

Contents



Section 1 - Introduction

- Mission Statement**
- Council Brief**
- Significant Services**
- Council Profile Statistics**



Section 2 – Your Council

- General Manager’s report**
- Council Members**
- Councillor Schedule of Attendance**
- Allowances and Expenses**
- Senior Staff**
- Organisational Chart**



Section 3 – Departmental Plans

- Governance**
- Administration & Financial Services**
- Planning**
- Building**
- Technical Services**
- Town Maintenance & Civil Works**
- Natural Resource Management**
- Tourism & Community Liaison**
- Environmental Health**
- Community Services**



Section 4 – Finance Services

- Financial Management**
- Gifts and Donations**
- Contracts Awarded Above \$100,000**
- Audit Statement & Financial Report ending 30 June 2013**

SECTION 1
INTRODUCTION



Mission Statement

Our Purpose & Mission

We are here to

- ▶ Benefit the people of the West Coast by providing quality and valued services to our community.

Our role is to listen to our residents and.....

- ▶ Work in partnership with and provide leadership within the community,
- ▶ Within a balanced framework, identify the broader priorities and services desired by the community,
- ▶ Respond efficiently to the expectations of our community through quality, value for money service and
- ▶ Be creative and progressive in all that we do.

Our Vision

We want to be a community that

- ▶ Is proud of who we are and where we live,
- ▶ Enjoys a quality of life based on our unique natural heritage,
- ▶ will plan effectively for our future,
- ▶ works together for the benefit of the whole West Coast, and
- ▶ Constantly identifies and realises opportunities.

Our Values

We Value.

- ▶ Being ethical and professional at all times,
- ▶ Promoting open and effective community consultation, which facilitates discussion, involvement and partnership,
- ▶ Providing excellence in customer service by ensuring prompt, accurate and effective responses to our customer concerns,
- ▶ Encouraging quality, innovation and continuous improvement in the delivery of services to the community and
- ▶ Operating without risk of harm to our employees, the community or the environment.

Council Brief

The West Coast Council is located in the heart of the majestic wilderness of Tasmania's beautiful West Coast.

Our vision is to be a welcoming community with quality lifestyles supporting dynamic sustainable development and natural resource management.

Covering 9574.5sq km's, the West Coast municipality is the gateway to Tasmania's wilderness. Coastal populations include Strahan, situated on Macquarie Harbour, and the picturesque shack sites of Granville Harbour and Trial Harbour.

The inland population centres of Queenstown, Zeehan, Tullah and Rosebery are all within a short distance from magnificent lakes, rivers, rainforests, dunes and historic sites.

With a population of approximately 4792 (ABS August 2013 Regional Population Growth), the West Coast is celebrated for its tourism, mining and fishing whilst the clean air, mild climate and strong commitment to community make the West Coast a fantastic and unique place to be.

West Coast is also providing a popular choice for developers, people seeking a 'sea change', and those seeking work within the tourism, aquaculture and mining industry.



Significant Services

In addition to the Council's day-to-day obligations, the following services are also provided to our community:

- **Governance**
 - Council Elected Member Support
 - Advocacy
 - Partnership Agreement
 - Tourism & Community Liaison

- **Corporate Services**
 - Administrative Services
 - Financial Management
 - Human Resources
 - Information Technology
 - OH&S
 - Risk Management
 - Tourism, Economic,
 - Community Development

- **Community Facilities**
 - Parking
 - Land Care
 - Public Toilets
 - Swimming Pools

- **Regulatory**
 - Animal / Litter Control
 - Public & Environmental Health
 - Building Control
 - Planning

- **Technical Services**
 - Asset Management
 - SES Services
 - Engineering Management

- **Community Services**
 - Family Support
 - Crisis Accommodation Referral Service

- **Physical and Infrastructure Services**
 - Road Maintenance and Development
 - Road Sealing and Resealing
 - Bridge Maintenance
 - Provision of Road and Street Signage
 - Traffic Management
 - Installation and Maintenance of Kerbing and Channelling
 - Construction and Maintenance of Footpaths
 - Stormwater
 - Waste Management Service
 - Recreational Facilities
 - Beautification Strategies
 - Parks & Gardens
 - Cemetery Management
 - Playgrounds
 - Asset Management
 - Street Lighting

Council Profile Statistics

Council Chambers

11 Sticht Street, Queenstown

Service Centres

Esplanade, Strahan

Agnes Street, Rosebery

Main Street, Zeehan

Council Depots

Altcar Street, Zeehan

Tramway Street, Queenstown

Harvey Street, Strahan

Gepp Street, Rosebery

Elected Members -	9
Employees FTE -	65
Total Operating Revenue** -	\$10,919,996
Loan Debt -	\$1,152,974
Total Operating Expense -	\$10,817,593

