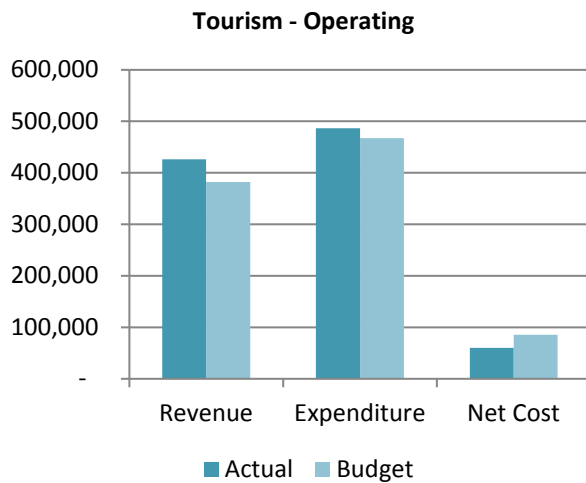
Plans for the next 12 months

- Contribute towards the hosting of the 2017 Australian Masters Games on the North-West Coast.
- Assist in the revitalisation of the Shearwater Village retail area in cooperation with the community, property owners and retailers.
- Implementation of the Economic Development Plan strategies.

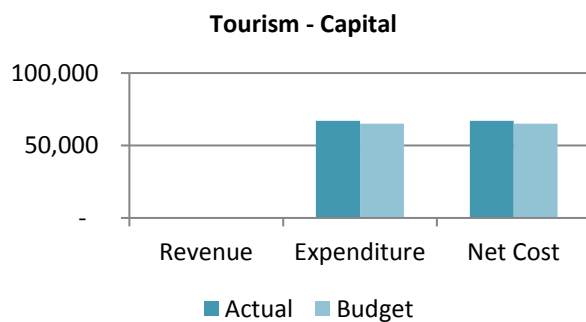
TOURISM

Objective To promote, develop and support tourism

Performance against Budget



Income from the Port Sorell Caravan Park exceeded budget by \$55,000 due to higher fees received for accommodation. Expenses were higher as they included both the 2015/16 and 2016/17 management fee payments to the Port Sorell Lions Club.



Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Actively participate on the Cradle Coast Authority Regional Tourism Association	Regular Participation	✓
Work in partnership with business operators to increase viability of Visitor Information services	Improved viability	✓
Review visitor information needs at Port Sorell including development of Council owned property at Port Sorell Main Road.	Review completed	✗
Review overnight self-contained camping areas within the Council area	Review completed	✗

Initiative	Comments	Result
Implementation of the master plan for mountain bike trails in the Warrawee Reserve including the construction of a flying fox over the Mersey River (\$128,250)	The master plan has been completed. Further cultural and environmental studies are being undertaken prior to finalising the scope and commencing construction.	>
Extend the Port Sorell Caravan Park and install water and sewerage connections (\$30,000)	6 new sites are under construction. The expected completion date is October 2017	>
Relocate water and power outlets at the Port Sorell Caravan Park (\$15,000)		✓
Replace vanities in the main amenities block at the Port Sorell Caravan Park (\$20,000)		✓

Key Challenges

- Revitalisation of Shearwater Village and development of events in cooperation with the business group.

Projects Carried Forward

- Implementation of the master plan for mountain bike trails in the Warrawee Reserve including the construction of a flying fox over the Mersey River.

Plans for the next 12 months

- Support for the Shearwater Village Group in the development of an event or events to attract the tourism market.
- Promotion of the Wild Mersey Mountain Bike Trail.
- Development of an Art Trail in the North West in cooperation with the Cradle Coast Authority and a collaborative working art space in the Latrobe municipality.

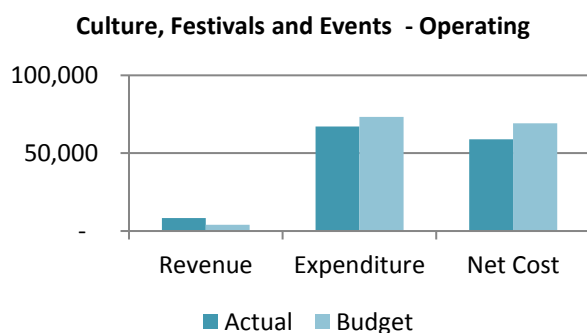


The Mayor and General Manager discussed ways to revitalise Shearwater Village with 18 retailers and property owners

CULTURE, FESTIVALS AND EVENTS

Objective Working with the community, to facilitate and celebrate festivals, events and culture

Performance against Annual Budget



Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Work with relevant groups to increase awareness of local arts, history and culture	Increased awareness and participation	>
Maintain, foster, promote and continue to improve a calendar of events that encourages community involvement and increased visitor numbers concentrating on Chocolate Winterfest, Henley on Mersey and Port Sorell Regatta	Increased participation	>

Initiative	Comments	Result
Replacement of Christmas decorations at Latrobe and Port Sorell and replacement banners for Station Square (\$33,000)		✓
Support for ANZAC day celebrations (\$7,130)	Captain Stephen Hussey delivered the Latrobe Anzac Day address and he spoke about the Battle of the Coral Sea. A dawn service was held at the newly constructed Port Sorell Defence Memorial.	✓
Contribution towards the Masters Games (\$7,500)		✓
Support the organisation and promotion of the Henley on Mersey event to be held on Australia Day (\$10,460)	The Australia Day Ambassador for 2017 was corporate entertainer, stage performer and ABC radio host John Xintavelonis. Latrobe resident Julie Bissett was awarded Citizen of the Year, Eve Bell Young Citizen of the Year and Port Sorell Lions Club were recognised for the support of Blazeaid who rebuilt fences for flood affected property owners in Latrobe.	✓

Additional Initiatives

- Retailers on Gilbert St, Latrobe held the inaugural Businesses on Parade in November 2016 with the support of Council. This proved to be a very successful event and will be held again in November 2017.

Key Challenges

- Attraction of funding from Governments to support our local calendar of events.

Plans for the next 12 months

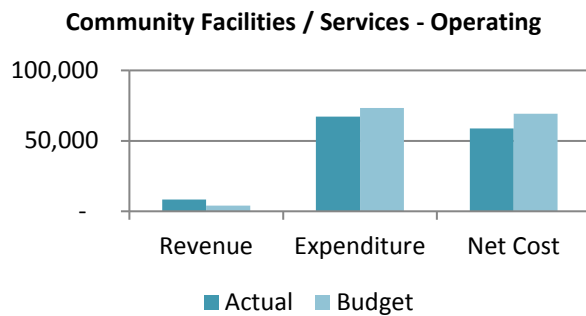
- Cooperation with the Latrobe Business Network around Businesses on Parade 2017.



COMMUNITY FACILITIES/ SERVICES

Objective To provide a range of quality community facilities and engage and empower our community to participate

Performance against Budget



Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Continue to improve community facilities at Port Sorell to meet needs of increased population	Facilities improved	>
Continue to improve walkways and bikeways within the Council area	Walkways and bikeways improved	>
Encourage Volunteers through the recognition and celebration of their valuable contribution	Volunteerism promoted and recognized	✓
Establishment of a Youth Council	Youth Council established	✓

Initiative	Comments	Result
Port Sorell Hall re-cladding		✓
Port Sorell Main Road footpath		✓
Review of Camp Banksia operations	Consultants have been appointed to undertake a review.	>

Projects Carried Forward

- Pitcairn Street footpath upgrade.
- Banksia centre carpark upgrade.

Plans for the next 12 months

- Improvements to the Shearwater Village retail area, in collaboration with the community and retailers, to assist revitalisation of the area.
- Move bus parking and align cross-over points adjacent Port Sorell school entry.



STRATEGIC OBJECTIVE THREE: Governance and Organisational Development

About this Objective

High quality, professional governance and leadership, together with effective administration of Council resources, are essential to the success of the Council.

ADVOCACY AND LEADERSHIP

Objective To provide leadership for the community and advocate on its behalf to improve the economic, social and environmental wellbeing of the Latrobe Council area

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Engage with State, Regional and Local Government bodies	Relationships established	✓
Develop and implement the Emergency Management Plan	Plan implemented	✓
Support the retention and upgrading of the Mersey Regional Hospital	Hospital retained and upgraded	✓
Support the retention, upgrading and increased flights to Devonport Airport	Airport retained and flights increased	✓
Support the extension of reticulated gas to Latrobe and Port Sorell	Gas extended	✗
Support the rollout of the National Broadband Network to the Council area	Broadband network rollout completed	✓
Advocate and promote the provision of a range of high quality education and life-long learning opportunities in the municipality	Quality education provided	✓
Prepare and submit a list of Council and Community projects to Political parties as part of Federal and State Government election campaigns	Priority list submitted for each election	✓
Lobby Governments to upgrade the Devonport to Launceston section of the Bass Highway	Highway upgraded	✗
Seek to expand the range of medical and family services available within the municipality	Expanded services	✓

Additional Initiatives

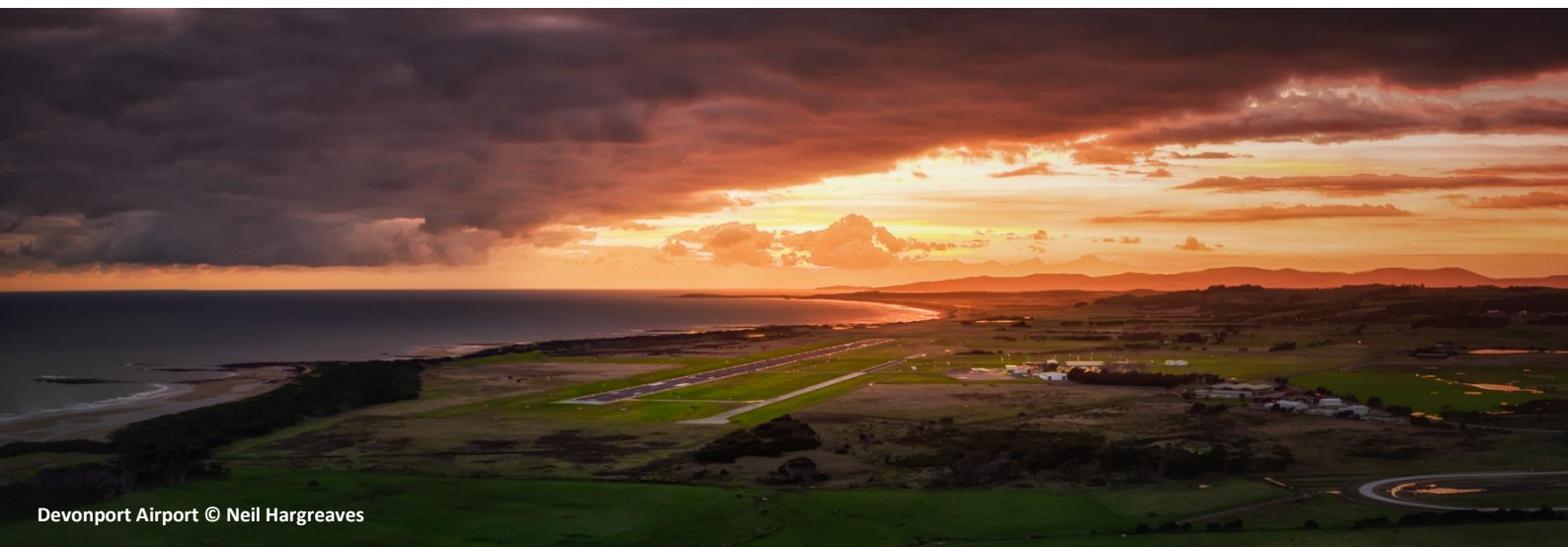
- The 10 year funding agreement negotiated for the Mersey Hospital was a major achievement. Council played a significant role advocating on behalf of the community to secure long term funding.

Key Challenges

- On 7 March 2017, the State Government announced its intention to take ownership of Tasmanian Water and Sewerage Corporation Pty Ltd from July 2018. The State Government intends to introduce a suite of legislation that will transfer all of Tasmanian Water and Sewerage Corporations Pty Ltd's assets, rights, obligations and liabilities, including employees under their current terms and conditions, to a newly created government business which will commence operations by 1 July 2018. As at the date of this annual report there is no indication as to whether the legislation will be passed.

Plans for the next 12 months

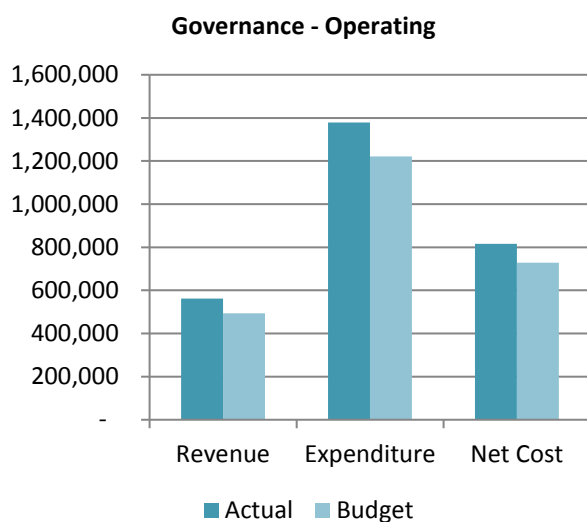
- Participate in discussions with Latrobe Council, Devonport City Council, Central Coast Council and the Devonport Chamber of Commerce to support the attraction of a low-cost airline to the Devonport Airport.



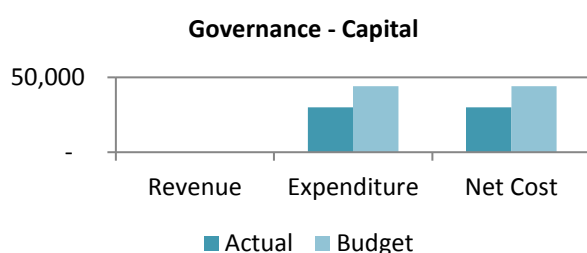
GOVERNANCE

Objective To provide consistent, accountable, transparent and effective governance of the Council

Performance against Budget



The operating income and expenditure variance relates to additional expenditure and reimbursements for consultants involved with the upgrade of the IT system, restructure of the works force and implementation of resource sharing initiatives with the Kentish Council.



Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Promote the professional development of elected members	Training provided	✓
Promote awareness of Council's Code of Conduct to elected members	Code of Conduct complaints limited	✓
Participate in relevant State and regional initiatives and partnership agreements	Council participation	✓
Utilise the Annual Report and Annual General Meeting to promote achievements of the council	Achievements promoted	✓
Examine specific service delivery options between Council and other providers	Options examined	✓

Promote resource sharing as an alternative to amalgamation with other Councils	Resource sharing implemented where appropriate	✓
Communicate the Council's decisions, policies and activities and the reasons behind them, through the Council's website and publications	Decisions and activities communicated	✓

Initiative	Comments	Result
Evaluate IT systems, purchase and implement a common enterprise software across the Latrobe and Kentish Councils to improve the resource sharing capacity and efficiency of the organisation	A request for quote for common enterprise software was issued in January and staff from both Councils evaluated the proposed systems. As a result, it was determined that Council proceed to tender.	>
Participate with North West Councils in a detailed study of the potential opportunities for shared services between the Councils	All North-West councils signed an MOU with the State Government to review current delivery of local government services and to identify opportunities where services could be shared. Third Horizon Consulting was engaged via Cradle Coast Authority to undertake the project brief. Council has contributed data and it is anticipated a final report will be released in 2017/18.	>
Consider the findings of resource sharing review undertaken by the Australian Centre of Excellence for Local Government (ACELG)	Council received the final report from the ACELG and the University of Technology in relation to the review of resource sharing between Latrobe and Kentish Council and endorsed that the recommendations contained within the report be implemented over the next two year period.	>

Key Challenges

- Funding resources to implement increased compliance requirements instigated by State and Federal Governments whilst continuing to meet the diverse needs and expectations of the local community. Council's resource sharing arrangement with Kentish Council has assisted in this area and further savings are expected to be realised as resource sharing is expanded within both Councils.

Plans for the next 12 months

- Continue to participate with North West councils in a detailed study of the potential opportunities for shared services between the councils.
- Expand and embed resource-sharing with Kentish Council so that it underpins all of the service delivery activities of Council providing similar cost saving opportunities to amalgamation without compromising each municipality's sense of place, individual community spirit and local voice.
- Implement common enterprise software with Kentish Council.
- Replace workstations, printers and copiers in accordance with Council's Information Technology and Communications Strategy.

FINANCIAL MANAGEMENT

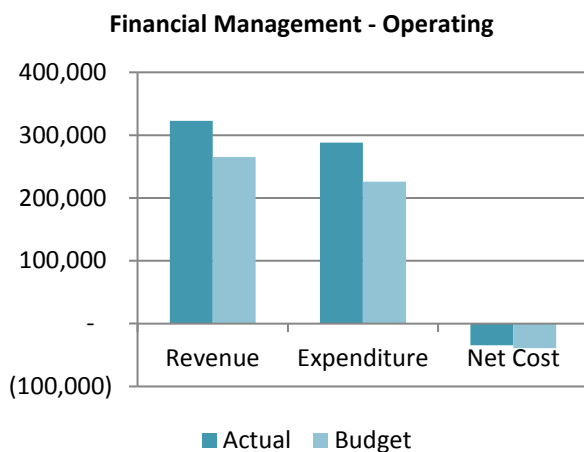
Objective To secure the long term financial viability of the municipality

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
To achieve an underlying surplus over the medium to long term	Underlying surplus achieved	✓
To maintain fair and equitable rating levels	Benchmark to other councils	✓
Develop and annually review a financial strategy outlining how Council intends to meet the financial requirements of its Asset Management Plans and other strategic plans	Strategy developed and reviewed	✓
Review the ten-year financial plan each year	Plan reviewed	✓

Performance against Budget



Interest exceeded budget by \$46,000. Income from issuing 337 & 132 Certificates to facilitate real estate transactions exceeded budget by \$11,000.

Key Challenges

- Council's current Asset Management Plans and the Long-Term Financial Plan assume maintenance of current service levels. The key challenge for Council is to engage with the community to determine future service level expectations and advise the community on the level of service that is affordable over the long-term.

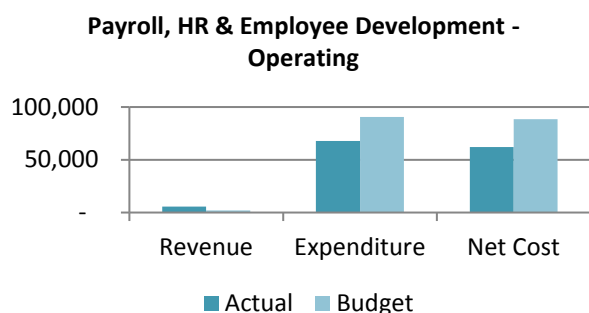
Plans for the next 12 months

- Align business processes across Latrobe and Kentish Councils so that where possible there is a single way of doing things that is common across both Councils to allow the most efficient sharing of services and resources across the Councils.