Property Assessment - 4684

**Physical Infrastructure
Municipal Sealed Roads** 99kms

Municipal Unsealed Roads 96Kms

Sporting Ovals - Four

Community Halls - Six

Public Toilets - Thirteen

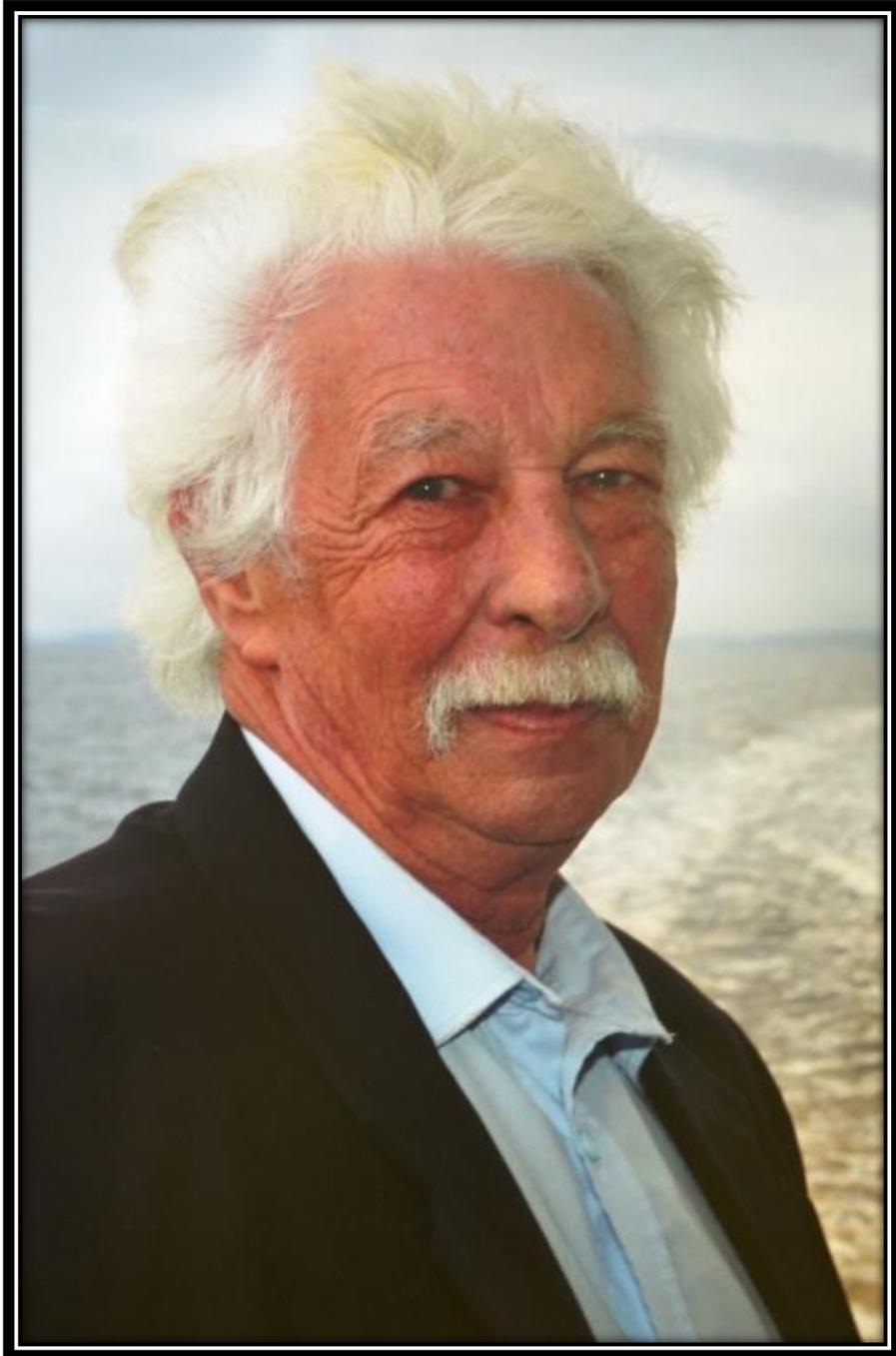
Valuations

Land -	\$173,683,075
Capital -	\$606,953,075
AAV -	\$34,522,404
Adjusted AAV	\$30,595,853

SECTION 2 YOUR COUNCIL



Darryl Gerrity



Mayor West Coast Council

2000 - 2013

General Manager's Report

I am pleased to present the 2012/13 Annual Report of Council. Publication of the Annual Report is a requirement of the *Local Government Act 1993* but it also provides an opportunity to report on the significant achievements of the West Coast Community and Council over the 2012/13 financial year for which we, as a community, can be justifiably proud.

Council continued its capital works program with a total of \$3.7mill invested in infrastructure and equipment.

2012/13 saw completion of some major infrastructure projects including

- ▶ Rosebery shared path and cycleway
- ▶ Tullah and Zeehan playgrounds
- ▶ Queenstown Hedley Faul Park amenities block
- ▶ Queenstown pool upgrade
- ▶ Strahan shared path and cycleway to Regatta Point
- ▶ Continuation of the Resealing and Re-sheeting program

There was also commencement and continuation of some major projects that will be completed during 2013/14:

- ▶ Lower Hunter Street reconstruction
- ▶ Tullah "Gateway"
- ▶ Conlan Street, Queenstown upgrade stage 2
- ▶ Extension of Strahan shared path and cycleway to Regatta Point

These projects, together with new ones scheduled for commencement during 2013/14, will provide ongoing benefit to residents across the West Coast as well as increasing our region's attractiveness as a destination for visitors.

The general purpose financial report that follows complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Local Government Act 1993 (as amended)*.

Budget operating deficit for 2012/13 excluding Capital Income (shown on the Statement of Comprehensive Income) was \$916k. The budget deficit was primarily due to an advance payment of the Financial Assistance Grant in June of the previous year.

The actual result for 2012/13 included another unscheduled advance payment of the Financial Assistance Grant of \$941k. This advance payment together with an extra \$353k in Investment Income (part of which was consumed) made up of tax instalments

and dividends from the Water Corporation had the effect of turning around the expected deficit.

Thus the net operating surplus excluding Capital Income was \$102,403.

I personally, and I know all at Council, were shocked and saddened at the recent sudden loss of Mayor Darryl Gerrity. Much of the strategic direction of Council has been inspired by Mayor Gerrity's vision for the West Coast and was aimed at improving liveability for residents and a compelling experience for visitors.

I wish to thank my fellow employees, Councillors and the community for their assistance and support. The team at Council has once again made an excellent contribution, working enthusiastically in all areas with a focus on improving performance in meeting the needs of the community. Under the guidance of Peter Fitchat, newly appointed Manager Civil Works and Town Maintenance, the Council's operational areas have been ensuring that systems of work comply with the new Work Health and Safety legislation. Planning staff worked successfully towards completion of the new regional-based interim planning scheme in readiness for its implementation in early 2013/14. Finance staff continued to work with management in ensuring the future financial sustainability of Council.

Finally I would like to acknowledge the leadership of the Mayor, Deputy Mayor and Councillors in the community. Council remains in a strong position to provide sustainable levels of service to the community, and in partnership with the community, contribute to a strong and vibrant West Coast well into the future.



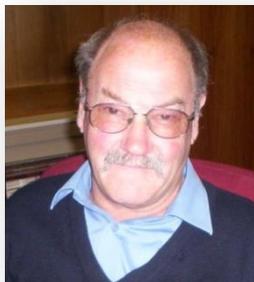
Paul Lockwood
GENERAL MANAGER

Council Members

Mayor Darryl Gerrity
Term Expiry Oct/14



Deputy Mayor Peter Reid
Term Expiry Oct/14



Councillor Robyn Gerrity
Term Expiry Oct/14



Councillor Phillip Vickers
Term Expiry Oct/14



Councillor Al Medwin
Term Expiry Oct/14



Councillor Shane Pitt
Term Expiry Oct/14



Councillor Lyn O'Grady
Term Expiry Oct/14



Councillor Phil Evans
Term Expiry Oct/14



Cr Samantha Eley resigned in October 2012

Cr Allen Rose passed away in March 2013

Councillor Schedule of Attendance

Councillor	Ordinary Meeting	Special Meeting	Annual General Meeting	Total Attendance
Mayor Darryl Gerrity	12 of 12	0	1	13
Deputy Mayor Peter Reid	12 of 12	0	1	13
Shane Pitt	12 of 12	0	1	13
Phil Vickers	11 of 12	0	1	12
Samantha Eley	9 of 9	0	-	9
Robyn Gerrity	12 of 12	0	1	13
Lyn O'Grady	11 of 12	0	1	12
Allen Rose	7 of 9	0	0	7
Al Medwin	11 of 12	0	1	12
Phil Evans	5 of 7	0	-	5

Total Meetings convened for 2011/2012 year: 13

Cr Eley resigned her position on Council in October 2012

Cr Evans was sworn onto the West Coast Council at the November Workshop in 2012

Cr Rose passed away at the end of March 2013

Senior Management Staff



- Governance
- Annual Planning & Reporting
- Regulatory Services
- Tourism
- Economic Development
- Environmental Health
- Community Services

Brian Lovell



- Corporate Services
- Finance Administration
- Risk Management
- Accounting
- Rates & Charges
- Collections
- Human Resources
- Insurance
- Information Technology
- Legal
- Customer Service
- By-Laws
- Asset Management
- Occupational Health & Safety

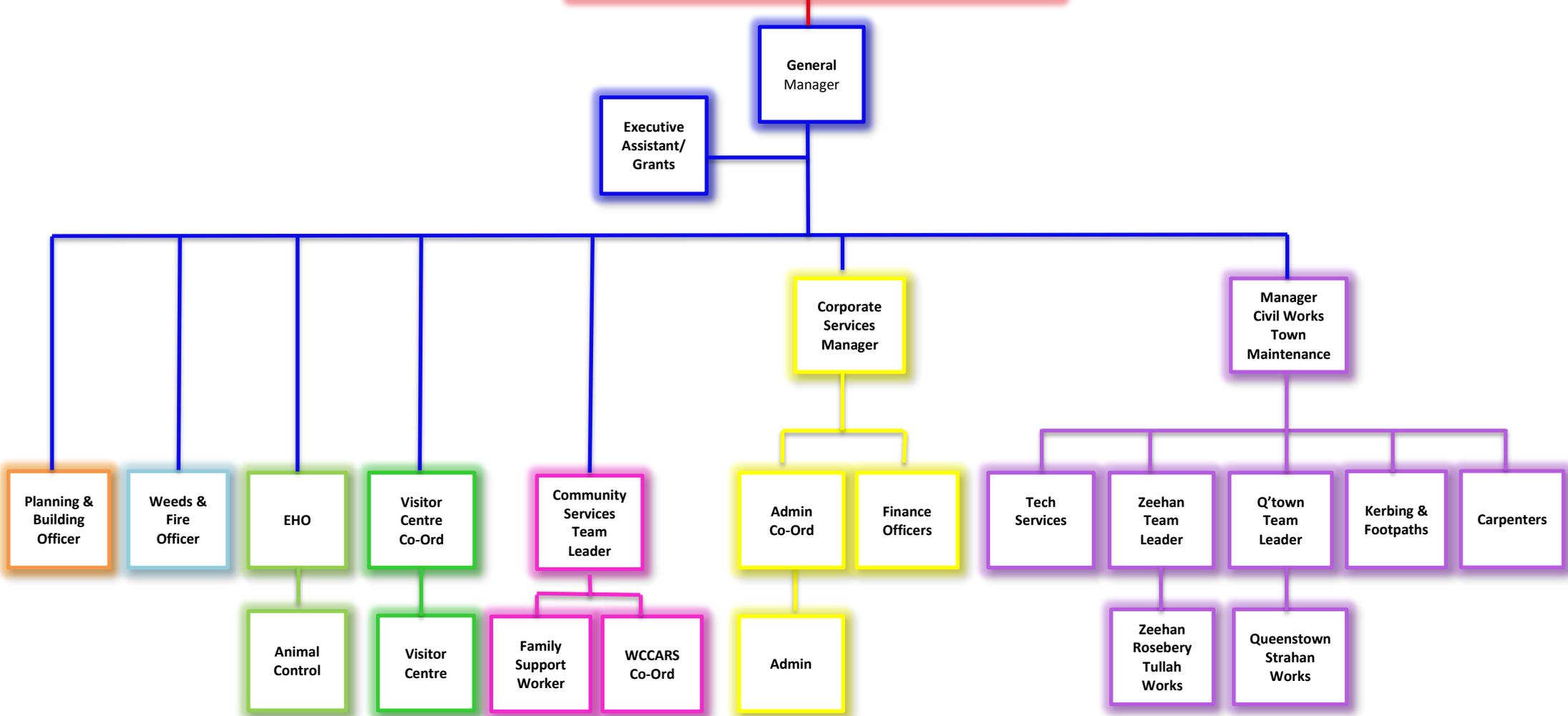
Peter Fitchat



- Physical Infrastructure
- Asset Maintenance
- Roads
- Buildings
- Stormwater
- Parks & Reserves
- Plant & Equipment
- Fleet Management
- Workshop
- Risk Assessment
- Street Cleaning
- Emergency Management
- Cemeteries
- Swimming Pools
- Technical Services

Organisational Chart

Councillors and Community



SECTION 3
DEPARTMENTAL
PLANS





Governance
Paul Lockwood
General Manager

The Council is comprised of the Mayor, Deputy Mayor and seven (7) other Councillors. Previously Council was elected every two years for a four-year term. With recently introduced amendments to Local Government legislation, Council elections will be conducted every 4 years on an 'all out, all in' basis

The role of the Council is to concentrate on policy formulation, including adopting the Budget, Strategic and Annual Plans and determining approval guidelines. This also involves the monitoring of management systems and conducting community consultation.

The implementation of Council policy and the management of its resources is the responsibility of the General Manager, who is appointed by the Council. The General Manager has the task of providing policy advice to Council and advising Council during its deliberations on all decisions.

The West Coast continues to be on the threshold of significant economic development opportunities, particularly surrounding the mining, tourism and aquaculture industries.

The Council will take a leadership role in providing, maintaining and developing required infrastructure, which is appropriate for the community in the twenty-first century.

Legend



Complete



Continuous



In Progress

Governance - Annual Aims 2012/13

- ▶ To work within its Strategic Plan – ‘*West Coast Council – Pathway 2010 - 2015*’; 
- ▶ To adopt a positive forward strategy and approach to business; 
- ▶ To provide positive and clear leadership for the West Coast community; 
- ▶ To advocate on behalf of the community on all Regional, State and National issues; 
- ▶ 
- ▶ To hold regular meetings of the Council; 
- ▶ To continually raise the profile of the West Coast Council at a State and National level; 
- ▶ To advocate strongly in the interests of the community; 
- ▶ To participate actively in the Cradle Coast Authority and the Local Government Association of Tasmania, with particular emphasis on equal representation, economies of scale and issues of significance; 
- ▶ To keep abreast of current affairs that has an impact upon the community and is proactive in taking appropriate action; 
- ▶ To provide the necessary framework for encouraging economic development and growth; 
- ▶ To encourage and maintain interest in industry and the potential of the West Coast area; 
- ▶ Consideration of long-term strategic issues facing the West Coast area; 

▶ Active lobbying for Commonwealth and State funding for community programs; and



▶ Maintenance of effective communication with the community and ensuring that information is made available.





Administration & Financial Services
Brian Lovell
Manager Corporate Services

The Administration and Financial Services Department encompasses the provision of internal services to the organisation, including accounting, reception, legal, secretarial, information technology, human resources, and records management. These services are not limited to the internal environment. They also encompass legislative, statutory and other reporting relevant to the department and Council as a whole, to the external environment.