EMPLOYEE DEVELOPMENT

Objective To develop skilled, experienced, motivated and accountable staff

Performance against Budget



Expenditure on employee development was 50% under budget. Expenditure on Human Resource Management was over budget due to hiring placement fees.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Provide and maintain adequate staff and resource levels to meet changing needs	Organisation structure that reflects the strategic plan	✓
Identify and provide appropriate training and encourage development of all employees	Training plan completed	>
Develop and review staff policies	Policies reviewed	>
Retain an in-house skills base to overcome the issue of succession planning and skill shortages	Council's functions not compromised	✓
Encourage commitment to Council's customer service charter	Number of customer complaints	✓

Key Challenges

- Recruitment of staff for specialised positions can be challenging due to skill shortage in the labour market coupled with competition for the applicants from private enterprise.

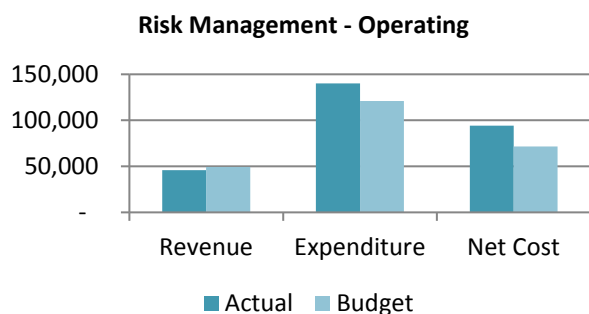
Plans for the next 12 months

- Develop and commence implementation of a workforce development plan.
- Complete a leadership development program for senior management.

RISK MANAGEMENT

Objective To be actively committed to risk management

Activities



Budget variances included additional expenditure on the Mersey River flood evacuation plan.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Maintain and improve our risk management systems and culture	Compliance with relevant legislation and number of claims made.	>

Initiative	Comments	Result
Council will review all of its Standard Operating Procedures and undertake risk assessments for all plant and equipment and major facilities	Risk assessments for Council buildings and playgrounds were completed.	>

Additional Initiatives

- Improvements were introduced in relation to lone worker safety.
- Council's Business Continuity Plan was presented to the Risk Committee for review.
- Corporate and operational risk registers were reviewed by senior management team.
- An on-line contractor induction program was implemented.
- Incident reporting and recording procedures were reviewed.
- Council was announced the winner of the *Best Tasmanian Regional Council Campaigner Award*, one of the 13 *National Betty Awards* which recognise commitment to the *National Asbestos Awareness Month* Campaign.

Key Challenges

- Embedding current WHS system for legislative compliance within resource sharing context.

Plans for the next 12 months

- Development and monitoring of Council's Risk Management Plan.
- Implement actions identified within 2017/18 Work Health and Safety Priority Plan.

STRATEGIC OBJECTIVE FOUR: Planning and Development

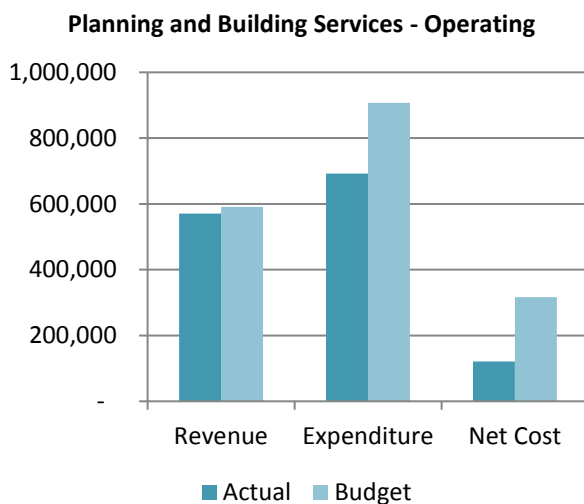
About this Objective

The Council will aim for long term planning and development that is guided by a balance between economic, social and environmental objectives.

PLANNING AND BUILDING SERVICES

Objective To effectively manage land use planning and building

Performance against Budget



The budget allocation of \$100,000 for consultants to provide advice on the Latrobe industrial area bypass, proposal to rezone York St to industrial & Cotton Street to commercial and review the Port Sorell EBD was not utilised.

Due to changes in building legislation expenditure on building surveyors and labour allocated to issuing building permits was less than budget.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
To administer and update the Planning Scheme to manage development and land use	Procedures developed & plan updated	>
Enforce planning scheme and planning permit requirements	Compliance with requirements	>
Implement, where considered appropriate, the Port Sorell and Environs Strategic Plan 2008 including planning scheme	Planning Scheme amendments completed	>

amendments and vegetation management controls		
Continue to promote community awareness of the Latrobe Heritage precinct	Awareness increased	>
Meet Council's statutory building services requirements	Requirements met	>

Initiative	Comments	Result
Develop a proposal for a bypass around the Latrobe industrial area (\$50,000)	A draft project brief was prepared to initiate the project. Discussions are ongoing with Department of State Growth in regard to their plans for the area.	X
Develop a proposal to rezone York Street to industrial, Cotton Street to commercial and review the Port Sorell EBD (\$50,000)	A Consultant was engaged to review the overall operation of the Latrobe Town Centre.	X
	A Consultant was engaged to review the Port Sorell Strategic Plan.	>
Employment of a Plumbing Inspector to monitor compliance (Resource Shared position with Kentish Council on a 60/40 basis)	A Plumbing Compliance Officer commenced in February 2017.	✓

Additional Initiatives

- Investigations into an outline development plan for the Latrobe Industrial Estate and surrounds.
- Two Planning Scheme amendments were certified by Council.

Key Challenges

- Changes to the building and plumbing approval process following the Building Act 2016 coming into operation on 01 January 2017.
- Participation in the preparation of the local planning provisions for the Tasmanian Planning Scheme.

Projects Carried Forward

- Review of the Port Sorell and Environs Strategic Plan 2008.
- Review the overall operation of the Latrobe Town Centre.

Plans for the next 12 months

- Finalise the local planning provisions for the Tasmanian Planning Scheme.
- Finalise the review of the Port Sorell and Environs Strategic Plan 2008.
- Assess the impact of the flood study report on the operation and future development of the Latrobe Town Centre.
- Development of an outline development plan for the Latrobe Industrial Estate.

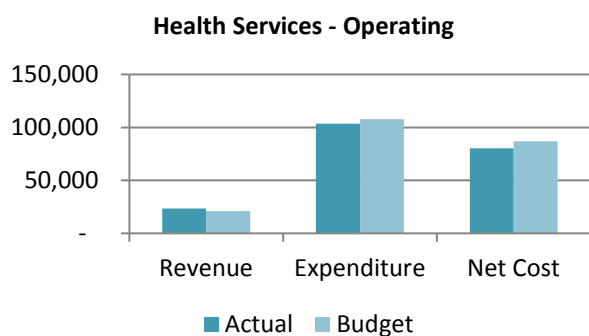
Building Statistics -	2015/16 No.	2016/17 No.	2015/16 Cost	2016/17 Cost
Dwelling Class 1	122	87	29,049,166	26,330,362
Dwelling Extensions	25	23	2,142,800	1,609,124
Outbuildings	75	52	1,068,293	2,803,009
Commercial/Industrial	23	15	10,193,000	5,736,300
Demolition	4			
Substantial compliance	7	10	148,800	131,490
Total Buildings	256	187	\$42,602,059	\$36,610,285

Development Application Statistics – 1/7/2016 – 30/6/2017	
Application Type	Total No. 205 (2015/16 – 182)
Houses:	
• General Residential Zone	63
• Rural Living/Environmental Living Zone	51
• Natural Resource Zone	-
Outbuildings (Buildings incidental to a residence):	
• General Residential Zone (Increase in statutory floor area)	17
• Rural Living/Environmental Living Zone	18
• Natural Resource Zone	1
Agricultural Sheds – Rural Resource Zone (floor area 100m ² plus)	1
Signage	3
Boundary Adjustments	1
Multiple Dwelling Development	9 (18 Units)
Subdivisions	12 (159 lots)
Commercial developments	20
Heritage Area works	-
Industrial development	2
Miscellaneous	7
Total:	205
Reduced Building Setbacks	66

HEALTH SERVICES

Objective To promote and maintain public health standards

Performance against budget



Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Prepare a Latrobe Council Health Plan each year	Plan implemented & reviewed	✓
Promote healthy eating and lifestyle activities	Promotion provided	✓
Conduct inspection of food premises to ensure a high level of food safety	Inspections conducted	✓
Undertake compliance, education and licencing to ensure public health and environmental standards are maintained	Environmental standards maintained	✓
Undertake assessments of proposed on-site waste water disposal systems and monitor existing systems to ensure compliance with environmental standards	Environmental standards met	✓
Continue recreational water sampling program during the summer period	Samples tested	✓
Actively promote awareness of the 'no smoking' requirements in specific public places and assist private operators of public facilities to understand and comply with the legislation	"No Smoking" requirements adhered to	✓

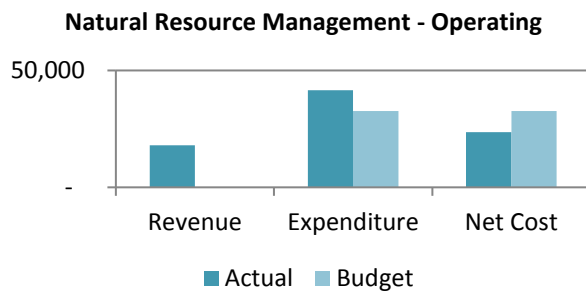
Plans for the next 12 months

- Review and update the 5 year Municipal Health Plan.

NATURAL RESOURCE MANAGEMENT

Objective To integrate NRM principles into Council’s operational environment

Performance against Budget



Revenues and expenditures were higher than budget due to the receipt of a grant for Ricegrass control and saltmarsh protection in the Rubicon Estuary which was not budgeted for.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Utilise the Cradle Coast NRM strategy to identify and develop projects of greatest priority for this Municipality	Projects identified and developed	>
The Council will support and assist local NRM groups and the community to deliver approved projects	Projects delivered	>
Review the: Point Sorell to Squeaking Point Foreshore Management Plan; Municipal Weed Strategy; Rubicon, Pitcairn and Aub Luck Reserve Management Plans and other approved plans	Plans reviewed	>
Lobby Governments to prepare a Port Sorell Foreshore/Rubicon Estuary Management Plan	Plan prepared	>
Work with government and relevant agencies in relation to environmental flows, health and biodiversity of the Mersey River	Healthy river system	>

Additional Initiatives

- The Pig Island reserve was inspected by the elected members and Latrobe Landcare group representatives, with the resulting key proposal to construct a perimeter track subject to budget funding.

Key Challenges

- The 2016 June floods caused significant damage and altered the Mersey River environment, forcing the rectification of damage and investigation into long-term upgrades along Mersey River and associated reserve areas.
- Warrawee Reserve also sustained major damage and environmental change which included the loss of infrastructure supporting community use of the reserve. Investigation and development of infrastructure necessary to support future use and access to the reserve in its changed environment.

Plans for the next 12 months

- Continue to work with and support local action groups.



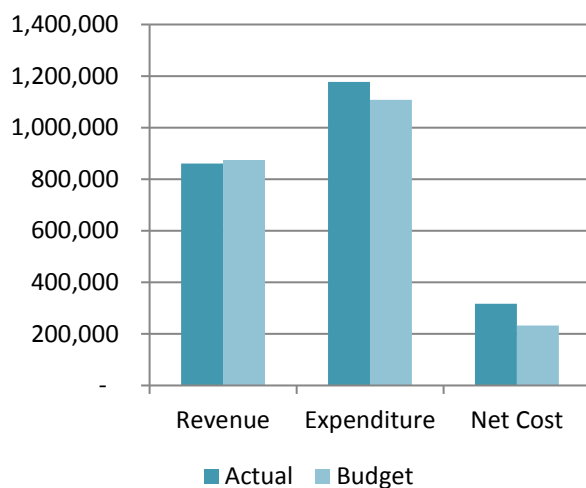
Don College Students helping with post-flood remediation works on Railton Road

WASTE MANAGEMENT

Objective To provide responsible waste management services

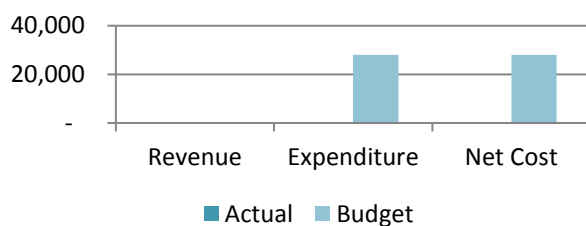
Performance against Budget

Waste Management - Operating



Expenditure variances included the Port Sorell Waste Transfer Station site maintenance, transfer bins, Dulverton disposal and kerbside recycling costs.

Waste Management - Capital



The capital budget included an estimate of \$25,000 to engage consultants to provide advice to identify a new Waste Transfer Station site. Consultants were not engaged in 2016/17 however site relocation discussions are ongoing and the timeframe will take into account the rehabilitation requirements for the current site.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Review Waste Management services for the Municipality and implement strategy changes	Review completed	>
Develop and implement a plan for the rehabilitation and future usage of the Port Sorell landfill site	Plan completed and rehabilitation commenced	✓
Identify future land use opportunities for Bosworth Park, Latrobe (previous landfill site)	Land use opportunities identified	>

Initiative	Comments	Result
Preparation of a rehabilitation plan for consideration by the Environmental Protection Authority regarding the former Port Sorell landfill site. The plan will include a risk based wetland and groundwater assessment and a detailed design of the proposed rehabilitation works.	Consultants have been engaged and are working on this project	>
Design for a new waste transfer station site	Options being considered and include existing site upgrade, alternative in Port Sorell, alternative in municipality or potentially the Spreyton site owned by the Devonport City Council	>

Key Challenges

- Introduction of a Food Organics Garden Organics kerbside collection was considered in great detail by Council and Cradle Coast Waste Management Group and was not supported generally on the North-West Coast to the level that allowed a service to commence.

Projects Carried Forward

- Continue to plan for the future of the disused landfill site at Port Sorell.

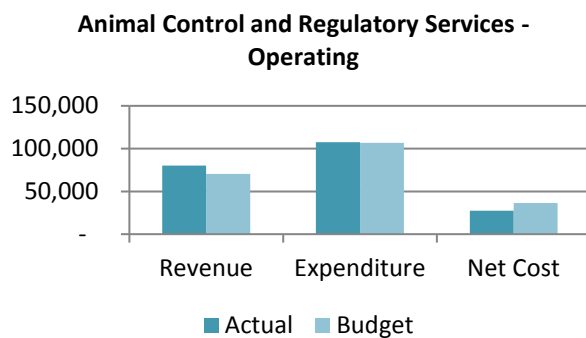
Plans for the next 12 months

- Work towards calling for and letting a new kerbside waste collection contract.

ANIMAL CONTROL AND REGULATORY SERVICES

Objective To encourage and recognize responsible animal ownership and provide a high level of compliance services

Performance against Budget



Revenue was higher than budget due to additional dog licence fees, fines and penalties.

Performance against Annual Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Promote responsible dog ownership including compliance with the Dog Control Act 2000 and Council's Dog Management Policy	Compliance with Legislation and Council Policy	✓
Promote responsible cat ownership including registration of cats under Council's Cat Management By-Law	Cats voluntarily registered	✓
Implement compliance requirements with regulations covering domestic animals and stray animals within the municipality	Compliance with requirements	✓
Identify fire risks within the municipality and issue Fire Abatement Notices where required	Risks identified and Abatement Notices issued	✓

Additional Initiatives

- Dog information signage adjacent all Port Sorell Beaches was upgraded in consultation with a working group from the community.

Key Challenges

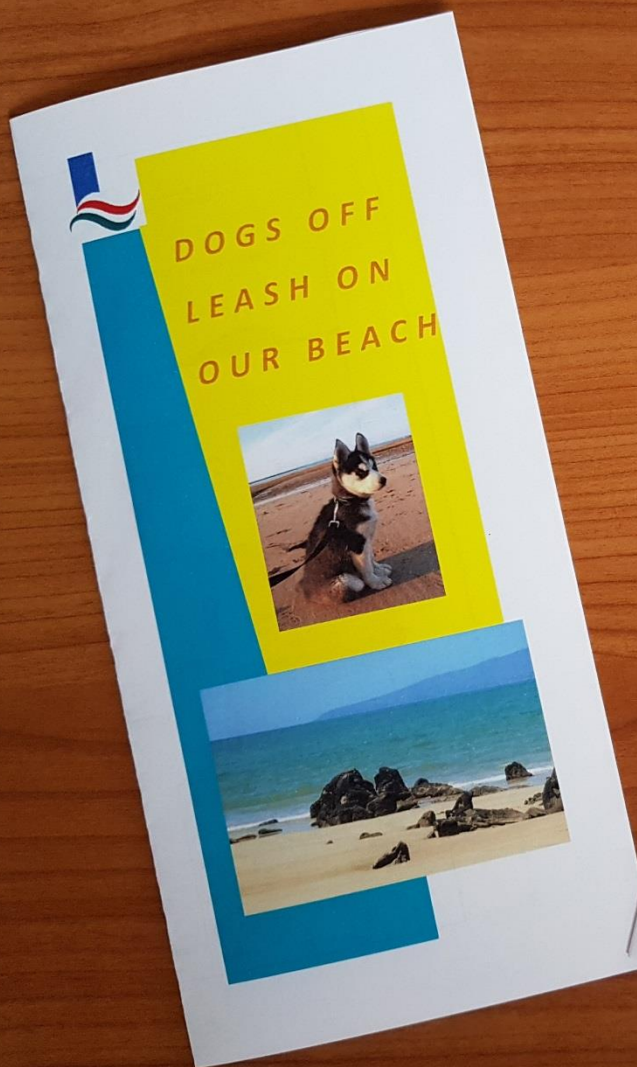
- Ensuring dog owners are aware of and conform to their responsibilities.

Plans for the next 12 months

- Review Council's Dog Management Policy

Animal Control Statistics	2015/16	2016/17
Dogs registered	2294	2422
Dogs impounded	86	106
Infringements issued	122	159
Kennel licences issued	59	76 (57 renewed & 19 new)
Cats registered	60	52

Fire Abatement Notices Issued	2015/16	2016/17
	43	44



The Year Ahead

At a meeting held on 10th July, 2017 Council approved its Annual Estimates for the financial year ending 30th June, 2018.