The Council recognises the importance to the organisation of quality customer service and endeavours to maintain high standards. The Council's office is located in Queenstown with contracted agents in Strahan, Zeehan and Rosebery who receive payments and redirect enquires received from ratepayers

Legend



Complete



Continuous



In Progress

Administration and Financial Support - Annual Aims 2012/13

- ▶ To ensure on-going compliance with all legislation, regulations and codes of practice having an impact upon the Council; 
- ▶ The provision and courteous delivery of quality professional, financial and customer services to the organisation; 
- ▶ Issue annual rates notice in accordance with Council's instructions; 
- ▶ Complete monthly financial reports by the 5th working day of the following month; 
- ▶ Prepare the Annual Financial Statement by 15th August 2013; 
- ▶ To continue to develop an improved working knowledge of current and impending legislation; 
- ▶ To ensure that the benefits of modern information technology are achieved through the upgrading of business software; 
- ▶ To undertake performance appraisal of all employees in accordance with the process developed; 
- ▶ To continually develop all position descriptions in line with Council's organisational structure; 
- ▶ To investigate the implementation of competitive principles into the administrative, regulatory and technical services areas of Council operations; 
- ▶ To continue development of the human resource management policies including the staff handbook and induction book; 
- ▶ To implement and manage Risk Management policies and procedures; and 
- ▶ To ensure the ongoing operation of the safety committee and to continue to improve the safety culture, induction and training of all employees. 



Regulatory Services
Kellie Keating
Planning and Building Officer

The Planning Control program encompasses a wide range of duties. The program area is focused on sustainable development principles and the maintenance and enhancement of land use planning.

The role of this program is primarily a regulatory one, to ensure compliance with legislative requirements in relation to land use planning, development applications, building applications and enforcement. The primary aim is to undertake this role in a cost-effective manner, while ensuring that appropriate standards of service are maintained.

Council officers perform technical assessments of applications received. A Planning Officer is employed to ensure compliance in accordance with statutory requirements and is assisted by a planning contractor for major developments.

Legend



Complete



Continuous



In Progress

Regulatory Services - Planning - Annual Aims 2012/13

- ▶ To provide a framework to encourage development within the district that meets the needs of the community and encourages the sustainable use of the area's resources, in accordance with the principles of the *Land Use Planning and Approvals Act 1993*; 
- ▶ To maintain efficient administrative systems for the issuing of planning documentation; and 
- ▶ Implement the West Coast Interim Planning Scheme and address education with Council and the public. 

▶ Regulatory Services – Building - Annual Aims 2012/13

- ▶ To enforce the standard of building, plumbing and drainage regulated by the Building Code of Australia and its associated Regulations; 
- ▶ Continue to investigate illegal works and enforce appropriate sanctions; 
- ▶ To maintain efficient administrative systems for permit authority duties, the issuing of building and plumbing documentation; and 
- ▶ To continue to refine the audit system of linking planning and building controls. 



Town Maintenance & Civil works
Peter Fitchat
Manager Town Maintenance & Civil Works

This department has staff located in Zeehan, Queenstown, Strahan and Rosebery and is responsible for many services provided to the West Coast community.

The condition of infrastructure and prompt response to community requests is a high priority for this department.

Legend



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Continuous



In Progress

Technical Services - Annual Aims 2012/13

Overview: Technical Services are responsible for the efficient development and management of Council's assets. This activity provides for the supervision of internal and external contracts for the maintenance of assets.

Asset management, the specification of levels of service, standards and intervention levels are also included in this program.

▶ Undertake an assessment of the municipalities footpaths, kerb and channelling and develop a long term strategy for their renewal;



▶ To develop an Asset Management Plan in partnership with the Finance Services Department ensuring its relevance to services provided by Council;



▶ Manage major projects and tasks for 2012-2013;



▶ Investigate requests for work promptly and take follow-up action;



▶ Complete Council's asset and preventative maintenance management system;



▶ Update Council's maintenance procedures; and



▶ Administer Council's internal and external contracts.



Technical Services – Swimming Pools - Annual Aims 2012/13

Overview: The opportunity to learn to swim and enjoy aquatic facilities is recognised as an important recreational activity. Council maintains heated swimming pools in Queenstown, Zeehan and Rosebery. The viability of operating three swimming pools on the West Coast requires continued monitoring as usage patterns change and operating costs increase.

Pool safety is an important issue, and therefore Council employs qualified Pool Lifeguards to supervise pool users, including spectators.

The pools are costly facilities to maintain, and Council continues to seek cost-effective means of managing the pools through the community.

▶ To provide and effectively manage good standard swimming facilities for the community;



▶ To open Queenstown, Rosebery and Zeehan pools from early November 2012 until late March 2013;



▶ To maintain the pool's infrastructure to a standard that will ensure protection of the community's assets and compliance with guidelines for safe pool operation;



▶ Ensure that Pool Lifeguards are suitably trained;



▶ Continue to monitor the operation of all pools;



▶ Develop strategies to increase patronage; and



▶ Develop strategies for staffing of three pools, including increased staff numbers and retention of staff across seasons.



Town Maintenance & Civil Works – Parking – Annual Aims 2012/13

Overview: As Council is responsible for the maintenance of five towns within the municipal area there are many services and facilities that must be provided and maintained. This department includes the following:

Council provides parking facilities in Strahan and Queenstown.

- ▶ To ensure that the facility provided is maintained in a satisfactory manner with additional attention given to the peak tourism season; and
- ▶ To collect fees for parking.



Town Maintenance & Civil Works – Camping Grounds – Annual Aims 2012/13

Overview: The Council operates camping grounds at Macquarie Heads and Lake Burbury. Both facilities are well used by both locals and tourists. Council operates the camping grounds with a caretaker on site managing the day-to-day operations.

- ▶ To ensure that the facilities are maintained in a satisfactory manner in line with current social and environmental requirements;
- ▶ To collect fees for camping and ensure that the camping ground and its facilities are kept in a clean and acceptable manner; and
- ▶ To finalise the new sites & licenses for the Macquarie Heads camping ground.



Town Maintenance & Civil Works – Waste Transfer, Landfill & Recycling – Annual Aims 2012/13

Overview: Council has a responsibility to its community to manage waste in an appropriate, well-planned manner, which can facilitate the protection of natural and physical resources and the health and safety of residents.

A waste transfer disposal site is available in each main town, from which all refuse is transferred to the Zeehan Landfill Site.

The urban areas of the municipal area receive a weekly mobile garbage bin collection service.

- ▶ To minimise and dispose of waste in an environmentally responsible manner utilising the most cost effective method;
- ▶ Maintain Waste Transfer Stations to an acceptable standard; and
- ▶ Reduce the fire hazard of green and other dimensional domestic waste at the transfer stations.



Town Maintenance & Civil Works – Bridges & Culverts – Annual Aims 2012/13

Overview: Council has a responsibility to manage thirty-four (34) vehicular bridges and eleven (11) foot bridges on behalf of the West Coast community.

An outside specialist contractor is engaged to manage the maintenance and replacement requirements of these bridges.

- ▶ To ensure there is an adequate maintenance and replacement schedule undertaken within the municipality;
- ▶ To inspect all bridges at six monthly intervals; and
- ▶ Replace one bridge and maintain others as per works schedule and capital budget.



Town Maintenance & Civil Works – Workshop – Annual Aims 2012/13

Overview: Council operates a maintenance facility located in Zeehan. The workshop provides preventative maintenance and repair services to all Council's mobile plant and equipment across each depot.