Section 71 of the Local Government Act, 1993 requires Council to prepare and approve an Annual Plan for the subsequent financial year, which shall:

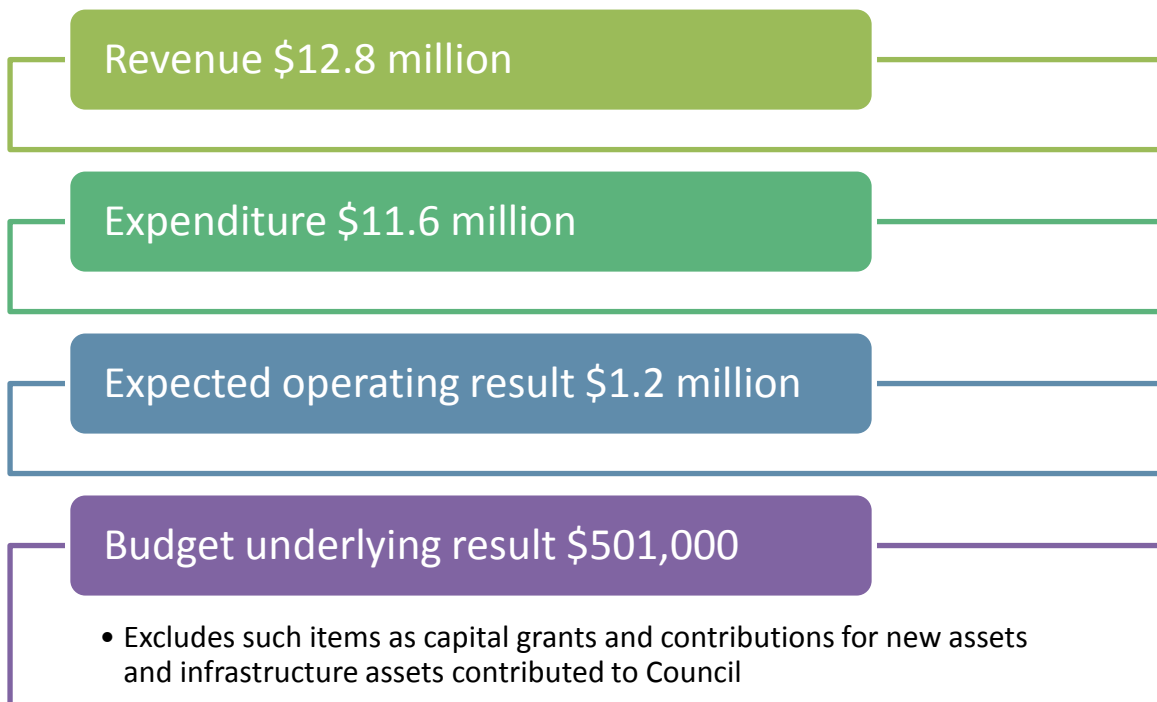
- a) be consistent with the Strategic Plan,
- b) include a statement of the manner in which the Council will meet the goals and objectives of the Strategic Plan,
- c) include a summary of the estimates adopted under Section 82, and

- d) include a summary of the major strategies to be used in relation to its public health goals and objectives.

A copy of the Annual Plan and Budget Report is available from the Council customer service desk or on Council's website, www.latrobe.tas.gov.au.

This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible.

Council's Operating Budget for 2017/2018



Capital Works Program

\$4.99 million

\$2.04m relates to projects carried forward from 2016/17

Roads, Bridges & Footpaths

\$1.9 million – includes road reseals \$360,000, Victor Street bridge replacement \$250,000, kerb & channel in Joyce Street \$201,000 and expansion of the Council Chambers carpark \$190,000.

Stormwater

\$887,000 – includes drainage improvements at the Port Sorell Golf Club \$250,000, construction of retaining walls on Kings Creek from Kings Park to Sheehan Walk \$138,000 and piping the open drain between Laura and Bradshaw Streets \$300,000.

Buildings

\$553,000 - includes refurbishments of existing Elderly Person Units \$75,000 and upgrades to the Regional Arts and Community Centre building \$60,000.

Land Improvements

\$633,000 – includes preliminary rehabilitation costs of the former Port Sorell landfill site \$240,000, construction of a flying fox over the Mersey River \$120,000 and establishment of a new playground at Bosworth Park \$125,000.

CORPORATE GOVERNANCE

Council ensures its business is conducted in a transparent, accountable, sustainable and efficient way.

Latrobe Council was established in 1993 under the provision of the Local Government Act 1993 and was formerly the Municipality of Latrobe, which was established in 1907.

The Act sets out the purpose and charter of Council and defines its powers and functions.

Council

Latrobe Council comprises nine Councillors. The term of office of elected members is four years. Elections for mayor and deputy mayor are also held every four years. Elections are conducted by a full postal ballot and voting is not compulsory.

Role of Council

Section 20 of the Local Government Act 1993 describes the functions and powers of councils to;

- Provide for the health, safety and welfare of the community
- Represent and promote the interests of the community
- Provide for the peace, order and good government of the municipal area

In performing its functions, a council is to consult, involve and be accountable to the community.

Council has a responsibility to;

- Plan for and provide services, facilities and infrastructure for the community
- Undertake long term strategic asset and financial management planning
- Undertake strategic land using planning for the area

Role of Councillors

Section 28 of the Local Government Act 1993 sets out the following functions of a councillor;

- To represent the community
- To act in the best interests of the community
- To facilitate communication by the council with the community
- To participate in the activities of the council
- To undertake duties and responsibilities as authorised by the council

The councillors acting collectively as a council have the following functions;

- To develop and monitor the implementation of strategic plans and budgets

- To determine and monitor the application of policies, plans and programs for –
- The efficient and effective provision of services and facilities
- The efficient and effective management of assets; and
- The fair and equitable treatment of employees of council
- To facilitate and encourage planning and development of the municipal area in the best interests of the community
- To appoint and monitor the performance of the general manager
- To determine and review the council’s resource allocation and expenditure activities
- To monitor the manner in which services are provided by the council.

Council meetings

Council meetings are held on a monthly basis – generally on the second Monday of each month. Council meetings are open to the public (except where an item is considered to be of a confidential nature in accordance with the Local Government (Meeting Procedures) Regulations 2015). Copies of meeting agendas, supporting documentation and minutes of Council’s open meeting are made available on Council’s website, from the Council office or at the meeting.

Members of the public have the opportunity for input into Council decision making through avenues such as public question time at open Council meetings, community consultation and engagement and tabling of petitions.

Audit Panel

The objective of the Audit Panel is to review the council’s performance under Section 85A of the Local Government Act, 1993 and report to the council its conclusions and recommendations.

Audit Panel Members	
Mr Ben Coull	Chairman & Independent member
Cr Rick Rockliff	Non independent member (Jan – June 2017)

Cr Lesley Young	Non independent member
Cr Mike McLaren	Non independent member (Proxy)
Cr Dayna Dennison	Non independent member (July – Dec 2016)

The Audit Panel met four times during, and twice since, the end of the 2016/17 financial year and work relevant to this annual report completed during that time included review of:

- Council’s significant accounting policies
- Draft Annual Financial Report for the year ended 30 June 2017.
- Reports by Council’s external Auditor, included interim external audit findings for 2016/17.
- The status of Council’s policies including review of the risk management policy, business continuity plan and procurement policy.
- Council’s budget process including review of 2017/18 draft Annual Plan and Budget.
- Reporting on related party disclosures.

Minutes and recommendations from the Committee were presented to the Council during the year.

A copy of the annual report of the Audit Panel is available on Council’s website.

Municipal Alliance Committee

The Kentish and Latrobe Municipal Alliance Committee identifies opportunities for sharing ideas and resources to improve the effectiveness and efficiency of service delivery by the two councils. The Committee consists of:

- Mayor Peter Freshney (Latrobe)
- Deputy Mayor Rick Rockliff (Latrobe)
- Cr Mike McLaren (Latrobe)
- Mayor Don Thwaites (Kentish)
- Deputy Mayor Tim Wilson (Kentish)
- Cr Penny Lane (Kentish)
- General Manager, Gerald Monson

The committee met five times during the 2016/17 financial year and made recommendations to the respective councils regarding:

Code of Conduct

In April 2016, the Local Government Amendment (Code of Conduct) Act 2015 (Amendment Act) came into effect. The Act was amended to provide a new Local Government code of conduct framework for Tasmanian Councillors. This was developed in consultation with local government to provide a more rigorous, efficient and streamlined process for the making and determination of code of conduct complaints.

At the May 2016 Council meeting, Councillors adopted the Latrobe Council Model Code of

Conduct. This Code of Conduct sets out the standards and behaviour expected of the councillors of the Latrobe Council, with respect to all aspects of their role. Councillors therefore agree to conduct themselves in accordance with the standards of behaviour set out in the Code of Conduct.

This Code of Conduct incorporates the Model Code of Conduct made by Order of the Minister responsible for local government. There were no Code of Conduct complaints made against Councillors during the financial year.

Councillors' Allowances

Section 72 (1) (cb)

Councillors' allowances \$ 149,678

Councillor attendance at Council meetings and Special Council meetings during 2016–17:

Councillors	Council Meeting	Council Workshop	Total Attended	Total No. of Meetings/Workshops held
Cr Peter Freshney (Mayor)	12	20	32	36
Cr Rick Rockliff (Deputy Mayor)	9	19	28	36
Cr Graeme Brown	11	20	31	36
Cr Dayna Dennison	12	20	32	36
Cr Mike McLaren	12	20	32	36
Cr John Perkins	11	16	27	36
Cr Garry Sims	13	20	33	36
Cr Gerrad Wicks	13	22	35	36
Cr Lesley Young	9	17	26	36

Risk Management

Latrobe Council recognises that risk management is an integral part of good management practice and is committed to establishing an organisational culture that ensures risk management is embedded in Council activities and business

processes. Council reviewed its Risk Management Policy and Framework during November 2016 to provide for the design, implementation, monitoring, review and continuous improvement of risk management.

Fraud and Corruption Initiatives

Latrobe Council is the custodian of significant public funds and assets and it is important that all stakeholders have assurance that adequate fraud protection controls are in place. Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are the key components of good governance. Council reviewed its Fraud and Corruption Control Policy and Fraud and Corruption Control Plan in November, 2015.

Council aims to prevent, deter and detect incidents of fraud and corruption by;

- raising awareness of the risk of fraud and corruption;
- taking necessary actions for its prevention;
- providing processes for the reporting and investigating of incidents; and
- protecting those who report suspected fraud or corruption incidents.

Asset Management

Council's Asset Management Policy provides a framework to ensure that Council assets are effectively and efficiently managed, whilst meeting community needs and expectations for current and future generations.

Council's asset management objective is to ensure adequate provision is made for the long-term replacement of major assets by;

- meeting legislative requirements for asset management;
- ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment;
- safeguarding Council assets by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- creating an environment where Council employees take an integral part in overall

management of Council assets by creating and sustaining asset management awareness throughout the organisation by training and development;

- ensuring resources and operational capabilities are identified and responsibility for asset management is allocated;
- demonstrating transparent and responsible asset management processes; and
- striving for continual improvement in asset management practices and outcomes.

Council has an Asset Management Steering Group made up of;

- General Manager
- Manager Engineering Services
- Engineering Works Coordinator
- Manager Corporate Services
- Accountant

This group meets regularly to oversee the development and ongoing improvement of Council's asset management strategy and asset management plans ensuring their integration into Council's strategic plan, annual plans and long-term financial plans.

Council has asset management plans in place covering the majority of its infrastructure assets. The asset management plans generally assume that the current levels of service will be maintained into the future and Council's Long Term Financial Plan, fully funds the asset renewal requirements of the asset management plans. The key challenge for Council is to engage with the community to determine future service level expectations and to advise the community on the level of service that is affordable over the long term.

Statutory Information

The following information is provided in accordance with legislative and other requirements applying to Council.

Statement of Activities

Section 21 & Section 72 (1) (ca)

The Council has not resolved to exercise any powers on undertake any activities with Section 21 of the Local Government Act 1993.

Joint Authorities

Section 30 (1)

The Latrobe Council participates in two joint authorities; the Cradle Coast Authority and Dulverton Regional Waste Management Authority. The following reports provide a summary of activities, budget and performance of the Authorities in 2016/2017.

Cradle Coast Authority

The Cradle Coast Authority (CCA) was created by the nine north-west Tasmanian councils to connect communities, business and government to work together for the good of the Cradle Coast Region. The CCA and the councils are building a vibrant, capable and resilient Cradle Coast region through effective collective action.

In 2016/17, Latrobe Council invested \$68,104 into the CCA which in turn has been matched by co-investments of \$771,648 from local government - for regional and economic development, \$327,500 from State Government - for the development of the region's visitor economy; and \$1,746,686 from the Commonwealth and State Governments - for natural resource management. The CCA has also been able to secure \$871,994 in government grants for the region.

Regional and economic development activities in 2016/17 included the development of the Cradle Mountain Master Plan. As the region's largest visitor attraction, the CCA secured \$1M to undertake the detailed investigations required to build the business case for the reimagining of

the Cradle Mountain visitor experience. The CCA completed the Coastal Pathway Investment Prospectus which has been used to attract government co-investment in the infrastructure required to build a pedestrian pathway connecting communities between Latrobe and Wynyard. The Regional Futures Plans is being developed as a foundation for a long-term partnership with State and Commonwealth Governments for collaboration and investment in the region on important social and economic infrastructure and initiatives.

The CCA has invested \$2,062,828 in natural resource management projects within the region during 2016/17. Key projects included managing the region's response to the June 2016 floods which devastated parts of the region's agriculture assets and infrastructure. NRM officers worked closely with Government to help landowners recover. Other projects delivered during the year included; the Macquarie Harbour clean-up, in April 2017 – which saw a 5-day clean-up effort of unprecedented proportions across 80kms of shoreline along Tasmania's West Coast; the Clean Rivers project, which in conjunction with Dairy Tas, provided funding to help protect waterways impacted by the dairy industry; and the many projects which assist the ongoing protection endangered species such as the Giant Freshwater Lobster and the Tasmanian Devil.

The visitor economy is an increasingly significant contributor to the region's prosperity representing around 5% of the regional economic activity including more than 3,800 jobs. The visitor economy supports traditional business within accommodation and hospitality but also more broadly services that support visitors including retail, health and automotive service business. During 2016-17, the CCA invested \$627,411 in projects and initiatives designed to support and stimulate the visitor economy.

During 2016/17, the CCA and its representatives reviewed the organisation's governance model resulting in changes to improve its relationship with the region. The councils now have two

Mayors and a General Manager as directors on the CCA Board. The CCA's Rules are being amended to clarify and reinforce the roles and responsibilities of the CCA. In August 2017, a new Corporate Plan was approved which provides the CCA with a clear and focused suite of activities to address current and emerging issues and gaps that have been barriers to the betterment of the region's economic and social prosperity.

Throughout 2016/17, the CCA has been working closely with councils in preparation for the 16th Australian Masters Games. To be held in October 2017, the AMG will attract more than 5,000 visitors to the region with an expected financial benefit in excess of \$12M into the region's economy.

In July, Mr Sid Sidebottom was appointed as the new Chairperson of the CCA. Mr Sidebottom brings a wealth of experience representing the region. The CCA thanks Mrs Cheryl Bell-Chambers who stepped down as the Chairperson and director in June. Mr Ian Waller stepped down as the Manager, Regional Tourism after 15 years of tireless and dedicated service to the region.

Brett Smith

CEO Cradle Coast Authority

Dulverton Regional Waste Management Authority

2016/17 was a great year all round for DWM. Being recognised as the best landfill facility in Australia was a highlight.

Five year financial forecasts on an activity basis are now routinely provided to Owner Councils as each Annual Plan and Budget is developed. The financial forecasts detail future income, operational expenditure, capital investment, cash flow and likely dividends. These forecasts guide the activities of the business into the future.

A complete set of financial reports and Key Performance Indicators (KPIs) are provided to Owner Representatives quarterly and to Directors each month, and provide Owners, Board and management with confidence of DWM ongoing financial health.

Workplace Health and Safety (WHS) continues to be a major focus for the Board, Management, Staff and Contractors. Directors commenced a program of site safety inspections during the 2012/13 financial year which continues today.

DWM continues to exceed the WHS standard set by many larger organisations, however, DWM will not become complacent and will continue to advance all aspects of WHS.

With the stability that robust systems for WHS, environment, finance, business, risk management and records management bring, Owner Representatives, Board and staff have been able to focus on business growth and development. Growth in revenues has resulted.

The Rules of the Authority were revised and officially adopted on the 1st of September 2016, providing increased clarity around roles and responsibilities of all parties.

During 2015/16 DWM undertook an extensive and rigorous tender process for the site Operation and Maintenance services. New contractor Gradco commenced on site on the 31st of October 2016. The detailed systems in place at DWM resulted in an extremely smooth transition with no drop in the customer experience during the changeover. Gradco have worked closely with DWM to further refine the safety, environmental and quality outcomes on site.

As the primary waste management provider in the region, DWM continues to provide waste expertise to the Cradle Coast Waste Management Group (CCWVG). Knowledge in landfill, organics recycling, kerbside recycling and other industry relevant activities allows DWM's services to be provided for the greater benefit of the region.

The 2016/17 Financial Year concluded far stronger than budgeted. The result was influenced by a number of waste stream revenues which were the result of considerable effort by the whole DWM team. Growth in dairy processing wastes and the construction of the aluminium salt-cake mono-cell are examples. Expenditure growth remained below tonnage growth.

Both income and profit exceeded budget. DWM was able to fund all 2016/17 capital works from its own funds. It should be noted that the forecast in the five year financial plan is to avoid further borrowing other than for land acquisition, major plant replacement and landfill cell construction.

The total quantity of chargeable waste disposals managed by DWM increased by 17.78% to 88,533 tonnes from 75,165 tonnes in the previous year. The majority of this waste goes to landfill, however, in 2016/17 diversion to the Dulverton Organics Recycling Facility (DORF) for recycling into compost increased from 22.9% to 25.2%. This figure does not include approximately 7,525 tonnes of green-waste also accepted at the DORF.

Pleasingly the amount of tax equivalents (or NTER - National Tax Equivalent Regime) paid and payable to the Owner Councils relating to the 2016/17 financial year, plus Dividends paid, increased on previous years. Dividends to Owner Councils are forecast into the foreseeable future.

Mat Greskie

Chief Executive Officer

GST Dispute Statement

Local Government Act 1993 -Section 72A

Council reports no disputes with the Australian Taxation Office during the financial year relating to compliance with GST law.

Statement of Land Donated

Local Government Act 1993 - Section 72 (1) (da) & Section 177

No land was donated by the Council under Section 177 of the Act.

Customer Service Charter – Complaints

Local Government Act 1993 - Section 339 (F)

The number of written complaints (in accordance with the definition in Council’s Customer Service Charter) received in 2016/2017 was four, three complaints were in relation to barking dogs and one related to Council Policy.

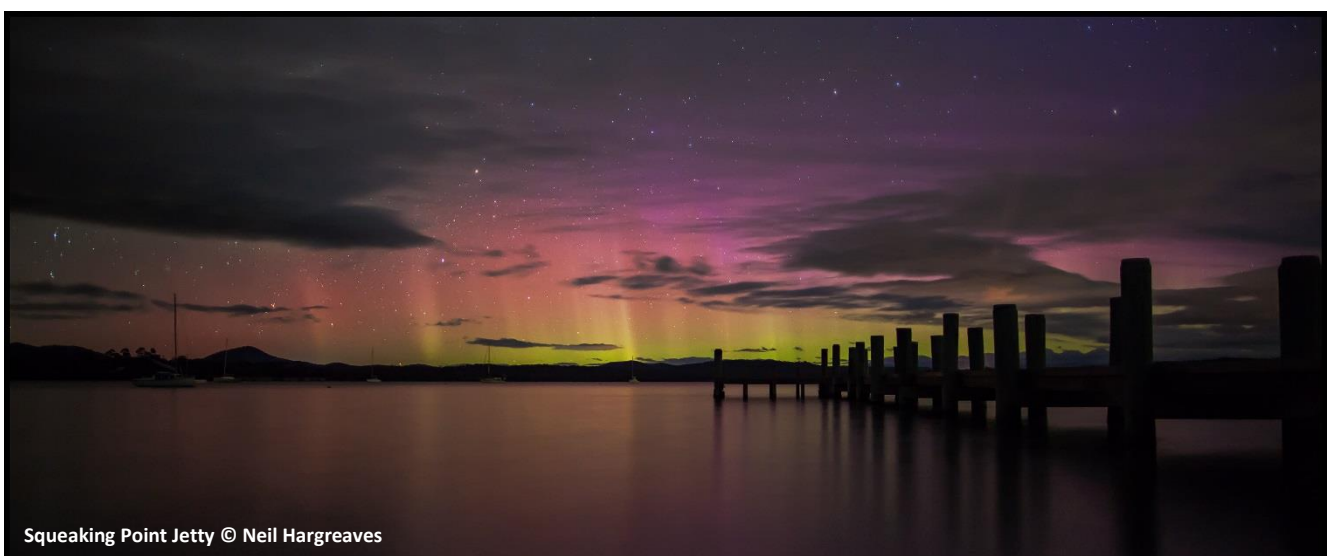
Public Interest Disclosures Act 2002

Section 86

A copy of Council’s Public Interest Disclosures Procedures is available for inspection at the Customer Service desk during office hours or from Council’s website. Council reports that no disclosures were made during 2016/2017.

Professional Service Providers

Auditor	Tasmanian Audit Office
Banking Services	Commonwealth Bank of Australia
Insurance Broker	Aon Risk Services Australia Limited
Valuer	Officer of the Valuer General
Legal	Tremayne Fay and Rheinberger



Squeaking Point Jetty © Neil Hargreaves

Public Health Statement

Section 72 (1) (ab)

Public Health Statement Section 72(1)(ab) of the Local Government Act 1993 requires a statement of the Council's goals and objectives in relation to public health activities to be included in the Annual Report.

Under the Public Health Act 1997 and the Food Act 2003 Council is required to perform licensing, inspection and monitoring services to ensure compliance with legislation and associated

standards and guidelines in order to protect the community.

Council is committed to promote and maintain public health standards. It has one full time Environmental Health Officer to provide environmental management and protection that will meet public expectation for community health.

Types of Activities/ Premises	No.	Inspection Number	Comments
Public Health Act 1997			
Notifiable Disease	11	-	Suspected Salmonella spp.
Places of Assembly - Permanent	6		Events held with 1000 more people attending for 2 hours or more
Health Risk Activity (Premises)	1		There is one identified and registered public health risk business in Latrobe Municipality, which is a tattooist
Regulated Systems	2		Includes cooling towers
Private Water Supplies	7		Registered private water suppliers (one is exempt)
Recreational Waters – natural	7	112	Sampling sites include Mersey River (end of Shale Road), Mersey River (Bells Parade), Squeaking Point, Panatana Rivulet, Port Sorell Pontoon, Freer Beach Shearwater and Hawley Beach.
Recreational Waters – pools and spas	6	82	Testing completed monthly.
Immunisation	268	-	Number of immunisations administered at Geneva Christian College and Latrobe High School.
Nuisance Complaints	67		Complaints ranged from roosters crowing, backyard burning, noisy parties and builders working outside regulated timeframes.
Food Act 2003			
Registered Food Business	121	122	Annual licences
Temporary Food Business	33		Events and special occasions
Food Safety Training	36		Number of participants who undertook Council's Food Safe Training courses
Other			
Fire abatements	44	44	Abatements sent to property owners for long grass and over grown vegetation
Assessment of On-site waste water systems	31		Systems assessed
Latrobe Recovery Management Plan	0		Staff continued to be involved in recovery from the June floods

Grants and Benefits Provided

Section 77 (2)

Recipient	Reason	Amount
		\$
Port Sorell Shopping Centre	Rates remission	10,084
Latrobe Federal Band	Annual contribution	10,000
Mersey Clay Target Club Inc	Contribution towards upgrading access road	5,000
Merseylea Community Care Association	Contribution towards vehicle replacement	4,000
University of Tasmania	North West bursary	3,000
Latrobe Courthouse Museum	Annual contribution	2,500
The University of the Third Age	Community development grant	2,500
Thirlstane Golf Club	Rates remission	2,240
Latrobe Business on Parade	Community development grant	2,113
Sassafras Community Hall Association	Annual contribution	2,000
Jetty leaseholder remissions x 14	Rates remission	1,911
Latrobe Bowling Club	Rates remission	1,604
North Western Pistol Club of Tasmania	Community development grant	1,500
Latrobe Softball Association Inc.	Community development grant	1,500
Fossil Bank Gun Club Inc.	Community development grant	1,500
Port Sorell Golf Club Inc.	Community development grant	1,500
Latrobe Men's Shed	Community development grant	1,500
Rubicon Grove Auxiliary	Community development grant	1,500
Latrobe Croquet Club	Community development grant	1,500
Port Sorell Bowls Club	Rates remission	1,209
Wesley Vale Football Club	Community development grant	1,100
Port Sorell Surf Lifesaving club	Rates remission	1,069
Latrobe Bicycle Race Club	Contribution towards sporting event	1,000
Wesley Vale Fire Brigade	Donation firefighting competition representatives	1,000
Tasmanian Family History Society	Community development grant	1,000
Wesley Vale Football Club	Rates remission	993
Lions Club of Latrobe	Contribution towards Christmas Parade	876
Devonport 4WD Club Inc.	Community development grant	759
Rubicon Sea Scouts	Community development grant	757
Latrobe High School	Community development grant	750
The Bookend Trust	Community development grant	749
Latrobe Basketball Association	Community development grant	588
Port Sorell Garden Club	Community development grant	503
Morse and Menzies	Rates remission conservation covenant	500
Tasmanian Arboretum	Sponsorship	250
Sassafras Fire Brigade	Community development grant	248
Beveridge Asha	Donation sporting representative	200

Tayden Lyall	Donation sporting representative	200
Apex Club of Latrobe	Donation towards craft exhibition	150
Volunteer Firefighters Competition	Donation firefighting competition representative	150
Rachel Bentley	Donation sporting representative	100
Latrobe High School	Annual book award	35
Andrews Creek Primary School	Annual book award	35
Geneva Christian College	Annual book award	35
Sassafras Primary School	Annual book award	35
Latrobe Primary School	Annual book award	35
St Patrick's Primary School	Annual book award	35
Total		\$71,814

Tendering and Contracting

Section 72 (1) (e) Local Government Act 1993 and Local Government (General) Regulations 2015

For the purposes of section 72 (1) (e) of the Act, a council is to report the following in its annual report in relation to any contract, for the supply or provision of goods or services valued at or exceeding \$100,000 (excluding GST) but less than \$250,000, and valued at or exceeding \$250,000, that is entered into, or extended, in the financial year to which the annual report relates.

Contractor/Supplier	Description	Contract Period	Value
Roadways Pty Ltd PO Box 303 GLENORCHY TAS 7010	Bituminous sealing	July 2016 - June 2017	\$517,697
Walters Contracting PO Box 257 DELORAINIE TAS 7304	Road base materials	July 2016 - June 2017	\$452,559
Hardings Hotmix Pty Ltd PO Box 709 ULVERSTONE TAS 7315	Hotmix asphalt	July 2016 - June 2017	\$208,985



FINANCIAL STATEMENTS



Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments are required to present a set of audited Financial Statements.

What you will find in the Statements

The Financial Statements and notes to the report set out the financial performance, financial position and cash flows of Latrobe Council for the financial year ended 30 June 2017.

The format of the Financial Statements complies with both the accounting and reporting requirements of Australian Accounting Standards and the *Local Government Act 1993*.

About the Primary Financial Statements

Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income and expenditure.

Other comprehensive income records items such as the share of profits of associates and the investment in the water corporation.

Statement of Financial Position

A snapshot of Council's Financial Position, including the Assets and Liabilities as at 30 June 2017.

Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

Statement of Cash Flows

Indicates where Council's cash came from and where it was expended.

About the Notes to the Financial Report

The Notes of the Financial Statement provide greater detail and additional information on the Primary Financial Statements.

Statement of Certification

The Statement of Certification must be signed by the General Manager to confirm the financial report presents fairly the financial position of Latrobe Council as at 30 June 2017.

About the Auditors Report

Council's Financial Report is required to be audited in accordance with Australian Auditing Standards.

The Auditor provides an independent auditors report which gives an opinion on whether Council's financial report present fairly its financial position and performance.

Who uses the Financial Statements?

The Financial Statements are a public document that is presented at the Annual General Meeting of the Council.

In accordance with s84 of the *Local Government Act 1993* the Financial Statements must be presented to the Auditor General and must be included in Council's Annual Report.

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Statement of Comprehensive Income For the Year Ended 30 June 2017

	Note	Budget 2017 \$	Actual 2017 \$	Actual 2016 \$
Income				
Recurrent income				
Rates and charges	5	6,829,050	6,929,961	6,620,847
Statutory fees and fines	6	526,494	574,963	552,013
User fees	7	882,821	988,748	905,246
Grants	8	1,413,140	2,254,629	748,460
Interest	10	175,500	223,735	246,943
Other Income	11	1,232,865	1,796,443	1,377,281
Investment revenue from water corporation	13,21	573,000	587,223	542,532
		11,632,870	13,355,702	10,993,322
Capital income				
Capital grants received specifically for new or upgraded assets	8	1,982,610	889,390	634,237
Contributions - cash	9	25,000	98,432	-
Contributions - non monetary assets	9	750,000	139,313	1,977,976
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	12	-	(189,769)	(485,346)
State Government asset transfers	12	-	1,494,790	-
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	20	-	253,109	173,344
		2,757,610	2,685,265	2,300,211
Total Income		14,390,480	16,040,967	13,293,532
Expenses				
Employee benefits	14	3,388,860	3,550,764	3,448,148
Materials and services	15	3,798,130	4,005,587	3,762,918
Impairment of debts	16	-	43,873	8,298
Depreciation and amortisation	17	2,896,690	2,967,148	2,650,778
Finance costs	18	-	3,614	18,944
Other Expenses	19	1,358,480	1,279,955	4,035,175
Total expenses		11,442,160	11,850,941	13,924,260
Net result for the year		2,948,320	4,190,026	(630,727)
Other Comprehensive Income				
Items that will not be reclassified to surplus or deficit				
Net Asset revaluation increment/ (decrement)	35	4,873,054	7,737,425	1,747,749
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	20		7,455	80,162
		4,873,054	7,744,880	1,827,911
Items that may be reclassified to surplus or deficit				
Financial assets available for sale reserve				
— Fair Value adjustment on Available for Sale Assets	35	-	196,285	500,764
		-	196,285	500,764
Total Other Comprehensive Income		4,873,054	7,941,165	2,328,675
Comprehensive Result		7,821,374	12,131,191	1,697,948

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

Statement of Financial Position For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	22	8,975,297	7,233,554
Trade and other receivables	23	308,770	297,257
Financial assets	24	6,167	6,167
Inventories	25	124,335	135,441
Non current assets classified as held for sale	26	-	210,000
Other assets	27	214,648	201,342
Total current assets		9,629,217	8,083,761
Non-current assets			
Financial assets	24	9,250	15,416
Investment in associates accounted for using the equity method	20	1,428,006	1,227,067
Investment in water corporation	21	30,115,814	29,919,528
Property, plant and equipment and infrastructure	28	170,721,237	160,264,750
Total non-current assets		202,274,307	191,426,761
Total assets		211,903,524	199,510,522
Liabilities			
Current liabilities			
Trade and other payables	31	789,376	885,512
Trust funds and deposits	32	507,834	491,418
Provisions	33	1,185,775	1,151,556
Interest-bearing loans and borrowings	34	553,614	27,425
Total current liabilities		3,036,599	2,555,911
Non-current liabilities			
Trust funds and deposits	32	540,248	499,488
Provisions	33	3,156,012	3,166,807
Interest-bearing loans and borrowings	34	-	248,842
Total non-current liabilities		3,696,260	3,915,137
Total Liabilities		6,732,859	6,471,048
Net Assets		205,170,665	193,039,474
Equity			
Accumulated Surplus		104,399,070	100,209,044
Reserves	35	100,771,595	92,830,430
Total Equity		\$ 205,170,665	\$ 193,039,474

Statement of Changes in Equity For the Year Ended 30 June 2017

2017	Note	Total 2017 \$	Surplus Surplus 2017 \$	Asset Revaluation Reserve 2017 \$	Fair Value Reserve 2017 \$	Other Reserves 2017 \$
Balance at the Beginning of the Financial Year		193,039,474	100,209,044	89,369,130	3,284,491	176,809
Adjustment due to compliance with revised accounting standard		-	-			
Adjustment on change in accounting policy		-	-			
Surplus / (deficit) for the year		4,190,026	4,190,026	-	-	-
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value						
Financial assets available for sale reserve						
	— Fair Value adjustment on Available for Sale Assets	21	196,285	-	196,285	-
	Net asset revaluation increment/(decrement)	35	7,737,425	7,737,425	-	-
Actuarial gain/loss on defined benefits plans						
Share of other comprehensive income of associates & joint ventures accounted for by the equity method			7,455	-	-	7,455
Transfers between reserves						
Balance at the end of the financial year		205,170,665	104,399,070	97,106,555	3,480,776	184,264

2016	Note	Total 2016 \$	Surplus Surplus 2016 \$	Asset Revaluation Reserve 2016 \$	Fair Value Reserve 2016 \$	Other Reserves 2016 \$
Balance at beginning of the financial year		191,168,994	100,667,239	87,621,381	2,783,727	96,647
Adjustment due to compliance with revised accounting standard						
Adjustment on change in accounting policy						
Surplus / (deficit) for the year		(630,727)	(630,727)	-	-	-
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value						
Financial assets available for sale reserve						
	— Fair Value adjustment on Available for Sale Assets	21	500,764	-	500,764	-
	Net asset revaluation increment/(decrement)	35	1,747,749	1,747,749	-	-
Actuarial gain/loss on defined benefits plans						
Share of other comprehensive income of associates & joint ventures accounted for by the equity method			252,694	172,532		80,162
Transfers between reserves						
Balance at the end of the financial year		193,039,474	100,209,044	89,369,130	3,284,491	176,809

The above statement should be read with the accompanying notes.

Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$	2016 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		6,877,775	6,664,084
Statutory fees and fines		574,963	533,638
User charges and other fines		1,171,881	1,443,373
Grants		2,254,629	748,460
Developer contributions		18,038	38,056
Reimbursements		517,984	504,142
Interest		232,630	228,072
Investment revenue from water corporation		573,000	573,000
Other receipts		1,228,105	326,121
Net GST refund/payment		(185,062)	568,386
Payments to suppliers		(4,038,919)	(4,430,585)
Payments to employees		(3,527,961)	(3,185,663)
Finance costs		-	(18,944)
Other payments		(1,371,954)	(1,570,142)
Net cash provided by (used in) operating activities	36	4,325,108	2,421,998
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(4,167,293)	(3,653,164)
Proceeds from sale of property, infrastructure, plant and equipment		135,415	87,614
Capital grants		889,390	634,237
Contributions		98,432	-
Repayment of loans and advances from community organisations		6,166	6,167
Net cash provided by (used in) investing activities		(3,037,890)	(2,925,146)
Cash flows from financing activities			
Trust funds and deposits		180,791	174,429
Proceeds from interest bearing loans and borrowings		550,000	-
Repayment of interest bearing loans and borrowings		(276,267)	(25,706)
Net cash provided by (used in) financing activities		454,524	148,723
Net increase (decrease) in cash and cash equivalents		1,741,742	(354,425)
Cash and cash equivalents at the beginning of the financial year		7,233,555	7,587,980
Cash and cash equivalents at the end of the financial year	37	8,975,297	7,233,555
Financing arrangements	38	-	-
Restrictions on cash assets	22	-	-
Non-cash financing and investing activities	39	-	-

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

Notes to the Financial Report For the Year Ended 30 June 2017

Note 1 Reporting Entity

- a) The Latrobe Council (Council) was established in 1993 and was formerly the Municipality of Latrobe which was established in 1907. The Council is a body corporate with perpetual succession and a common seal. Council's main office is situated at 170 Gilbert Street, Latrobe.
- b) The purpose of the Council is
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the municipality.

Note 2 Basis of accounting

This financial report is a general purpose financial report that consists of the Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the Local Government Act 1993 (LGA1993) (as amended). Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

This financial report has been prepared on the accrual and going concern basis.

All amounts are presented in Australian dollars and unless stated, have been rounded to the nearest dollar.

This financial report has been prepared under the historic cost convention, except where specifically stated in notes 21,24,26,28,29,33,34 and 50(d).

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.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and Council have been eliminated in full.

Note 3 Use of Judgements and estimates

Judgements and Assumptions

In the application of AASB standards management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Council has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Judgements made by Council that have significant effects on the financial report are disclosed in the relevant notes as follows:

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 33.

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 40.

Fair value of property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 28.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 21.