- ▶ To ensure that preventative maintenance for all equipment is undertaken in a timely and thorough manner; 
- ▶ That reported defects are repaired within a reasonable timeframe; 
- ▶ That all equipment maintenance records are maintained; and 
- ▶ To ensure equipment is maintained to a standard that allows Council to obtain the Federal Government's diesel fuel rebate. 

Town Maintenance & Civil Works – State Emergency Service – Annual Aims 2012/13

Overview: Council supports the local State Emergency Service with the provision of adequate resources for the programs, which it undertakes during the year.

- ▶ To support the local SES branches located in Queenstown, Zeehan and Rosebery; 
- ▶ To ensure that the resources provided are adequate to meet the needs of the unit; 
- ▶ The relocation of Zeehan SES unit to new refurbished premises; 
- ▶ The relocation of Rosebery SES units to new refurbished premises; 
- ▶ To be responsive to the emergency needs of the municipal area; and 
- ▶ To finalise the Emergency Management Plan for the West Coast. 

Town Maintenance & Civil Works – Private Works – Annual Aims 2012/13

Overview: Council occasionally undertakes work for private individuals and companies.

- ▶ To undertake private works identified on a commercial basis; 
- ▶ Private works conducted with particular emphasis on mowing and waste bin hire; 
- ▶ When opportunities arise for provision of private works to individuals and companies that Council be proactive in increasing its revenue streams; and 
- ▶ Increase the profitability of private works. 

Town Maintenance & Civil Works – Kerb & Channel, Stormwater, Aerodromes & Cemeteries – Annual Aims 2012/13

Overview: This department operates within the services provided to kerb & channelling of roads and footpaths, stormwater collection and disposal, aerodromes, and cemeteries.

- ▶ To maintain the Strahan airport to an appropriate standard to ensure aviation compliance and to maintain other airports within budgets; 
- ▶ To ensure cemeteries are fully maintained to earn the respect of the community; 
- ▶ Put measures in place to make the cemeteries less maintenance intensive; 
- ▶ To ensure that the kerb, channelling & stormwater systems are maintained within budget and are adequate for the municipality; 
- ▶ Maintain infrastructure assets to an acceptable standard; 
- ▶ Undertake frequent visual inspections of both aerodromes and cemeteries; and 
- ▶ Create a five year plan for kerb and footpath replacement. 

Town Maintenance & Civil Works – Parks, Buildings, Reserves & Recreation – Annual Aims 2012/13

Overview: This department is responsible for the maintenance of sport and recreational facilities within the West Coast municipality.

- ▶ To maintain the parks, gardens, reserves, walking tracks, playgrounds and sporting ovals to an appropriate standard to ensure risk safety compliance and to maintain within budgets; 
- ▶ To ensure Council owned buildings are maintained in a satisfactory and safe manner within budget constraints; 
- ▶ Maintain infrastructure assets to an acceptable standard; 
- ▶ Undertake frequent visual inspections of all related infrastructure including bi-monthly audits of playgrounds to ensure safety; 
- ▶ Review Council's maintenance procedures in relation to all related infrastructure; and 
- ▶ Review the number, usage, and long term viability of all infrastructures within this department. 

Town Maintenance & Civil Works – Roads, Signs, Lighting, Nature Strips & Footpaths – Annual Aims 2012/13

Overview: The services provided include the provision of maintenance of streets and street lighting. Primarily Council tries to maintain all township infrastructure, public open spaces and facilities to a satisfactory level at minimum lifecycle costs.

- ▶ To review the demand and the need for all public facilities; 
- ▶ To ensure that current assets are maintained in a useable and safe condition that preserves their value; 
- ▶ To continue to maintain and improve where possible town maintenance services; 
- ▶ Completion of capital works identified; and 
- ▶ Develop an asset management plan that will identify the long-term town maintenance needs of the municipal area. 

Town Maintenance & Civil Works – Internal Plant – Annual Aims 2012/13

Overview: To provide adequate plant to cover all operations of Council in a timely and efficient manner.

- ▶ To maintain Council's fleet to an acceptable standard; and 
- ▶ To ensure regular maintenance and safety checks are carried out. 



**Natural Resource Management
Katrina Young
Weed & Fire Management Officer**

The Council in partnership with Cradle Coast Regional Natural Resource Management Committee funds a full-time Project Officer. The Project Officer also represents DIIPWE as a 'Weed Inspector' for the West Coast Region.

The Project Officer implements and maintains the West Coast Weed and Fire Management Strategy in conjunction with the West Coast Weed and Fire Management Group.

The major stakeholders in the group are Forestry Tasmania, Hydro Tasmania, DIER, West Coast council and the Parks & Wildlife Service. Other stakeholders involved include key government agencies and local industries.

An allocation has been made in this budget to assist in the management of natural resource management on the West Coast. These funds are to be utilised in supporting local Landcare and weed control efforts, along with other natural resource management orientated programs on the West Coast, including education.

Legend



Complete



Continuous



In Progress

Natural Resource & Fire Management - Annual Aims 2012/13

- ▶ To undertake on-ground weed eradication and the development of an educational program for residents on best practices under the Weed Management Act 1999; 
- ▶ To update and implement the West Coast Weed and Fire Management Strategy and produce an annual report to stakeholders; 
- ▶ To undertake student within local schools training and planting days to involve the West Coast Youth; and 
- ▶ To secure funding from State and Federal Government grants to ensure weed control and management continues within the West Coast Region. 



Tourism & Community Liason

Council supports Tourism on the West Coast through two primary initiatives:

- ▶ Operating the West Coast Visitor Information Centre at Strahan; and
- ▶ Providing support to the local tourism organisation, West Coast Tourism Inc., and the regional tourism association, Cradle Coast Authority.

The West Coast Visitor Information Centre employs casual staff as required, including a Visitor Information Centre Coordinator. A quality tourism booking system and information service is offered to tourists, serving the whole West Coast community. The WCVIC is an active member of the Tasmanian Visitor Information Centre Network providing:

- ▶ Connections to other information centre operators State wide;
- ▶ Quality assessment audits;
- ▶ Access to systems, training, information and services offered by the network; and
- ▶ Conference venues to showcase tourism products.

Council maintains close links with the community both directly and through community associations, sporting organisations and service clubs.

Legend



Complete



Continuous



In Progress

Tourism & Community Liaison - Annual Aims 2012/13

- ▶ To work in partnership with government agencies and tourism operators; 
- ▶ To work with a community group in each town (representing a broad spectrum of the population) and assist them with projects as they arise and provide a conduit to Council; 
- ▶ To identify sources of funds for specific programs; 
- ▶ To continue implementation of the West Coast Visitor Information Network; 
- ▶ To ensure that the Visitor Centre operates within its budget and that staff are recruited and trained to operate the Centre; 
- ▶ To prepare West Coast tourism literature as required; and 
- ▶ To identify sources of funds for the further expansion of the centre. 



Environmental Health & Animal control

John Devlin

Environmental Health Officer

The Environmental Health Program plays a key role in the provision of a range of public and environmental health services to the community.

Environmental Health covers a range of environmental management issues from pollution to development proposals.

The *Public Health Act 1997* was proclaimed in February 1998. This legislation replaces many sections of the *Public Health Act 1962* and provides for new requirements. Features of the *Act* include a tough anti-tobacco approach and greater provisions relating to immunisation.

The *Act* also provides guidelines that Council must enforce. The role Council plays in Public Health matters has increased under the *Act*, especially in relation to registration of premises, water supplies and immunisation.

Council is proactive in its endeavours to promote and conduct immunisation clinics in conjunction with local medical service providers.

The Council is also responsible for inspecting food premises throughout the area in order to protect public health. An appropriate level of food hygiene is to be maintained, with instances of breaches in public health safeguards being strictly policed.

The Council also follows up notifiable disease reports and undertakes food shop surveillance and registrations.

Legend



Complete



Continuous



In Progress

Environmental Health - Annual Aims 2012/13

- ▶ To protect and enhance the public health and safety of the community by means of environmental monitoring and regulation; 
- ▶ To comply with the requirements of the *Environmental Management and Pollution Control Act 1994* and provide an efficient system for implementation and monitoring of compliance; 
- ▶ To increase public awareness and participation in public health initiatives, especially the immunisation program; 
- ▶ To implement the requirements of the *Public Health Act 1997*; 
- ▶ Inspection and registration of all food businesses annually; 
- ▶ Continuation of the Food Safe Program for food handlers in the municipality; 
- ▶ Seasonal sampling of recreational water for monitoring of levels of bacteria to ensure maintenance of public safety; and 
- ▶ Investigation of incidences of environmental pollution and appropriate follow-up action to ensure remedial work is carried out and ensure future compliance. 

Environmental Health - Dog Control - Annual Aims 2012/13

- ▶ To provide effective control of dogs and other animals within the municipal area in accordance with the requirements of the *Dog Control Act 2000*, Dog Control Regulations 2001, and Council policy; 
- ▶ To minimise the amount of stray dogs within the municipality; 
- ▶ Promotion of responsible dog ownership through registration of all dogs within the municipality; 
- ▶ Continual review of the way in which the service is provided, including identification of how services can be improved; 
- ▶ Respond to reports of straying dogs, including impounding and taking follow-up action; 
- ▶ Conduct door-to-door inspections as appropriate to ensure that dogs are registered; 
- ▶ Continued enforcement of the Dog Management Policy in accordance with Section 7 of the *Dog Control Act 2000*; and 
- ▶ Monitor Cat Management Act. 

Environmental Health – Report

Under amended provisions of the *Local Government Act 1993*, Council is required to provide comment in its Annual Report on Public and Environmental Health as follows:

Section 72 (1A) of the Local Government Act 1993

(a) state the extent to which the Council has carried out its functions under the *Public Health Act 1997* and the *Food Act 2003*:

- ▶ Issued Certificate of Authority to Authorised officer under Section 31;
- ▶ Investigated occurrences of notifiable diseases as directed in accordance with Section 52,
1 case notified;
- ▶ Developed and implemented a school immunization program for the municipal area;
and
- ▶ Monitored recreational water quality within the municipality area and provided the Director with a report of the findings.

(b) The resources allocated to public health included:

- ▶ One Environmental Health Officer with administrative support.

(c) Council public health objectives, policies and programs meet the needs of its residents by:

Notifiable diseases – investigations into cases & Immunisations – by implementing the following:

- ▶ Commencement of following courses: HPV = 49, HepB = 19, Varicella – 26 and dTpa Boosters = 47; and
- ▶ Public immunisation awareness program.

Sampling regimes for the following:

- ▶ 3 Public swimming pools on a monthly basis (during season) for disinfection qualities – 19 samples; and
- ▶ West Strahan Beach (during summer) on a weekly basis for compliance with recreational water quality guidelines – 15 samples.

Food Premises Inspections:

- ▶ Liaison with the Director of Public Health regarding food recalls, etc;
- ▶ Participate in state-wide food sampling programs; and
- ▶ 75 premises inspected prior to the re-registration and licensing of operators with follow-up inspections as required, total = 88.

Waste Management – provision of infrastructure for:

- ▶ Recycling of car bodies, white goods and scrap metal;
- ▶ Operation of 5 waste transfer stations; and
- ▶ Maintenance of regional refuse disposal site in accordance with environmental management plan.

Control of Nuisances – by issue of abatement notices for:

- ▶ Fire hazard reduction;
- ▶ Removal of car bodies and junk; and
- ▶ Abatement of general nuisances and complaints.

(d) Completion of Strategies

Council has completed the infrastructure for refuse collection, control and disposal in line with the intent of Council's Strategic Plan and Waste Management Strategy.

This includes the replacement of five disposal sites with managed waste transfer stations and a central tip site.

- ▶ Weekly garbage collection service to 5 towns; and
- ▶ Monthly recycling service

Submissions to the Director of Public Health

- ▶ Annual recreational water quality report.



Community Services

Joy Wookey
Community Services Team Leader

The Community Services area includes Family Support Services, West Coast Crisis Accommodation Service and community recovery in the event of a disaster.

These services:

- Provide access to a range of services that increases the well-being and quality of life and also meets the needs of the community;
- Work closely with and support community organisations in identifying and realising opportunities and resolving problems;
- Develop and foster a caring community;
- Empower consumers;
- Focus on positive outcomes;
- Understand and work within the legislative requirements of the programs;
- Confirm consumer rights;
- Will regularly review the way in which the services collaborates with other agencies; and
- Ensure that children accompanying adults have their individual needs identified and met; and that each child is provided with care and protection.

Legend



Complete



Continuous



In Progress

Community Services – Annual Aims 2012/13

- ▶ To undertake a review of operations by reviewing all policies, procedures, professional agreements and collection of consumer data annually; 
- ▶ Ensure that appropriate income is generated from all facilities; 
- ▶ Review the procedures and operations in place, to ensure that the community receives optimum benefit from the provision of these services; 
- ▶ To promote services and distribute information to the wider community therefore increasing awareness and knowledge to potential consumers and stakeholders. Via media advertising, networking and disseminating service specific material; 
- ▶ Ensure services and programs are provided in a culturally safe and appropriate welcoming manner by ensuring consumers with privacy and confidentiality; 
- ▶ Ensure services are accessible to all consumers and there are no barriers to access assistance by providing alternative pathways to external services if required; 
- ▶ To ensure that the facilities provided are maintained in a satisfactory manner; and 
- ▶ To collect fees for services provided. 

SECTION 4

FINANCIAL SERVICES



Financial Management

The financial report for the year ended 30 June 2013 is appended to this report.

Budget operating deficit for 2012/13 excluding Capital Income (shown on the Statement of Comprehensive Income) was \$916k. The budget deficit was primarily due to an advance payment of the Financial Assistance Grant in June of the previous year (with reference to Grant Note 3).

The actual result for 2012/13 included another unscheduled advance payment of the Financial Assistance Grant of \$941k. This advance payment together with an extra \$353k in Investment Income (part of which was consumed) made up of tax instalments and dividends from the Water Corporation had the effect of turning around the expected deficit.

Thus the net operating surplus excluding Capital Income was \$102,403.

Included in the report is the Audit Report provided by the Tasmanian Audit Office with its opinion on the financial operations of the Council for the 2012/13 fiscal year.