Landfill / Tip Rehabilitation

Assumptions and judgements are utilised in determining the provision for rehabilitation of the former landfill site at Port Sorell are discussed in note 33b.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 4 Functions / Activities of Council

(a) Revenues, expenses & assets attributable to each function as categorised in (c) below:

Function	Revenue			Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
	Grants	Rates	Other				
	\$	\$	\$	\$	\$	\$	\$
Infrastructure							
Roads							
2016 - 2017	1,868,666	-	(412,046)	1,456,620	2,914,162	(1,457,542)	104,576,452
2015 - 2016	1,005,088	-	2,009,763	3,014,851	3,380,203	(365,352)	97,437,812
Stormwater & drainage							
2016 - 2017	40,000	-	44,204	84,204	422,420	(338,216)	18,565,261
2015 - 2016	-	-	3,200	3,200	461,201	(458,001)	18,622,357
Buildings							
2016 - 2017	-	-	3,212,068	3,212,068	2,121,331	1,090,737	26,185,253
2015 - 2016	-	-	1,036,050	1,036,050	1,858,787	(822,737)	25,778,622
Parks & Reserves							
2016 - 2017	59,800	-	90,250	150,050	966,061	(816,011)	15,775,557
2015 - 2016	-	-	7,641	7,641	939,309	(931,668)	14,110,931
Total Infrastructure							
2016 - 2017	1,968,466	-	2,934,476	4,902,942	6,423,973	(1,521,031)	165,102,523
2015 - 2016	1,005,088	-	3,056,654	4,061,742	6,639,500	(2,577,758)	155,949,722
Planning & Development							
2016 - 2017	-	-	995,805	995,805	1,204,298	(208,494)	1,565,459
2015 - 2016	-	-	983,220	983,220	1,156,209	(172,989)	1,339,483
Health & Environmental Mgt							
2016 - 2017	18,000	820,987	142,796	981,783	1,425,177	(443,395)	1,881,978
2015 - 2016	-	794,435	417,736	1,212,171	4,086,645	(2,874,474)	1,686,940
Community Development							
2016 - 2017	-	-	32,223	32,223	259,598	(227,375)	216,532
2015 - 2016	-	-	30,075	30,075	228,539	(198,464)	179,398
Organisational Development							
2016 - 2017	1,157,552	6,108,973	1,739,928	9,006,454	2,435,187	6,571,267	42,062,278
2015 - 2016	337,609	5,884,038	1,209,296	7,430,942	2,158,230	5,272,713	39,128,215
Latrobe Works Management							
2016 - 2017	-	-	121,760	121,760	102,707	19,053	1,074,754
2015 - 2016	-	-	60,729	60,729	140,484	(79,755)	1,226,764
Total							
2016 - 2017	3,144,018	6,929,961	5,966,988	16,040,967	11,850,941	4,190,026	211,903,524
2015 - 2016	1,342,697	6,678,473	5,757,710	13,778,880	14,409,607	(630,727)	199,510,522

(b) Reconciliation of Assets from note 4 (a) with Statement of Financial Position as at 30 June:

	2017	2016
Current Assets	9,629,217	8,083,761
Non-Current Assets	202,274,307	191,426,761
	211,903,524	199,510,522

Notes to the Financial Report For the Year Ended 30 June 2017

Note 4 Functions / Activities of Council (Cont.)

(c) Components of functions/activities

Roads

Construction and maintenance of roads, streets, bridges, footpaths, kerb and channel, parking facilities and street lighting.

Stormwater and drainage

Construction and maintenance of adequate storm water system.

Buildings

Construction and maintenance of Council owned buildings and community facilities.

Parks and Reserves

Provision of foreshore, bush land and urban parks and reserves, including cemetery.

Planning and Development

To facilitate sustainable economic development and planning within the municipal area which includes tourism, business development, building and planning services, by-laws and animal control.

Health and Environmental Management

Provision of health services, natural resource management and waste management.

Community Development

Provision of emergency services, fire protection and community participation including cultural festivals and events.

Organisational Development

Operation and maintenance of the Council Chambers, support services for elected members, governance, executive management, financial management and employee development.

Latrobe Works Department

Management and administration of the outside workforce.

Notes to the Financial Report For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 5 Rates and charges		
Council uses Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipal district. The AAV of a property is its notional annual gross rental as determined by the Valuer-General's Office (VGO).		
The AAV used to calculate general rates for 2016-17 was \$89.6 million (2015-16 \$88.06 million). The 2016-17 general rate in the AAV dollar was 6.365 cents (2015-16, 6.301 cents).		
Rates levied	6,584,569	6,373,002
Supplementary rates and rate adjustments	144,492	87,344
Rates and charges in advance	200,900	160,501
	6,929,961	6,620,847

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 July 2014, and the valuation was first applied in the rating year commencing 1 July 2015.

Rates received in advance in 2016-17 total \$200,900 and have been included as revenue for 2016-17. The amount of rates received in advance in 2015-16 was \$160,501 and was also included as revenue in 2015-16.

Accounting policy

Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt
Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Note 6 Statutory fees and fines

Animal control fees and infringements	58,373	54,730
Planning fees and charges	138,842	127,562
Land information certificates	101,305	92,893
Building permits and levies	256,892	258,454
Health licences	17,401	15,175
Drainage connection fees	2,150	3,200
Total statutory fees and fines	574,963	552,013

Accounting policy

Fees and fines are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Note 7 User fees

Planning services fees	7,950	15,353
Building services fees	3,810	805
Private Works	86,355	25,770
Camp Banksia fees	313,482	350,133
Banksia Centre fees	22,807	22,573
Port Sorell Caravan Park fees	410,777	355,072
Waste transfer station fees	32,787	28,045
Other fees and charges	110,779	107,495
Total user fees	988,748	905,246

Accounting policy

User fee income

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 8 Grants	2017 \$	2016 \$
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	3,109,038	1,382,697
State funded grants	16,981	-
Others	18,000	-
Total	3,144,019	1,382,697
Grants - Recurrent		
Commonwealth Government Financial Assistance Grants - general purpose	733,349	377,609
Commonwealth Government Financial Assistance Grants - roads	680,731	350,689
Commonwealth Government Financial Assistance Grants - bridges	37,136	20,162
Commonwealth Government Financial Assistance Grants - advance payment	745,413	-
Commonwealth Government - flood mitigation	40,000	-
Cradle Coast NRM - ricegrass control	18,000	-
Total recurrent grants	2,254,629	748,460
<p>The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2016-17 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2016-17 by \$740,120. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in 2016-17 by \$740,120. The impact on Council's operating result of the early receipt of these Financial Assistance Grants is summarised below.</p>		
Commonwealth Government Financial Assistance Grants relating to the financial year.	1,451,216	1,446,742
Commonwealth Government Financial Assistance Grants included in operating result for the financial year.	2,196,629	748,460
Increase/(Decrease) in operating surplus due to early receipt of Commonwealth Government Financial Assistance Grants	745,413	(698,282)
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - Roads to Recovery	512,609	634,237
Commonwealth Government - Black spot program	250,000	-
Commonwealth Government - Banksia Centre	50,000	-
Commonwealth Government - Bells Parade playground equipment	14,800	-
Commonwealth Government - Bosworth Park playground equipment	45,000	-
State Government - bridge barrier rail	16,981	-
Total capital grants	889,390	634,237
Conditions on grants		
Non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	-	-
Less: expended during the current period from revenues recognised in previous reporting periods	-	-
	-	-
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Commonwealth Government - flood mitigation	40,000	-
Commonwealth Government - Bosworth Park playground equipment	45,000	-
	85,000	-
Unexpended at the close of this reporting period	85,000	-
Net increase (decrease) in non-reciprocal grant revenues for the year:	85,000	-

Notes to the Financial Report For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 8 Grants (Cont.)		
Accounting policy		
Grant income - operating and capital		
Grant income is recognised as revenue when Council obtains control over the assets comprising the receipt.		
Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.		
Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant is also disclosed. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.		
A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants.		
Unreceived contributions over which Council has control are recognised as receivables.		

Note 9 Contributions

(a) Cash

Roads	8,900	-
Land improvements	83,282	-
Other	6,250	-
Total	98,432	-

(b) Non-monetary assets

Land under roads	-	112,978
Roads (including footpaths, kerb and channel)	74,122	1,227,298
Stormwater and drainage	65,191	637,700
Total	139,313	1,977,976

Total contributions

	237,745	1,977,976
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Accounting policy

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt.

Revenue is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets.

Unreceived contributions over which Council has control are recognised as receivables.

Where contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused contribution is also disclosed. The note also discloses the amount of unused contribution from prior years that was expended on Council's operations during the current year.

Note 10 Interest

Interest on cash and cash equivalents	223,735	246,943
Total	223,735	246,943

Notes to the Financial Report For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 10 Interest (Cont.)		
Accounting policy		
Interest is recognised progressively as it is earned.		
Note 11 Other income		
Rental and lease income	16,089	22,880
Rental income - Elderly Persons Units	369,759	371,320
Amortisation of Elderly Persons Units tenancy bonds	128,220	110,603
Income tax equivalents - Dulverton Waste Management Authority	142,847	101,429
Insurance recovery	-	73
National Disaster Relief and Recovery Funding Reimbursements	447,028	-
Developer contributions	517,984	504,142
Other	18,038	38,056
Total Other Revenue	1,796,443	1,377,281

Accounting Policy

Rental income

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Operating leases as lessor

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements.

Where leases are non-commercial agreements, these are generally with not for profit, such as sporting, organisations. In these cases subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis and records the associated properties as investment property in accordance with AASB 140. These properties are recognised at fair value. These leases may include incentives which have not been recognised in the statement of financial position, on the basis the amounts are unlikely to be material and could be reliably measured at balance date.

Note 12 i) Net gain/(loss) on disposal of property, plant and equipment and infrastructure

Land

Proceeds of sale	-	-
Write down value of assets disposed	-	-
Net Gain/(Loss) on Disposal of Land	-	-

Property, plant and equipment and infrastructure

Proceeds of sale	135,415	87,614
Write down value of assets disposed	(325,184)	(572,960)
Net Gain/(Loss) on Disposal of Plant and Infrastructure	(189,769)	(485,346)

Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(189,769)	(485,346)
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Accounting policy

Gains and losses on asset disposals

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer

Notes to the Financial Report For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 12 ii) State Government asset transfers		
Transfers from State Government		
Land - Camp Banksia	1,600,000	-
Land improvements - Camp Banksia	204,963	-
Buildings - Camp Banksia	1,266,797	-
	3,071,759	-
Transfers to State Government		
Land - Camp Boomerang	(825,000)	-
Buildings - Camp Boomerang	(396,390)	-
Road assets constructed - roundabout on Gilbert Street, Latrobe	(355,580)	-
	(1,576,970)	-
Net gain/(loss) on State Government transfers	1,494,790	-

Latrobe Council and the State government agreed to exchange land situated at Port Sorell. Crown land known as Camp Banksia was exchanged for Council land known as Camp Boomerang. The difference in value was the State Governments contribution to Council's redevelopment of Camp Banksia, including the construction of the Port Sorell Community Centre.

Council constructed at roundabout on Gilbert Street, Latrobe to improve traffic flows on Gilbert Street and facilitate diversion of traffic to Victor and Cotton Streets. Gilbert Street is a State Road under the State Road hierarchy as it is the main road servicing the town.

Note 13 Investment revenue from water corporation

Dividend revenue received	371,620	388,350
Tax equivalent received	166,386	107,579
Guarantee fee received	49,217	46,603
Total investment revenue from water corporation	587,223	542,532

Accounting policy

Investment revenue

Dividend revenue is recognised when Council's right to receive payment is established.

Note 14 Employee benefits

Wages and salaries	2,606,901	2,621,142
Annual leave and long service leave	550,644	483,437
Superannuation	292,624	299,340
Payroll tax	134,426	138,228
Other employee costs	129,023	116,917
	3,713,618	3,659,064
Less amounts capitalised	(162,854)	(210,916)
Total employee benefits	3,550,764	3,448,148

Accounting policy

Employee benefits

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

Notes to the Financial Report For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 15 Materials and services		
Animal services contract	64,555	60,734
Building maintenance	226,544	212,124
Consultants	199,220	77,986
Fuel purchases	109,990	102,664
Garbage collection contract	123,615	127,569
General insurance	145,446	116,517
Kerbside recycling contract	261,952	255,927
Legal expenses	3,152	4,926
Maintenance contract - IT services	86,501	85,310
Other power charges	173,268	156,663
Other waste management contracts	289,561	277,488
Plant maintenance	84,067	75,176
Rental expenses relating to operating leases Road maintenance	40,743	42,369
Spreyton Waste Transfer Station contract	237,202	249,141
Street lighting - power charge	184,418	202,535
Swimming Pool management contract	68,166	66,950
Telephone (including mobiles)	23,673	40,822
Water purchases and charges	185,540	134,330
Labour hire	42,468	58,030
Repair storm/flood damage	98,372	109,438
Assets expensed (Non - Council assets constructed)	59,458	133,588
Other materials and services	809,394	764,637
Total materials and services	4,005,587	3,762,918

Accounting policy

Materials and services expense

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Note 16 Impairment of receivables

Rates debtors	4,747	8,298
Other debtors	39,126	-
Total impairment of receivables	43,873	8,298

Accounting policy

Impairment expense

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

An impairment expense is recognised when there is objective evidence that amounts owed to Council are not probable of collection and resulting impairment loss has occurred.

Note 17 Depreciation and amortisation

Property

Land improvements	155,097	144,130
Buildings	726,347	442,049

Plant and Equipment

Plant, machinery and equipment	223,906	228,266
Minor plant	26,790	18,652
Fixtures, fittings and furniture	19,413	37,218

Notes to the Financial Report For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 17 Depreciation and amortisation (Cont.)		
<i>Infrastructure</i>		
Roads	1,160,417	1,163,650
Bridges	148,598	135,641
Footpaths and cycleways	155,488	146,277
Drainage	321,879	310,456
Off street car parks	29,213	24,439
Total depreciation and amortisation	2,967,148	2,650,778

Accounting policy

Depreciation and amortisation expense

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Land, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.

Capitalised road earthworks are not depreciated on the basis that they are treated consistently with land which is not a depreciable asset.

The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

Accounting policy

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Asset Class	Useful Life	Residual
<i>Property</i>		
Land Improvements	5-100 years	nil
Buildings	20-120 years	nil
<i>Plant and Equipment</i>		
Plant, machinery and equipment	5-20 years	nil to 50%
Minor Plant	5-20 years	nil
Fixtures, fitting and furniture	2-20 years	nil
<i>Roads</i>		
Road Pavement - sub-base	200 years	nil
Road Pavement - sealed base course	70 to 110 years	nil
Road Seal	18 to 30 years	nil
Unsealed Road - wearing course	3 to 7 years	nil
Kerb and Channel	80 years	nil
<i>Bridges</i>		
Bridges - concrete	80 years	nil
Bridges - timber	20 years	nil

Notes to the Financial Report For the Year Ended 30 June 2017

Note 17 Depreciation and amortisation (Cont.)	2017	2016
	\$	\$
Asset Class	Useful Life	Residual
<i>Other Infrastructure</i>		
Footpaths and cycleways - concrete or paved	80 years	nil
Footpaths and cycleways - sealed or gravel	20 to 30 years	nil
Footpaths and cycleways - paved	50 years	nil
Drainage	80 years	nil
Off street car parks (as per Road Pavement and Road Seal above)		

Note 18 Finance Costs

Interest - Borrowings	3,614	18,944
Total Borrowing Costs	3,614	18,944

Accounting policy

Finance expense

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

Note 19 Other expenses

External auditors' remuneration	28,690	24,257
Bank fees	29,075	28,679
Building levy reimbursements	90,425	133,377
Community grants	50,111	38,699
Councillors allowances	149,678	146,317
Cradle Coast Authority	84,298	73,310
Election expenses	4,837	4,680
Fire Commission contribution	357,750	341,297
Fringe benefits tax	25,834	35,332
Land tax	103,015	97,960
LGAT Levy	43,823	43,597
Rates early payment discount	43,636	55,697
Rate remissions	41,106	83,012
Registration of motor vehicles	26,106	26,314
Property valuation costs	47,706	59,188
Other	153,865	148,983
	1,279,955	1,340,699
Provision for landfill restoration	-	2,694,475
Total other expenses	1,279,955	4,035,174

Accounting policy

Other expenses

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Note 20 Investment in associates

Investments in associates accounted for by the equity method are

- Dulverton Regional Waste Management Authority	1,428,006	1,227,067
Total	1,428,006	1,227,067

Notes to the Financial Report For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 20 Investment in associates (Cont.)		
Dulverton Regional Waste Management Authority		
<p>Council is a partner in the Dulverton Regional Waste Management Authority, a Joint Authority established under the Local Government Act. The primary activity of the Authority is to operate a regional landfill site at Dulverton. Other partners in this Joint Authority are Devonport City, Central Coast and Kentish Councils.</p> <p>Council's ownership interest in the Authority at 30 June 2017 was 11.25% (2016: 11.25%). The proportion of voting power held in the Authority is 25% (2016: 25%).</p> <p><i>Council's share of accumulated surplus/(deficit)</i></p>		
Council's share of accumulated surplus/(deficit) at start of year	1,050,259	876,915
Reported surplus (deficit) for year	253,109	218,344
Transfers (to) from reserves		
Distributions for the year	(59,625)	(45,000)
Council's share of accumulated surplus/(deficit) at end of year	1,243,743	1,050,259
 <i>Council's share of reserves</i>		
Council's share of reserves at start of year	176,809	122,479
Transfers (to) from reserves	7,455	54,330
Council's share of reserves at end of year	184,264	176,809
 <i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	1,227,067	999,393
Share of surplus (deficit) for year	253,109	218,344
Share of asset revaluation	7,455	54,330
Distributions received	(59,625)	(45,000)
Carrying value of investment at end of year	1,428,006	1,227,067
 The Authority's assets, liabilities and revenue for the relevant financial years were		
Revenue	10,290,552	9,124,060
Total Assets	18,459,116	16,364,412
Total Liabilities	5,765,736	5,457,156

Accounting policy

Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Statement of Comprehensive Income.

Note 21 Investment in Water Corporation

Opening Balance	29,919,528	29,418,764
Fair Value adjustments on Available-for-Sale Assets	196,286	500,764
Total investment in water corporation	30,115,814	29,919,528

Council has derived returns from the water corporation as disclosed at note 13

Accounting policy

Investment assets

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2017, Council held a 1.9% (2016: 1.9%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the council's voting rights. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 35).

Notes to the Financial Report For the Year Ended 30 June 2017

	2017 \$	2016 \$
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Note 21 Investment in Water Corporation (Cont.)

Council has classified this asset as an Available-for-Sale financial asset as defined in AASB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial report.

On 7 March 2017 the State Government announced its intention to take ownership of Tasmanian Water and Sewerage Corporation Pty Ltd from July 2018. The State Government intends to introduce a suite of legislation in the Spring Session of Parliament that will transfer all of Tasmanian Water and Sewerage Corporation Pty Ltd's assets, rights, obligations and liabilities, including employees under their current terms and conditions, to a newly created government business, which will commence operations by 1 July 2018. As, at the date of these financial statements, there is no indication as to whether the legislation will be passed, no change has been made to the basis on which the investment Tasmanian Water and Sewerage Corporation Pty Ltd has been recognised for the year ended 30 June 2017.