	<u>2010/2011</u>	<u>2011/12</u>	<u>2012/13</u>	<u>Increase/Decrease</u>
Operating Income	10,436,713	11,395,104	10,919,996	(475,108)
Operating Expenditure	9,818,750	10,354,559	10,817,593	463,034
Operating Surplus/Deficit	617,963	1,040,545	102,403	(938,142)
Cash	4,166,100	5,721,157	5,298,496	(422,661)
Receivables	613,884	393,719	655,866	262,147
Creditors at 30 June	951,251	874,379	1,101,866	227,487
Borrowings	1,392,219	1,276,727	1,152,974	(123,753)
Employee Provisions	530,681	652,812	675,563	22,751
Work in Progress	4,765,804	609,434	999,564	390,130

With the introduction of the Comprehensive Income Statement operating income figures reported for the comparative years have been adjusted to exclude non cash asset adjustments such as transfer of assets to Council, disposal of non-cash assets, asset recognition for the first time, and the removal of assets not controlled by Council.

The mining company's contribution to the Trial Harbour Road has also been excluded from the operating income section of the Comprehensive Income Statement as it was not ongoing or connected to operating revenue as such and the comparative years have been adjusted accordingly. There was however no contribution for 2011/12 or 2012/2013.

Indicator	2010/11	2011/12	2012/13
Current Ratio:			
<u>Current Assets</u>	2.754:1	3.564:1	3.183:1
Current Liability			
Quick Asset Ratio:			
<u>Cash + Liquid Debtors</u>	2.511:1	3.360:1	2.991:1
Current Liabilities			

(Note: Liquid Debtors do not include outstanding rate debtors)

Indicator	2010/11	2011/12	2012/13
Rate Coverage			
<u>(Rate Revenue)</u>	52.59%	54.06%	57.70%
(Operating Revenue)			
<u>(Rate Debtors O/S)</u>	4.34%	4.31%	4.03%
(Total Rates)			
<u>(Expenditure per Capital)</u>	2,034	2,217	2,257
(Operating Expenditure)			
<i>Population 4792</i>			
Grant Coverage			
<u>Grant Revenue</u>	9.2%	32.3%	24.8%
(Operating Revenue)			

Rate remissions granted throughout the year to non-profit groups and organisations

Organisation	Amount
West Coast Heritage Ltd	\$4565.84
Zeehan Senior Citizens Inc.	\$ 427.06
Zeehan RSL Club	\$ 606.01
Zeehan Lions Club	\$ 318.62
Queenstown Rebekah Lodge	\$ 289.14
Rosebery Senior Citizens	\$ 414.72
Masonic Lodge	\$ 414.72
Rosebery Community House	\$ 416.03
TOTAL	\$7452.14

ACTIVITY	2010/11	2011/12	2012/13
FINANCE			
Revenue per capita	2,214	2322	2279
Total rate per capita	1,137	1255	1315
Average residential rate	948	976	999
Year end rates outstanding	4.3%	4.3%	4.0%
<u>(Capital expenditure)</u>			
(Depreciation)	317.1%	134.3%	123.0%
HUMAN RESOURCE			
MANAGEMENT			
(*per employee)			
Average cost*	56,064	60,312	59,375
Average cost of training	661	851	704
Relative number of Employee	11.8	12.2	13.2
Staff turnover rate	19.3%	8.3%	7.7%
Average sick leave* (days)	6.3	9.9	9.2
Lost time due to injury (hptw)	0.7	0.7	0.6
PLANNING & BUILDING			
(Number of days to obtain approval)			
Planning – permitted use	28	28	28
Planning – discretionary use	28	28	28
Building	7	7	7
Number of Applications Lodged	137	115	128

Gifts and Donations

<u>Posting Date</u>	<u>Description</u>	<u>Amount</u>
24/07/2012	Zeehan Scout Hall Assist	200.00
24/07/2012	Qtown Scout Hall Assist	200.00
24/07/2012	Zeehan Gem & Mineral Fair Assoc Inc	500.00
24/07/2012	Zeehan Neighbourhood Centre	200.00
24/07/2012	Tasmanian Classical Ballet	750.00
24/07/2012	Rosebery Tennis Club Inc	200.00
24/07/2012	Queenstown Christmas Parade Committee	150.00
24/07/2012	Queenstown Anglers Club	200.00
24/07/2012	Queenstown CWA Branch	250.00
24/07/2012	Queenstown Fire Brigade	150.00
24/07/2012	Mt Lyell Strahan Picnic Committee	500.00
24/07/2012	Lions Club of Rosebery	300.00
24/07/2012	Strahan Fire Brigade	300.00
24/07/2012	Lions Club of Zeehan	300.00
24/07/2012	Tullah Progress Association	150.00
24/07/2012	Queenstown Senior Citizens Club Inc	1,000.00
24/07/2012	Project Queenstown	500.00
24/07/2012	Mountain Heights School	225.00
24/07/2012	Rosebery District High School	225.00
24/07/2012	St Joseph's School Queenstown	75.00
24/07/2012	St Joseph's School Rosebery	75.00
24/07/2012	Strahan Primary School	75.00
24/07/2012	Zeehan Primary School	75.00
24/07/2012	Queenstown Under 13's Football	150.00
24/07/2012	Zeehan Under 13's Football	150.00
24/07/2012	Rosebery Under 13's Football	150.00
24/07/2012	Strahan - Under 13 Football Club	150.00
24/07/2012	Zeehan Senior Citizens	1,000.00
24/07/2012	Strahan Senior Citizens Club	1,000.00
24/07/2012	Rosebery Senior Citizens	1,000.00
24/07/2012	Zeehan Primary School P & F Assoc	100.00
24/07/2012	Strahan Primary School Parents & Friends Asso	100.00
24/07/2012	Rosebery District School P & F Assoc	100.00
24/07/2012	Mountain Heights School P & F Assoc	100.00
24/07/2012	St Joseph's Parents & Friends Queenstown	100.00
24/07/2012	St Joseph's Parents & Friends Rosebery	100.00
24/07/2012	Lake Burbury King River Picnic Com	200.00
24/07/2012	Rosebery Athletic Club	500.00
13/08/2012	Local House Fire	2,500.00
28/08/2012	Rebekah Lodge	100.00
24/09/2012	Rebecca Abel	200.00
30/10/2012	Robert Patrick	200.00
21/11/2012	ABC Giving Tree	250.00
9/01/2013	State Fire Appeal	4,000.00
18/01/2013	Local House Fire	2,500.00
26/04/2013	West Coast Junior Football	500.00
	TOTAL	21,750.00

Contracts Awarded Above \$100,000

In accordance with section 232(5) of the *Local Government (General) Regulations 2005*, Council is required to report on contracts for the supply or provision of goods or services in excess of \$100,000 (excluding GST) entered into during the year **1st July 2012 to 30th June 2013**.