Note 22 Cash and Cash Equivalents

Cash on hand	1,085	1,085
Cash at bank	2,467,816	1,732,384
Term deposits	6,506,396	5,500,086
Total cash and cash equivalents	8,975,297	7,233,555

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Trust funds and deposits (note 32)	1,048,082	990,906
Conditions on grants (note 8)	85,000	-
Leave provisions (note 33)	1,021,327	997,903
Landfill rehabilitation provision (note 33)	3,320,460	3,320,460
Total restricted cash and cash equivalents	5,474,869	5,309,269
Total unrestricted cash and cash equivalents	3,500,428	1,924,286

Accounting policy

Cash and cash equivalents

For the purposes 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.

Note 23 Trade and other receivables

Current

Rates debtors	178,234	126,048
Provision for impairment - Rates debtors	(110,040)	(105,293)
	68,194	20,755
Other debtors	237,822	183,545
Provision for impairment - Other debtors	(39,126)	-
Net GST Credits/(Payables)	41,880	92,957
Total trade and other receivables	308,770	297,257

Accounting policy

Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. A provision for impairment on rates is generally not established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Note 24 Financial Assets

Current

Loans and advances to community organisations	6,167	6,167
	6,167	6,167

Non-current

Loans and advances to community organisations	9,250	15,416
	9,250	15,416

Notes to the Financial Report For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 24 Financial Assets (Cont.)		
Accounting policy		
Financial assets		
Council investments are limited to deposits with financial institutions and investment arrangements accepted, guaranteed or issued by or for the Commonwealth, State or prescribed financial institution.		
Council's investment policy prohibits any investment carried out for speculative purposes, including but not limited to;		
• Derivative based instruments;		
• Principal only investments or securities that provide potentially nil or negative cash flow; and		
• Stand-alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.		
Council's policy also prohibits the use of leveraging (borrowing to invest) of an investment.		

Note 25 Inventories

Inventories held for distribution	124,335	127,126
Inventories held for sale	-	8,315
Total Inventories	124,335	135,441

Accounting policy

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

Note 26 Assets held for sale

Internal transfer from land	-	210,000
Impairment adjustment	-	-
Total	-	210,000

Accounting policy

Assets held for sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Vacant industrial land at Lot 15 Burgess Drive was reclassified from "Assets held for sale" to "Land" as it was not highly probable that the asset would be sold within the next twelve months.

Note 27 Other Assets

Current

Prepayments	40,247	31,247
Accrued income	174,401	170,095
Total	214,648	201,342

Notes to the Financial Report For the Year Ended 30 June 2017

Note 28 Property, plant and equipment and infrastructure

	2017 \$	2016 \$
<i>Summary</i>		
at cost	4,300,237	4,342,128
Less accumulated depreciation	2,102,469	1,977,333
	2,197,768	2,364,795
at fair value as at 30 June	239,696,690	216,585,257
Less accumulated depreciation	71,173,221	58,685,301
	168,523,469	157,899,955
Total	170,721,237	160,264,750
<i>Property</i>		
Land		
at fair value as at 30 June	18,431,608	17,274,624
	18,431,608	17,274,624
Land under roads		
at fair value as at 30 June	19,737,384	19,737,384
	19,737,384	19,737,384
Land improvements		
at fair value as at 30 June	7,110,309	5,158,296
Less accumulated depreciation	3,209,507	2,603,577
	3,900,802	2,554,719
<i>Total Land</i>	42,069,794	39,566,727
Buildings		
at fair value as at 30 June	43,340,722	40,678,639
Less accumulated depreciation	18,776,523	16,877,355
	24,564,199	23,801,283
<i>Total Property</i>	66,633,993	63,368,010
<i>Plant and Equipment</i>		
Plant, machinery and equipment		
at cost	3,468,915	3,355,159
Less accumulated depreciation	1,584,603	1,478,880
	1,884,312	1,876,279
Fixtures, fittings and furniture		
at cost	612,804	591,197
Less accumulated depreciation	517,866	498,453
	94,938	92,744
<i>Total Plant and Equipment</i>	1,979,250	1,969,023
<i>Infrastructure</i>		
Roads		
at fair value as at 30 June	101,100,489	87,026,393
Less accumulated depreciation	34,270,294	25,596,732
	66,830,195	61,429,661
Bridges		
at fair value as at 30 June	10,316,829	9,451,575
Less accumulated depreciation	4,125,916	3,837,830
	6,190,913	5,613,745
Footpaths and cycleways		
at fair value as at 30 June	12,006,378	10,421,777
Less accumulated depreciation	3,015,685	2,460,620
	8,990,693	7,961,157

Notes to the Financial Report For the Year Ended 30 June 2017

Note 28 Property, plant and equipment and infrastructure (Cont.)

	2017 \$	2016 \$
<i>Infrastructure (Cont.)</i>		
Stormwater and drainage		
at fair value as at 30 June	25,734,814	25,486,237
Less accumulated depreciation	7,224,111	6,917,416
	18,510,703	18,568,821
Off street carparks		
at fair value as at 30 June	1,918,157	1,350,332
Less accumulated depreciation	551,185	391,771
	1,366,972	958,561
 <i>Total Infrastructure</i>	 101,889,476	 94,531,945
 <i>Works in progress</i>		
land improvements	26,987	11,755
buildings	40,032	3,720
roads	93,060	297,902
stormwater and drainage	50,545	53,536
footpaths and cycleways	7,586	28,859
off street par parks	309	-
<i>Total Works in progress</i>	218,518	395,772
 <i>Total property, plant and equipment and infrastructure</i>	 170,721,237	 160,264,750

Notes to the Financial Report For the Year Ended 30 June 2017

Note 28 Property, plant and equipment and infrastructure (Cont.)

Reconciliation of property, plant and equipment and infrastructure

2017	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 35)	Depreciation and amortisation (note 17)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property</i>								
land	17,484,624	1,771,984	-	-	(825,000)	-	-	18,431,608
land under roads	19,737,384	-	-	-	-	-	-	19,737,384
land improvements	2,554,719	641,912	850,524	(155,097)	-	-	8,743	3,900,802
less land held for resale	(210,000)	-	-	-	-	-	210,000	-
Total land	39,566,727	2,413,896	850,524	(155,097)	(825,000)	-	218,743	42,069,793
buildings	23,801,283	1,910,742	(28,811)	(726,347)	(396,390)	-	3,720	24,564,198
Total property	63,368,010	4,324,638	821,713	(881,444)	(1,221,390)	-	222,464	66,633,992
<i>Plant and Equipment</i>								
plant, machinery and equipment	1,742,533	353,314	-	(223,906)	(128,410)	-	-	1,743,531
minor plant	133,744	33,824	-	(26,790)	-	-	-	140,778
fixtures, fittings and furniture	92,743	21,607	-	(19,413)	-	-	-	94,937
Total plant and equipment	1,969,020	408,746	-	(270,109)	(128,410)	-	-	1,979,246
<i>Infrastructure</i>								
roads	61,429,664	1,692,502	4,744,794	(1,160,417)	(173,636)	-	297,293	66,830,200
bridges	5,613,745	-	725,765	(148,598)	-	-	-	6,190,912
footpaths and cycleways	7,961,158	143,033	1,020,719	(155,488)	-	-	21,273	8,990,695
stormwater and drainage	18,568,821	283,908	-	(321,879)	(23,137)	-	2,991	18,510,703
off street car parks	958,560	13,191	424,432	(29,213)	-	-	-	1,366,970
Total infrastructure	94,531,948	2,132,634	6,915,711	(1,815,595)	(196,774)	-	321,556	101,889,481
<i>Works in progress</i>								
land improvements	11,755	23,975	-	-	-	-	(8,743)	26,987
buildings	3,720	40,032	-	-	-	-	(3,720)	40,032
roads	297,902	92,450	-	-	-	-	(297,293)	93,060
footpaths and cycleways	28,859	-	-	-	-	-	(21,273)	7,586
stormwater and drainage	53,536	-	-	-	-	-	(2,991)	50,545
off street car parks	-	309	-	-	-	-	-	309
Total works in progress	395,772	156,766	-	-	-	-	(334,020)	218,518
Total property, plant and equipment, infrastructure	160,264,750	7,022,784	7,737,424	(2,967,148)	(1,546,574)	-	210,000	170,721,237

Notes to the Financial Report For the Year Ended 30 June 2017

Note 28 Property, plant and equipment, infrastructure (Cont.)

Reconciliation of property, plant and equipment and infrastructure

2016	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 35)	Depreciation and amortisation (note 17)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property</i>								
land	17,103,927	-	380,697	-	-	-	-	17,484,624
land under roads	19,624,406	112,978	-	-	-	-	-	19,737,384
land improvements	2,619,126	91,478	-	(144,130)	-	-	(11,755)	2,554,719
less land held for resale	(533,000)	-	-	-	-	-	323,000	(210,000)
Total land	38,814,459	204,456	380,697	(144,130)	-	-	311,245	39,566,727
buildings	22,698,639	181,360	1,367,053	(442,049)	-	-	(3,720)	23,801,283
Total property	61,513,098	385,817	1,747,750	(586,179)	-	-	307,524	63,368,010
<i>Plant and Equipment</i>								
plant, machinery and equipment	1,701,707	359,893	-	(228,266)	(90,801)	-	-	1,742,533
minor plant	109,760	42,636	-	(18,652)	-	-	-	133,744
fixtures, fittings and furniture	129,961	-	-	(37,218)	-	-	-	92,743
Total plant and equipment	1,941,428	402,529	-	(284,136)	(90,801)	-	-	1,969,020
<i>Infrastructure</i>								
roads	60,146,095	3,146,078	-	(1,163,650)	(409,240)	-	(289,619)	61,429,664
bridges	5,590,705	158,681	-	(135,641)	-	-	-	5,613,745
footpaths and cycleways	7,491,888	686,919	-	(146,277)	(42,513)	-	(28,859)	7,961,158
stormwater and drainage	17,957,591	975,301	-	(310,456)	(30,407)	-	(23,208)	18,568,821
off street car parks	860,249	122,750	-	(24,439)	-	-	-	958,560
Total infrastructure	92,046,528	5,089,728	-	(1,780,463)	(482,160)	-	(341,685)	94,531,948
<i>Works in progress</i>								
land	-	-	-	-	-	-	-	-
land improvements	15,202	(15,202)	-	-	-	-	11,755	11,755
buildings	170	(170)	-	-	-	-	3,720	3,720
plant and equipment	2,586	(2,586)	-	-	-	-	-	-
roads	176,898	(168,615)	-	-	-	-	289,619	297,902
footpaths and cycleways	611	(611)	-	-	-	-	28,859	28,859
stormwater and drainage	30,328	-	-	-	-	-	23,208	53,536
off street car parks	59,752	(59,752)	-	-	-	-	-	-
Total works in progress	285,546	(246,935)	-	-	-	-	357,161	395,772
Total property, plant and equipment, infrastructure	155,786,600	5,631,139	1,747,750	(2,650,778)	(572,961)	-	323,000	160,264,750

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 28 Property, plant and equipment, infrastructure (Cont.)

Accounting policy

Recognition and measurement of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Property, plant and equipment and infrastructure received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold \$
Land	
land	Nil
land under roads	Nil
land improvements	1,000
Buildings	
buildings	5,000
Plant and Equipment	
plant, machinery and equipment	5,000
minor equipment	1,000
fixtures, fittings and furniture	1,000
Roads	
road pavements and seals	Nil
road substructure	Nil
road formation and earthworks	Nil
road kerb, channel and minor culverts	Nil
other road assets	Nil
Bridges	
bridges deck	Nil
bridges substructure	Nil
Other Infrastructure	
footpaths and cycleways	Nil
stormwater and drainage	Nil
off street car parks	Nil

Revaluation

Council has adopted the following valuation bases for its non-current assets:

Land	fair value
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 28 Property, plant and equipment, infrastructure (Cont.)

Accounting policy (Cont.)

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment and land improvements, are measured at their fair value in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

Impairment losses are recognised in the statement of comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

Land under roads

Council recognised the value of land under roads it controls at fair value.

Notes to the Financial Report For the Year Ended 30 June 2017

	2017	2016
	\$	\$

Note 29 Investment property

Council property that generates rental income is held to provide a social service or for strategic purposes rather than to earn rental income or for capital appreciation. As these properties do not meet the definition of investment property under AASB 140 they are accounted for under AASB 116 property, plant and equipment.

Accounting policy

Investment Property

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, investment property is carried at fair value, which is reviewed annually by Council Engineering staff. Changes to fair value are recorded in the Statement of Comprehensive Income in the period that they arise. Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term.

Investments, other than investments in associates and property, are measured at cost.

Note 30 Intangible assets

Council did not have any material intangible assets as at 30 June 2017.

Accounting policy

Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Note 31 Trade and other payables

Trade payables	243,800	687,161
Accrued Expenses	490,771	142,925
Accrued Payroll Expenses	54,805	55,426
Total trade and other payables	789,376	885,512

Note 32 Trust funds and deposits

Current

Bonds/Security Deposits	354,737	349,145
Revenue in Advance	19,598	14,993
Tenancy Bonds - Elderly Persons Units	133,499	127,280
	507,834	491,418

Non-Current

Tenancy Bonds - Elderly Persons Units	540,248	499,488
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Total trust funds and deposits

	1,048,082	990,906
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Accounting policy

Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 33 Provisions

2017	Annual Leave	Long Service Leave	Other Payroll	Landfill Restoration	Other	Total
Balance at beginning of the financial year	428,430	500,055	56,798	3,320,460	12,620	4,318,363
Additional provisions	211,879	93,926	1,722	-	73,099	380,626
Amounts used	(185,701)	(98,554)	-	-	(72,947)	(357,202)
Balance at the end of the financial year	454,608	495,427	58,520	3,320,460	12,772	4,341,787

2016	Annual Leave	Long Service Leave	Other Payroll	Landfill Restoration	Other	Total
Balance at beginning of the financial year	418,525	501,510	55,566	625,985	21,087	1,622,673
Additional provisions	188,318	76,964	1,232	2,694,475	62,873	3,023,862
Amounts used	(178,413)	(78,419)	-	-	(71,340)	(328,172)
Balance at the end of the financial year	428,430	500,055	56,798	3,320,460	12,620	4,318,363

(a) Employee benefits	2017	2016
(i) Current	\$	\$
Time in Lieu	12,772	12,620
Annual Leave	454,608	428,430
Long Service Leave	440,330	431,599
Other Payroll Provisions	50,565	51,407
(ii) Non-current	958,275	924,056
<i>Non-Current Provisions</i>		
Long Service Leave	55,097	68,456
Other Payroll Provisions	7,955	5,391
	63,052	73,847
Total employee provisions	1,021,327	997,903

Accounting policy

Employee benefits

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

ii) Other long term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

iii) Sick leave

No accrual is made for sick leave as Council 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 recur in future reporting periods. Council does not make payment for untaken sick leave.

iv) Defined benefit plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e. as an expense when it becomes payable.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 33 Provisions (Cont.)

Accounting policy (Cont.)

iv) Defined benefit plans

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 30(a) of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

v) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Land fill restoration

Under Environmental Management and Pollution Control Act 1994 Council is obligated to restore the former Port Sorell landfill site to a particular standard. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard based on independent specialist advice. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council does not expect to receive reimbursement from a third party.

	2017	2016
	\$	\$
(i) Current		
Landfill Restoration	227,500	227,500
(ii) Non-current		
Landfill Restoration	3,092,960	3,092,960
Total	3,320,460	3,320,460

Notes to the Financial Report For the Year Ended 30 June 2017

Note 34 Interest-bearing loans and borrowings	2017 \$	2016 \$
<i>Current</i>		
Borrowings - secured	553,614	27,425
	553,614	27,425
<i>Non-Current</i>		
Borrowings - secured	-	248,842
	-	248,842
Total	553,614	276,267

Borrowings

The maturity profile for Council's borrowings is:

Not later than one year	553,614	27,425
Later than one year and not later than five years	-	128,681
Later than five years	-	120,161
Total	553,614	276,267

Council has a \$25,000 overdraft facility which is reviewed annually. The overdraft facility has not been used. Council has a Corporate Credit Card with an \$20,000 limit. The balance is paid in full on a monthly basis.

Accounting policy

Interest bearing liabilities

The borrowing capacity of Council is limited by the Local Government Act 1993. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the liability using the effective interest method.

Leases

i) Finance leases as lessee

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter.

ii) Operating leases as lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Council leases several parcels of Crown land under lease agreements with the State Government. These leases, in general, do not reflect commercial arrangements, are long-term and have minimal lease payments. Crown land is recognised as an asset in the Statement of Financial Position and carried at fair value when Council establishes that (i) it has control over the land and (ii) it will derive economic benefits from it.

Lease income from operating leases where Council is a lessor is recognised in income on a straight-line basis over the lease term.

iii) Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 35 Reserves

	2017 \$	2016 \$
Summary - Balances		
Asset Revaluation Reserve	97,106,555	89,369,130
Investment Revaluation Reserve - Associates	184,264	176,809
Investment Revaluation Reserve - Water Corporation	3,480,776	3,284,491
Total Reserves	100,771,595	92,830,430

2017	Balance at beginning of reporting year \$	Increment \$	(Decrement) \$	Balance at end of reporting year \$
(a) Asset revaluation reserve				
Property				
Land	14,168,425	-	-	14,168,425
Land Improvements	329,851	850,524	-	1,180,375
Buildings	12,475,686	-	(28,810)	12,446,876
Fixtures, fittings and furniture	3,569	-	-	3,569
	<u>26,977,531</u>	<u>850,524</u>	<u>(28,810)</u>	<u>27,799,245</u>
Infrastructure				
Roads	43,468,971	4,744,795	-	48,213,766
Bridges	3,847,542	725,765	-	4,573,307
Footpaths and cycleways	3,563,867	1,020,719	-	4,584,586
Stormwater and drainage	11,221,937	-	-	11,221,937
Off street carparks	289,282	424,432	-	713,714
	<u>62,391,599</u>	<u>6,915,711</u>	<u>-</u>	<u>69,307,310</u>
Total asset revaluation reserve	<u>89,369,130</u>	<u>7,766,235</u>	<u>(28,810)</u>	<u>97,106,555</u>
2016				
Property				
Land	13,787,728	380,697	-	14,168,425
Land Improvements	329,851	-	-	329,851
Buildings	11,108,634	1,367,052	-	12,475,686
Fixtures, fittings and furniture	3,569	-	-	3,569
	<u>25,229,782</u>	<u>1,747,749</u>	<u>-</u>	<u>26,977,531</u>
Infrastructure				
Roads	43,468,971	-	-	43,468,971
Bridges	3,847,542	-	-	3,847,542
Footpaths and cycleways	3,563,867	-	-	3,563,867
Stormwater and drainage	11,221,937	-	-	11,221,937
Off street carparks	289,282	-	-	289,282
	<u>62,391,599</u>	<u>-</u>	<u>-</u>	<u>62,391,599</u>
Total asset revaluation reserve	<u>87,621,381</u>	<u>1,747,749</u>	<u>-</u>	<u>89,369,130</u>

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 35 Reserves (Cont.)

2017	Balance at beginning of reporting year \$	Increment \$	(Decrement) \$	Balance at end of reporting year \$
<i>(b) Fair value reserve</i>				
Available-for-sale assets				
Investment in water corporation	3,284,491	196,285	-	3,480,776
Total fair value reserve	3,284,491	196,285	-	3,480,776
2016				
Available-for-sale assets				
Investment in water corporation	2,783,727	500,764	-	3,284,491
Total fair value reserve	2,783,727	500,764	-	3,284,491

The available-for-sale financial asset reserve was established to capture the fair value movements in Council's Water Corporation investment.

2017	Balance at beginning of reporting year \$	Increment \$	(Decrement) \$	Balance at end of reporting year \$
Share in Reserves - Dulverton Regional Waste Management Authority	176,809	7,455	-	184,264
Total Investment Revaluation Reserve	176,809	7,455	-	184,264
2016				
Share in Reserves - Dulverton Regional Waste Management Authority	96,647	80,162	-	176,809
Total Investment Revaluation Reserve	96,647	80,162	-	176,809

Note 36 Reconciliation of cash flows from operating activities to surplus (deficit)

Result from continuing operations	4,190,026	(630,727)
Depreciation / amortisation	2,967,148	2,650,778
Elderly Persons Unit Income	(128,220)	(110,603)
Share of Profit of Associates	(193,484)	(150,843)
Capital grants received specifically for new or upgraded assets	(889,390)	(634,237)
Contributions - cash	(98,432)	-
Contributions - non monetary	(139,313)	(1,977,976)
(Profit)/loss on disposal of property, plant and equipment, infrastructure	189,769	485,346
State Government asset transfers	(1,494,790)	-
	213,288	262,465
<i>Changes in Assets and Liabilities</i>		
Decrease/(increase) in trade and other receivables	(62,590)	30,582
Decrease/(increase) in other assets	37,771	(33,059)
Decrease/(increase) in inventories	11,106	(88,336)
Increase/(decrease) in trade and other payables	(96,136)	190,730
Increase/(decrease) in provisions	23,424	2,695,690
Increase/(decrease) in other liabilities	8,219	(5,347)
	(78,206)	2,790,260
Net cash provided by/(used in) operating activities	4,325,108	2,421,998

Note 37 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 22)	8,975,297	7,233,555
Less bank overdraft	-	-
Total reconciliation of cash and cash equivalents	8,975,297	7,233,555

Note 38 Financing arrangements

Bank overdraft	25,000	25,000
Credit cards	20,000	20,000
Used facilities	-	-
Unused facilities	45,000	45,000

Council has a \$25,000 overdraft facility which is reviewed annually. The overdraft facility has not been used. Council has a Corporate Credit Card with an \$20,000 limit. The balance is paid in full on a monthly basis.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 39 Non-cash financing and investing activities

Council does not currently have any non-cash financing or investing activities.

Note 40 Superannuation

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2017 Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2014. The review disclosed that at that time the net market value of assets available for funding member benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000, the value of total accrued benefits was \$58,093,000, and the number of members was 187. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

The financial assumptions used to calculate the Accrued Benefits for the Fund were:

- Net Investment Return 7.0% p.a.
- Salary Inflation 4.0% p.a.
- Price Inflation n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2014.
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2014.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2017.

The Actuary recommended that in future the Council contribute 11.0% of salaries in 2014/15 and 9.5% of salaries thereafter.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2017 and is expected to be completed late in 2017.

Council also contributes to other accumulation schemes on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

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

As required in terms of paragraph 148 of AASB 119 *Employee Benefits*, Council discloses the following details:

- The 2014 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is different from the method used at the previous actuarial review in 2011.

Under the aggregate funding method of financing the benefits, the stability of Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$47,574 (2015-16, \$48,328), and the amount paid to accumulation schemes was \$245,049 (2015-16, \$250,965).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$48,731, and the amount to be paid to accumulation schemes is \$267,723.

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 40 Superannuation (Cont.)

- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2014. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2017.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2014, showed that the Fund had assets of \$66.3 million and members' Vested Benefits were \$57.5 million. These amounts represented 8.4% and 7.5% respectively of the corresponding total amounts for the Scheme.
- As at 30 June 2016 the fund had 151 members and the total employer contributions and member contributions for the year ending 30 June 2016 were \$1,956,576 and \$284,779 respectively.

Note 41 Commitments

Capital Expenditure Commitments

Land

Total Capital expenditure commitments

	2017 \$	2016 \$
Land	-	2,000,000
Total Capital expenditure commitments	-	2,000,000

Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial report are as follows:

Garbage collection contract (expires 30/06/2017)

Kerbside recycling contract (expires 1/02/2019)

Cradle Coast Authority (24 months notice required)

IT Services

LGAT Levy

Total contractual commitments

Garbage collection contract (expires 30/06/2017)	-	131,395
Kerbside recycling contract (expires 1/02/2019)	431,922	698,249
Cradle Coast Authority (24 months notice required)	140,322	149,893
IT Services	94,238	109,952
LGAT Levy	44,833	43,823
Total contractual commitments	711,314	1,133,312

Note 42 Operating leases

(a) Operating lease commitments

Council as lessee

Lease of Computers, IT equipment, photocopiers and printers

At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment for use within Council's activities (these obligations are not recognised as liabilities):

Not later than one year

Later than one year and not later than five years

Later than five years

Not later than one year	17,530	32,310
Later than one year and not later than five years	-	18,722
Later than five years	-	-
	17,530	51,031

(b) Operating lease receivables

Council as lessor

Lease of commercial premises

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year

Later than one year and not later than five years

Later than five years

Not later than one year	18,100	3,200
Later than one year and not later than five years	41,100	12,400
Later than five years	-	-
	59,200	15,600

Note 43 Contingent liabilities and contingent assets

Contingent liabilities

Council is unaware of any contingent liabilities. There are no legal matters which have damages claims attached.

Guarantees for loans to other entities

Council presently does not have any guarantees for loans to other entities.

Contingent assets

Council is unaware of any contingent assets.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 44 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	22	Cash on hand and at bank and money market call accounts are valued at face value. Interest is recognised as it accrues. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	On call deposits returned an average floating interest rate of 2.03% (2.45% in 2015-16). Funds returned fixed interest rates of between 3.15% (3.31% in 2015-16), and 2.50% (2.90% in 2015-16) net of fees.
Trade and other receivables			
Other debtors	23	Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured.
Available for sale financial assets			
Investment in Water Corporation	21	The investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date.	Investment in TasWater provided return of 1.95% (1.81% in 2015-16) excluding unrealised gains/losses.
Financial Liabilities			
Trade and other payables	31	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	34	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables. Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 2.60% (6.39% in 2015-16). As at balance date, the Council had no finance leases.
Bank overdraft	22	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 44 Financial Instruments (Cont.)

(b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2017	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
<i>Financial assets</i>						
Cash and cash equivalents	2,467,816	6,506,396	-	-	1,085	8,975,297
Other financial assets	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	308,770	308,770
Investment in water corporation	-	-	-	-	30,115,814	30,115,814
<i>Total financial assets</i>	2,467,816	6,506,396	-	-	30,425,669	39,399,881
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	789,376	789,376
Trust funds and deposits	-	-	-	-	1,048,082	1,048,082
Interest-bearing loans and borrowings	-	553,614	-	-	-	553,614
<i>Total financial liabilities</i>	-	553,614	-	-	1,837,458	2,391,072
 Net financial assets (liabilities)	 2,467,816	 5,952,782	 -	 -	 28,588,211	 37,008,809

2016	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
<i>Financial assets</i>						
Cash and cash equivalents	1,732,384	5,500,086	-	-	1,085	7,233,555
Other financial assets	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	297,257	297,257
Investment in water corporation	-	-	-	-	29,919,528	29,919,528
<i>Total financial assets</i>	1,732,384	5,500,086	-	-	30,217,870	37,450,340
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	885,512	885,512
Trust funds and deposits	-	-	-	-	990,906	990,906
Interest-bearing loans and borrowings	-	27,425	128,681	120,161	-	276,267
<i>Total financial liabilities</i>	-	27,425	128,681	120,161	1,876,418	2,152,685
 Net financial assets (liabilities)	 1,732,384	 5,472,661	 (128,681)	 (120,161)	 28,341,452	 35,297,655

Notes to the Financial Report For the Year Ended 30 June 2017

Note 44 Financial Instruments (Cont.)

(c) Fair Value

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2017 \$	2016 \$	2017 \$	2016 \$
<i>Financial assets</i>				
Cash and cash equivalents	8,975,297	7,233,555	8,975,297	7,233,555
Trade and other receivables	308,770	297,257	308,770	297,257
Investment in water corporation	30,115,814	29,919,528	30,115,814	29,919,528
<i>Total financial assets</i>	39,399,881	37,450,340	39,399,881	37,450,340
<i>Financial liabilities</i>				
Trade and other payables	789,376	885,512	789,376	885,512
Trust funds and deposits	1,048,082	990,906	1,048,082	990,906
Interest-bearing loans and borrowings	553,614	276,267	553,614	276,267
<i>Total financial liabilities</i>	2,391,072	2,152,685	2,391,072	2,152,685

(d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position.

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Treasury and Finance each year.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1993*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,

Notes to the Financial Report For the Year Ended 30 June 2017

Note 44 Financial Instruments (Cont.)

Interest rate risk (Cont.)

- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in our Statement of Financial Position. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

Credit risk arises from Council's financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable policy note. Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables.

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.

In addition, receivable balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 43.

Movement in Provisions for Impairment of Trade and Other Receivables

	2017	2016
	\$	\$
Balance at the beginning of the year	105,293	96,995
New Provisions recognised during the year	43,873	8,298
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	149,166	105,293

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade and Other Receivables was:

	2017	2016
	\$	\$
Current (not yet due)	172,829	160,479
Past due by up to 30 days	12,088	19,397
Past due between 31 and 180 days	9,516	1,455
Past due between 181 and 365 days	2,799	6,939
Past due by more than 1 year	111,538	108,986
Total Trade & Other Receivables	308,770	297,256

Notes to the Financial Report For the Year Ended 30 June 2017

Note 44 Financial Instruments (Cont.)

Ageing of Trade and Other Receivables (Cont.)

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2017	2016
	\$	\$
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	149,166	105,293
Total Trade & Other Receivables	149,166	105,293

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

All rates receivable are in excess of 90 days. Generally, allowance for impairment loss is only recognised where it is considered unlikely that the unpaid rates will be recovered when the property is next sold.

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 44 Financial Instruments (Cont.)

Liquidity risk (Cont.)

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent the discounted cash flow payments (ie principal only).

2017	6 mths or less \$	6-12 months \$	1-2 years \$	2-5 years \$	>5 years \$	Contracted Cash Flow \$	Carrying Amount \$
Trade and other payables	847,896	-	-	-	-	847,896	847,896
Trust funds and deposits	488,236	-	540,248	-	-	1,028,484	1,028,484
Interest-bearing loans and borrowings	-	553,614	-	-	-	553,614	553,614
Total financial liabilities	1,336,132	553,614	540,248	-	-	2,429,994	2,429,994

2016	6 mths or less \$	6-12 months \$	1-2 years \$	2-5 years \$	>5 years \$	Contracted Cash Flow \$	Carrying Amount \$
Trade and other payables	942,310	-	-	-	-	942,310	942,310
Trust funds and deposits	476,425	-	499,488	-	-	626,768	626,768
Interest-bearing loans and borrowings	13,474	13,951	29,251	176,988	42,603	276,267	276,267
Total financial liabilities	1,083,064	13,951	528,739	176,988	42,603	1,845,345	1,845,345

Notes to the Financial Report For the Year Ended 30 June 2017

Note 44 Financial Instruments (Cont.)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 1.5%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by Council at year-end, if the above movements were to occur.

2017	\$	Interest rate risk				
		-1 % -100 basis points		+1% +100 basis points		
		Profit	Equity	Profit	Equity	
	\$	\$	\$	\$	\$	
Financial assets:						
Cash and cash equivalents	8,975,297	(89,753)	(89,753)	89,753	89,753	
Trade and other receivables	308,770	-	-	-	-	
Financial liabilities:						
Interest-bearing loans and borrowings	553,614	5,536	5,536	(5,536)	(5,536)	

2016	\$	Interest rate risk				
		-1 % -100 basis points		+1% +100 basis points		
		Profit	Equity	Profit	Equity	
	\$	\$	\$	\$	\$	
Financial assets:						
Cash and cash equivalents	7,233,554	(72,336)	(72,336)	72,336	72,336	
Trade and other receivables	318,840	-	-	-	-	
Financial liabilities:						
Interest-bearing loans and borrowings	276,267	2,763	2,763	(2,763)	(2,763)	

Notes to the Financial Report For the Year Ended 30 June 2017

Note 45 Fair Value Measurements

Council measures and recognises the following assets at fair value on a recurring basis:

- Property, infrastructure plant and equipment
 - Land
 - Buildings, including footpaths & cycleways
 - Roads
 - Bridges
 - Other infrastructure

Council does not measure any liabilities at fair value on a recurring basis.

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise subdivided land as disclosed in note 26. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale).

(a) Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2017.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

2017	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
Land	28	-	18,431,608	-	18,431,608
Land under roads	28	-	-	19,737,384	19,737,384
Land improvements	28	-	-	3,900,802	3,900,802
Buildings	28	-	-	24,564,199	24,564,199
Roads, including footpaths & cycleways	28	-	-	75,820,888	75,820,888
Bridges	28	-	-	6,190,913	6,190,913
Drainage	28	-	-	18,510,703	18,510,703
Off street car parks	28	-	-	1,366,972	1,366,972
		-	18,431,608	150,091,861	168,523,469
Non-recurring fair value measurements					
Assets held for sale	26	-	-	-	-
		-	-	-	-

2016	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
Land	28	-	17,274,624	-	17,274,624
Land under roads	28	-	-	19,737,384	19,737,384
Land improvements	28	-	-	2,554,719	2,554,719
Buildings	28	-	-	23,801,283	23,801,283
Roads, including footpaths & cycleways	28	-	-	69,390,818	69,390,818
Bridges	28	-	-	5,613,745	5,613,745
Drainage	28	-	-	18,568,821	18,568,821
Off street car parks	28	-	-	958,561	958,561
		-	17,274,624	140,625,331	157,899,955

Notes to the Financial Report For the Year Ended 30 June 2017

Note 45 Fair Value Measurements (Cont.)

Non-recurring fair value measurements

Assets held for sale	26	-	210,000	-	210,000
		-	210,000	-	210,000

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

(b) Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.

(c) Valuation techniques and significant inputs used to derive fair values

Land

Land fair values were determined by the Tasmanian Valuer General effective 1 July 2015. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Land held for sale

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

Land under roads

Land under roads is based on council valuations at 30 June 2016 using average per square metre property value rates supplied by the Valuer General.

Buildings

Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

Where Council buildings are of a specialist nature (eg heritage buildings) and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values have been derived from reference to market data for recent projects and costing guides.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). These other inputs are not significant to the overall valuation.

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 45 Fair Value Measurements (Cont.)

Infrastructure assets (Cont.)

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on the assumption that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks.

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in note 28.

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

The methods for calculating CRC are described under individual asset categories below.

Roads, including footpaths & cycleways

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads and collector / commercial or residential roads. Urban roads are managed in segments according to the typical street block, while rural roads are managed in segments according to changes in key characteristics such as road width, or date of sealing. All road segments are then componentised into formation, sub-pavement, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of; 400mm (200mm sub-base plus 200mm base-course) for urban collector / commercial roads; 350mm (150mm sub-base and 200mm base course) for rural collector / commercial roads; 300mm (150mm sub-base and 150mm base course) for urban residential and rural residential roads; and 200mm (100mm sub-base and 100mm wearing surface) for unsealed roads. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Buildings

Bridges

A full valuation of bridges assets was undertaken by independent valuers, TasSpan, effective 30 June 2017. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Stormwater and drainage

A full valuation of drainage infrastructure was undertaken by Council's Engineer effective 1 July 2011. This value has been increased as at 30 June 2014 by a factor representing the increase in the Australian Bureau of Statistics Road and Bridge Construction Index since 30 June 2011. Similar to roads, stormwater and drainage assets are managed in segments; pits and pipes being the major components.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 45 Fair Value Measurements (Cont.)

Buildings (Cont.)

Off street car parks

Off street car parks are not deemed to be significant in terms of Council's Statement of Financial Position.

(d) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 28 (Property, infrastructure, plant and equipment). Investment in water corporation, which is classified as level 3 has been separately disclosed in note 21.

(e) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment (recurring fair value measurements) is set out in notes 21, 28 and 29 respectively .

Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

(f) Assets and liabilities not measured at fair value but for which fair value is disclosed

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes (refer note 44).

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 44 equates to the carrying amount as the carrying amount approximates fair value (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

Notes to the Financial Report For the Year Ended 30 June 2017

Note 46 Events occurring after balance date

(a) There are no subsequent events after 30 June 2017 that have had a material impact on the accounts.

Note 47 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Councillor Peter Freshney - Mayor (2011 - current) Councillor Rick Rockliff - Deputy Mayor (1987 - current) Councillor Graeme Brown (2014 - current) Councillor Dayna Dennison (2010 - current) Councillor Mike McLaren (1999-2002 and 2003 - current) Councillor John Perkins (1991-1994, 1995-1999, 2002 - current) Councillor Garry Sims (1994 - current) Councillor Gerrad Wicks (2014 - current) Councillor Lesley Young (2009 - current)
General Manager	Gerald Monson (July 2007 - current)

(ii) Councillor Remuneration

2017	Short term employee benefits		Post employment benefits	Total Compensation AASB 124	Expenses	Total allowances and expenses section 72
	Allowances	Vehicles ²	Superannuation ¹			
	\$	\$	\$	\$	\$	\$
Mayor	42,055			42,055	98	42,153
Deputy Mayor	23,516			23,516	61	23,577
Councillors	84,107			84,107	366	84,473
Total	149,678	-	-	149,678	525	150,203

2016	Short term employee benefits		Post employment benefits	Total Compensation AASB 124	Expenses	Total allowances and expenses section 72
	Allowances	Vehicles ²	Super-annuation ¹			
	\$	\$	\$	\$	\$	\$
Mayor	41,110			41,110	107	41,217
Deputy Mayor	22,988			22,988	107	23,095
Councillors	82,219			82,219	747	82,966
Total	146,317	-	-	146,317	960	147,277

¹ Superannuation means the contribution to the superannuation fund of the individual.

² Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

(iii) Key Management Personnel Remuneration

2017	Remuneration band	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits ⁸	Total
			Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Other Long-term Benefits ⁶	Termination Benefits ⁷		
	\$120 001 - \$140 000	1	106,259		-		10,010	-	-	17,377	133,646
	\$140 001 - \$160 000	2	229,836		28,611		25,002	-	-	7,772	291,222
	\$220 001 - \$240 000	1	180,339		16,881		22,431	-	-	6,160	225,811
Total		4	516,435	-	45,492	-	57,442	-	-	31,309	650,678

Notes to the Financial Report For the Year Ended 30 June 2017

(iii) Key Management Personnel Remuneration (Cont.)

2016 Remuneration band	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits ⁸	Total
		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Other Long-term Benefits ⁶	Termination Benefits ⁷		
		\$	\$	\$	\$	\$	\$	\$		
\$100 001 - \$120 000	1	96,482	-	-	-	9,080	-	-	11,036	116,598
\$140 001 - \$160 000	2	233,106	-	33,996	-	25,471	-	-	5,307	297,880
\$220 001 - \$240 000	1	177,959	-	16,881	-	22,139	-	-	15,898	232,877
Total	4	507,546	-	50,877	-	56,689	-	-	32,241	647,354

¹ Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes.

³ Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

⁴ Other benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

⁵ Superannuation means the contribution to the superannuation fund of the individual.

⁶ Other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; other non-monetary benefits (such as housing, subsidised goods or services etc).

⁷ Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

⁸ Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc).

(iv) Remuneration Principles

Councillors

Regulation 42(2) of the Local Government (General) Regulations 2015 (the Regulations) specifies the allowances payable to councillors, mayors and deputy mayors following the last review in 2008. The allowances payable from 1 November 2014 are set out in Schedule 4 of the Regulations.

Executives

Remuneration levels for key management personnel are set in accordance with market based salaries relative to the responsibilities and accountability of the position.

The employment terms and conditions of senior executives are contained either in council's Enterprise Agreement or in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, Council also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package.

Notes to the Financial Report For the Year Ended 30 June 2017

(v) Transactions with associates

Council's interests in associates are detailed in note 20.

The following transactions occurred with Dulverton Waste Management Authority:

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions	Provisions for doubtful debts related outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
Waste disposal services ¹	\$628,320	Council owes \$49,695	30-day terms on invoices	-	-
National Taxation Equivalent Regime ²	\$142,847	Council recorded accrued revenue of \$28,608	As per Section 71 of the Government Business Enterprises Act 1995	-	-
Dividends ³	\$59,625	-	As determined by the Board of Dulverton Waste Management Authority	-	-

¹ Council incurs gate fees for disposal of waste collected as part of its curbside waste collection services and disposal of waste transferred from its waste transfer stations. Amounts are payable monthly.

² As part owner of Dulverton Waste Management Authority, council receives quarterly income tax equivalent payments from the authority.

³ As part owner of Dulverton Waste Management Authority, council receives dividends payments from time to time as declared by the board of the authority.

(vi) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions	Provisions for doubtful debts related outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
Costs relating to purchase of property by Council ¹	\$245,000	-	Once-off transaction	-	-
Commercial Lease and reimbursement of utilities ²	\$20,966	\$4,375	30-day terms on invoices	-	-
Cost relating to purchase of accommodation ³	\$6,125	-	Payment due on receipt of invoice	-	-

¹ Council purchased a residential property adjacent to the Council Chambers in Lewis Street, Latrobe from a close family member of a Key Management Person. The Key Management Person was excluded from all decisions and negotiations regarding this transaction.

² Council leased a commercial premises to a related party of a Key Management Person during 2016-17. The terms and conditions under the lease agreement were based on normal rates for such leases and payments were due and payable under normal payment terms.

³ Council purchased accommodation for Consultants from a business of which is controlled by a related party of Key Management Person. Amounts were billed based on normal rates for such services and were due and payable under normal payment terms.

In accordance with s84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

(vii) Transactions with related parties that have not been disclosed

Most of the entities and

- Payment of rates on a primary residence
- Dog registration
- Use of Council's swimming pool

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 48 Special committees and other activities

Special committees of Council include Axeman's Hall of Fame Management Committee, Camp Banksia Management Committee, Banksia Centre Management Committee, Bells Parade Development Committee, Elderly Persons Units Advisory Committee, Latrobe Cemetery Committee, Latrobe and Districts Youth Centre Management Committee, Latrobe Sport and Recreation Management Committee, Moriarty Hall Committee, Port Sorell Hall Committee and Port Sorell Advisory Committee. Joint Authorities council is involved with include the Cradle Coast Authority and the Dulverton Regional Waste Management Authority. Latrobe Council is a member of the Mersey Regional Emergency Management Committee.

Note 49 Correction of prior period errors

Council revalued land improvements and road assets in 2016/17 and building assets in 2015/16. This process has resulted in more precise information in both the geographic information system (GIS) and asset register. As a result of this review, a number of road, land improvements and building assets have been identified as not being correctly stated resulting in corrections being made throughout the 2016/17 financial year. As the majority of corrections relate to assets taken up in prior years it is appropriate to restate the 30 June 2016 comparative figures for the following Statements: Profit or Loss and other Comprehensive Income, Financial Position and Changes in Equity in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The 30 June 2016 comparatives have been restated to reflect the following changes:

1 Camp Banksia /Camp Boomerang land swap

Council agreed to transfer the former Camp Boomerang site in Port Sorell to the State Government in exchange for the State Government transferring the Camp Banksia site to Council. The difference in value between the two parcels of land, buildings and improvements was agreed to be a non-cash contribution towards the construction of the Port Sorrell Community Centre (Banksia Centre).

Camp Banksia buildings were recognised in the 2015/16 building revaluation however due to a delay in the transfer of the titles the transfer did not take place until the 2016/17 financial year.

Building assets decreased in value by \$2,796,155

Revaluation reserves decreased in value by \$1,252,530

Accumulation depreciation decreased in value by \$1,543,624

2 Review of buildings revaluation

Subsequent to the revaluation of building assets in 2015/16 Council Engineering staff have reviewed the revaluation calculations and corrected building and accumulated depreciation values.

Accumulated depreciation decreased in value by \$5,543,767

Revaluation reserves increased in value by \$5,543,767

3 Assets recognised for the first time

Road and building assets recognised for the first time have been included in the opening balances of assets, liabilities and equity for the 2015/16 financial year.

Building assets increased in value by \$1,034,161

Accumulation depreciation increased in value by \$320,254

Accumulated surplus increased in value by \$713,907

Statement of Comprehensive Income (Extract)

	Note	2016	Correction of Error	Restated 2016
Net asset revaluation increment/(decrement)	35	(2,538,433)	4,286,182	1,747,749
Total comprehensive result		(2,588,234)	4,286,182	1,697,948

Notes to the Financial Report For the Year Ended 30 June 2017

Note 49 Correction of prior period errors (Cont.)

Statement of Financial Position as at 30 June 2016 (Extract)

	Note	2016	Correction of Error	Restated 2016
Non-current assets				
Property, plant, equipment and infrastructure	28	155,264,661	5,000,089	160,264,750
Total non-current assets		<u>155,264,661</u>	<u>5,000,089</u>	<u>160,264,750</u>
Total assets		<u>194,510,434</u>	<u>5,000,089</u>	<u>199,510,523</u>
Net assets		<u>188,039,385</u>	<u>5,000,089</u>	<u>193,039,474</u>
Equity				
Reserves	35	88,544,248	4,286,182	92,830,430
Accumulated surplus		99,495,137	713,907	100,209,044
Total Equity		<u>188,039,385</u>	<u>5,000,089</u>	<u>193,039,474</u>

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

Notes to the Financial Report For the Year Ended 30 June 2017

Note 50 Other significant accounting policies and pending accounting standards

(a) Taxation

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

Goods and services tax (GST)

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 Tax 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(b) Impairment of assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Other Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

(c) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being Council's operational cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(d) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 50 Other significant accounting policies and pending accounting standards (Cont.)

(e) Contingent assets, contingent liabilities and commitments

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 inclusive of the GST payable.

(f) Budget

The estimated revenue and expense amounts in the Statement of Other Comprehensive Income represent revised budget amounts and are not audited.

(g) Adoption of new and amended accounting standards

In the current year, Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

(i) AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not for Profit Public Sector Entities* (effective from 1 July 2016).

Council has applied AASB 124 *Related Party Disclosures* for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. The standard further extends that required under the LGA 1993. This information is presented in Note 47.

(ii) AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* (effective from 1 July 2016).

The amendment provides relief to not-for-profit public sector entities from certain disclosures about the fair value measurement of property, plant and equipment held for their current service potential rather than to generate net cash inflows that is categorised within Level 3 of the fair value hierarchy.

Adoption of this standard has had no material financial impact on Council's 2016/17 financial report.

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers, and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities. AASB 2015-8 Amendments to Australian Accounting Standards arising from AASB 15 provides for an effective of application from 1 January 2019.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 50 Other significant accounting policies and pending accounting standards (Cont.)

(h) Pending Accounting Standards (Cont.)

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report include:

- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such Grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. At present, such grants are recognised as revenue upfront. When the new standard becomes effective, Council will evaluate all grant agreements in place at that time to determine whether revenue from those grants could be deferred under the new requirements.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- Rates received in advance, which are currently required to be recognised as revenue when received will be deferred under the new requirements until the commencement of the rating period to which they relate.
- Volunteer services and transactions where the consideration is significantly less than the fair value of that asset acquired, or no consideration is provided (for example below market leases) will be required to be recognised when certain recognition criteria are met. Council has not yet fully determined the impact of these requirements on its financial statements.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). Council is yet to fully complete its analysis of existing arrangements for sale of its goods and services and the impact on revenue recognition has not yet been fully determined.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to Council's activities, or have no material impact.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 51 Significant Business Activities

The operating capital and competitive neutrality costs of the Council's significant business activities:

	Port Sorell Caravan Park		Camp Banksia	
	2017	2016	2017	2016
	\$	\$	\$	\$
<i>Revenue</i>				
User fees	410,777	355,072	313,482	350,133
Grants	-	-	-	-
Contributions - cash	-	-	-	-
Interest	1,552	903	-	-
Other income	8,914	10,234	1,615	927
Total Revenue	421,244	366,208	315,097	351,060
<i>Expenditure</i>				
<i>Direct</i>				
Employee Benefits	4,906	5,680	176,291	186,108
Materials and Services	320,193	242,125	118,913	128,690
Other expenses	13,797	18,546	5,957	3,575
<i>Indirect</i>				
Engineering & Administration	26,487	19,622	21,742	18,754
Total Expenses	365,383	285,973	322,904	337,127
<i>Notional cost of free services received</i>				
<i>Capital Costs</i>				
Depreciation and amortisation	26,779	22,875	48,976	10,498
Opportunity cost of capital	34,423	34,701	75,520	918
Total Capital Costs	61,201	57,575	124,495	11,416
<i>Competitive neutrality adjustments</i>				
Rates and land tax	3,281	3,263	3,056	3,038
	3,281	3,263	3,056	3,038
<i>Calculated Surplus/(Deficit)</i>				
Tax Equivalent rate	30%	30%	30%	30%
Taxation equivalent	-	5,819	-	-
Competitive neutrality costs	3,281	9,082	3,056	3,038

Accounting policy

Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that the activities defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- The income tax equivalent rate is 30%
- The return on capital is 2.5%

Notes to the Financial Report For the Year Ended 30 June 2017

Note 52 Management indicators	2017 \$	2016 \$	2015 \$	2014 \$
Recurrent Income				
Total Income	16,040,967	13,293,532	31,987,189	14,165,346
<i>Less:</i>				
Capital grants received specifically for new or upgraded assets	(889,390)	(634,237)	(765,467)	(442,667)
Contributions - cash	(98,432)			
Contributions - non monetary assets	(139,313)	(1,977,977)	-	(2,883,231)
Recognition of land under roads pre 1/7/2008	-	-	(19,037,351)	-
State government asset transfers	(1,494,790)	-	-	-
Gain on disposal of surplus land	-	-	-	(64,153)
National disaster relief and recovery funding	(447,028)	-	-	-
Grants received in advance - current year	(745,413)	-	(698,282)	-
<i>Add:</i>				
Grants received in advance - prior year	-	698,282	-	710,594
Loss on disposal of assets destroyed by floods	-	248,701	-	-
	<u>12,226,601</u>	<u>11,628,301</u>	<u>11,486,089</u>	<u>11,485,889</u>
Recurrent Expenditure				
Total expenses	11,850,941	13,924,260	10,891,125	10,382,627
<i>Less:</i>				
Landfill rehabilitation provision	-	(2,694,475)	-	-
Disaster relief and recovery expenditure	(79,562)	(133,924)	-	-
Assets expensed (Non - Council assets constructed)	(59,458)	(133,588)	-	-
	<u>11,711,921</u>	<u>10,962,273</u>	<u>10,891,125</u>	<u>10,382,627</u>
(a) Underlying surplus or deficit				
Recurrent income less	12,226,601	11,628,301	11,486,089	11,485,889
Recurrent expenditure	11,711,921	10,962,273	10,891,125	10,382,627
Underlying surplus/(deficit)	<u>514,680</u>	<u>666,028</u>	<u>594,964</u>	<u>1,103,262</u>
The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.				
(b) Underlying surplus ratio				
<u>Underlying surplus or deficit</u>	514,680	666,028	594,964	1,103,262
Recurrent income*	12,226,601	11,628,301	11,486,089	11,485,889
Underlying surplus ratio %	4%	6%	5%	10%
This ratio serves as an overall measure of financial operating effectiveness.				
(c) Net financial liabilities				
Liquid assets less	9,582,803	8,046,347	8,101,904	8,400,552
total liabilities	6,732,859	6,471,048	3,551,855	4,148,146
Net financial liabilities	<u>2,849,944</u>	<u>1,575,299</u>	<u>4,550,049</u>	<u>4,252,406</u>
This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.				
(d) Net financial liabilities ratio				
<u>Net financial liabilities</u>	2,849,944	1,575,299	4,550,049	4,252,406
Recurrent income*	12,226,601	11,628,301	11,486,089	11,485,889
Net financial liabilities ratio %	23%	14%	40%	37%
This ratio indicates the net financial obligations of Council compared to its recurrent income.				

Notes to the Financial Report For the Year Ended 30 June 2017

Note 52 Management indicators (Cont.)

	2017 \$	2016 \$	2015 \$	2014 \$
(e) Asset consumption ratio				
An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.				
<i>Transport Infrastructure</i>				
<u>Depreciated replacement cost</u>	83,378,773	75,963,124	73,946,122	73,723,594
Current replacement cost	113,335,475	109,834,678	105,477,720	104,319,055
Asset consumption ratio %	74%	69%	70%	71%
<i>Buildings</i>				
<u>Depreciated replacement cost</u>	24,564,199	23,801,283	22,127,546	19,165,646
Current replacement cost	43,340,722	40,678,639	36,992,092	33,648,936
Asset consumption ratio %	57%	59%	60%	57%
<i>Stormwater and drainage</i>				
<u>Depreciated replacement cost</u>	18,510,703	18,568,821	17,957,591	17,828,069
Current replacement cost	25,734,814	25,486,237	24,574,914	24,142,488
Asset consumption ratio %	72%	73%	73%	74%

This ratio indicates the level of service potential available in Council's existing asset base.

(f) Asset renewal funding ratio

An asset renewal funding ratio has been calculated in relation to each asset class for which council has adopted an asset management plan.

<i>Transport Infrastructure</i>				
<u>Projected capital funding outlays**</u>	8,248,000	8,509,000	9,019,000	8,600,000
Projected capital expenditure funding***	8,125,000	8,125,860	8,125,860	8,125,860
Asset renewal funding ratio %	102%	105%	111%	106%
<i>Buildings</i>				
<u>Projected capital funding outlays**</u>	911,000	533,000	1,076,000	
Projected capital expenditure funding***	751,000	751,000	751,000	
Asset renewal funding ratio %	121%	71%	143%	
<i>Stormwater and drainage</i>				
<u>Projected capital funding outlays**</u>	333,000	158,000	183,000	
Projected capital expenditure funding***	168,000	168,000	168,000	
Asset renewal funding ratio %	198%	94%	109%	
<i>Parks & Reserves</i>				
<u>Projected capital funding outlays**</u>	552,000			
Projected capital expenditure funding***	142,000			
Asset renewal funding ratio %	389%			

** Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.

*** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

This ratio measures Council's capacity to fund future asset replacement requirements.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 52 Management indicators (Cont.)

	2017 \$	2016 \$	2015 \$	2014 \$
(g) Asset sustainability ratio				
<u>Capex on replacement/renewal of existing assets</u>	3,021,630	1,696,467	1,773,775	1,252,015
Annual depreciation expense	2,967,148	2,650,778	2,850,063	2,503,365
Asset sustainability ratio %	102%	64%	62%	50%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base.

Capital Expenditure Detail

2017	Capital renewal expenditure \$	Capital new /upgrade expenditure \$	Total Capital Expenditure \$
Roads and Bridges	1,634,817	580,218	2,215,035
Stormwater and drainage	66,532	30,647	97,179
Land	-	-	-
Buildings	716,511	-	716,511
Land Improvements	142,227	296,147	438,374
Plant, Equipment and Other	461,544	25,712	487,255
Total	3,021,630	932,724	3,954,355

2016	Capital renewal expenditure \$	Capital new /upgrade expenditure \$	Total Capital Expenditure \$
Roads and Bridges	1,141,785	1,474,013	2,615,798
Stormwater and drainage	15,637	251,611	267,248
Land	-	-	-
Buildings	109,605	51,830	161,435
Land Improvements	2,196	53,381	55,577
Plant, Equipment and Other	427,244	15,681	442,925
Total	1,696,467	1,846,516	3,542,983

Statement of Certification For the Year Ended 30 June 2017

The accompanying financial statements of the Latrobe Council are in agreement with the relevant accounts and records and have been prepared in compliance with:

- Australian Accounting Standards
- the Local Government Act 1993

I believe that, in all material respects, the financial statements present a view which is consistent with my understanding of the Latrobe Council's financial position as at 30 June 2017, the results of its operations and its cash flows for the year then ended.



Gerald Monson

General Manager

B.Bus (Public Adm); FLGMA

Date: 31st October 2017

Independent Auditor's Report

To the Councillors of Latrobe Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Latrobe Council (Council), which comprises the statement of financial position as at 30 June 2017 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

My audit responsibility does not extend to the budget figures included in the statement of comprehensive income, the Significant Business Activities disclosed in note 51 nor the asset renewal funding ratio disclosed in note 52 to the financial report and accordingly, I express no opinion on them.

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

Responsibilities of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the General Manager is responsible for assessing Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council is to be dissolved by an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based

on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ric De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Tasmanian Audit Office

Hobart
2 November 2017