Contractor Name & Address	Description of Contract	Value of Contract (excl. GST)
Hardings Hotmix Pty Ltd PO Box 709 ULVERSTONE TAS 7315	Tender T001/2012-2013: Reconstruction of a section of the Murchison Highway, Tullah	\$623,460.20
Procurement Australia 447 Auburn Road HAWTHORN EAST VIC 3123	Tender T003/2012/2013: Supply and delivery of one (1) 23000Kg GVM Truck with Tipping Body	\$206,913.00
Roadways Pty Ltd PO Box 303 GLENORCHY TAS 7010	Tender T004/2012-2013: Road Sealing Program 2012-2013	\$249,872.09
Tas Span Pty Ltd PO Box 225 LATROBE TAS 7307	Tender T005/2012-2013: Wakefield Creek Bridge, Trial Harbour	\$158,548.00
Civilscape Contracting Tasmania PO Box 63 RIDGLEY TAS 7321	Tender T006/2012-2013: Construction of the second stage of a cycleway/footpath and other associated works in Driffield/Conlan Streets, Queenstown	\$588,597.00

Audit Statement and Financial Report Ending 30 June 2013



Level 4, Executive Building, 15 Murray Street, Hobart, Tasmania, 7000
Postal Address: GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6226 0100 | Fax: 03 6226 0199
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

30 September 2013

Cr Peter Reid
Deputy Mayor
West Coast Council
11 Sticht Street
QUEENSTOWN TAS 7467

Dear Cr Reid

West Coast Council – Audit of Financial Report for the Year Ended 30 June 2013

The audit of the financial report for West Coast Council (Council) has been completed in accordance with the agreed annual audit arrangements letter. I have issued my audit report on the financial report, a copy of which is enclosed.

Audit Findings

Some exceptions were noted during the audit. These exceptions did not impact on the completion of the audit and will be detailed in a management report which is yet to be finalised and will be forwarded to you soon.

You will appreciate that my normal audit procedures are designed primarily to enable me to form an opinion on the financial statements as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do.

I have prepared this letter solely for the use of Council. As you know, this letter forms part of a continuing dialogue between Council and the Auditor-General and, therefore, it is not intended to include every matter, whether large or small, that has come to my attention. For this reason I believe that it would be inappropriate for this letter to be made available to third parties and, if such a third party were to obtain a copy without my prior written consent, I would not accept any responsibility for any reliance that they might place on it.

1 of 3

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

Strive | Lead | Excel | To Make a Difference

Infrastructure Financial Accounting in Local Government

In recent years, we have noticed a number of councils, as part of revaluations, introduce the concept of residual values for long-lived infrastructure assets, particularly roads. This has resulted in a reduction in annual depreciation charges and improvements in road consumption ratios.

We have accepted the implementation of a residual value because its introduction was based on expert advice from councils' engineers and where impacts on some asset components were not material.

However, during 2011-12 we noted a number of instances where the proposed residual value was significant and materially affected the asset valuation and depreciation expense. In a number of cases, following discussion with councils, the proposed residual values were not implemented.

We consider the use of residual value, as it relates to infrastructure assets, may ignore the impact of technical or commercial obsolescence over the asset's life. In our view, the residual balance should be depreciated on some basis, even if over an extended useful life, to ensure the calculation of depreciation complies with the requirements of Australian Accounting Standard AASB 116 *Property, Plant and Equipment*. Some councils disagreed with our view because they consider certain components of road infrastructure assets do not depreciate and the requirements of AASB 116 result in depreciation expenses being over-stated.

In view of the above situation we appointed an independent expert to review financial accounting for infrastructure assets by Tasmanian councils. Along with the use of residual values, the review is also considering other matters such as useful lives, remaining useful lives, componentisation and condition assessments. A steering committee was set up comprising both accounting and engineering staff from a range of Tasmanian councils along with representatives from the Local Government Association of Tasmania, the Department of Infrastructure, Energy and Resources and the Local Government Division of the Department of Premier and Cabinet.

It is our intention to table a report in Parliament when the work is completed. This will provide the basis for our approach to the accounting for infrastructure assets by Tasmanian councils. At this stage the report is likely to be tabled in mid-November 2013. Until the report is tabled, our audits for 2012-13 have been based on councils consistently applying their existing policies and practices. That is, without introducing residuals to any material extent.

Auditor-General's Report

Draft commentary for inclusion in the Auditor-General's Report to Parliament scheduled for completion and tabling in mid-November 2013, will be prepared in due course and then forwarded to you for formal comment.

2 of 3

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Review of the Annual Report

Please will you forward to me a copy of the final draft of Council's annual report for review by my staff prior to its publication. This review will be conducted in accordance with Auditing Standard ASA 720 *The Auditor's Responsibility Relating to Other Information in Documents Containing Audited Financial Reports* to identify any material inconsistencies between the financial report and other information disclosed in the annual report.

Appreciation is expressed for the assistance and co-operation provided to my staff during the course of the audit.

Please note that a copy of this letter together with the audit report will be provided to the Minister for Local Government, The Hon. B A Green, MP in accordance with section 19(2) of the *Audit Act 2008*.

If you have any queries regarding the audit or any other matters, please contact Mr Jesse Penfold on 6226 0100.

Yours sincerely



Jara K Dean
General Manager Financial Audit Services

Encl.

Copy for: Mr P Lockwood, General Manager



WEST COAST COUNCIL

Financial Report

for the year ended 30/06/13

I, the undersigned, certify that in my opinion:

- (a) the financial report presents fairly the financial position of West Coast Council as at 30 June 2013 and the results of its operations for the year then ended in accordance with Australian Accounting Standards, including Australian Accounting interpretations, and other mandatory professional reporting requirements.
- (b) the financial report has been prepared in accordance with the requirements of the *Local Government Act 1993*.

Name

Position

Signature

P A Lockwood

General Manager

Dated at Queenstown this 14th day of August 2013.

	Note Number
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	1
FUNCTIONS/ACTIVITIES OF THE COUNCIL	2
GRANTS	3
USER CHARGES INCLUDING REIMBURSEMENTS	4
VISITOR INFORMATION AND BOOKING CENTRE	5
INVESTMENT INCOME – CRADLE MOUNTAIN WATER	6
INTEREST	7
OTHER REVENUE	8
EMPLOYEE COSTS	9
MATERIALS AND CONTRACTS	10
DEPRECIATION AND AMORTISATION EXPENSE	11
LOSS ON SALE OF NON-FINANCIAL ASSETS	12
OTHER EXPENSES	13
CURRENT ASSETS	
Cash and Cash Equivalents	14
Receivables	15
Other Current Assets	16
CURRENT LIABILITIES	
Payables	25
Interest Bearing Liabilities	26
Provisions	27
Other Current Liabilities	28
NON-CURRENT ASSETS	
Investment in Water Corporation	38
Land	17
Buildings	18
Roads and Bridges	19
Other Structures	20
Plant and Equipment	21
Furniture and Fittings	22
Work in Progress	23
Intangible Assets	24
NON-CURRENT LIABILITIES	
Interest Bearing Liabilities	26
Provisions	27
RESERVES	29
COMMITMENTS FOR EXPENDITURE	30
SUPERANNUATION	31
RECONCILIATION OF SURPLUS TO NET CASH FROM OPERATING ACTIVITIES	32
RELATED PARTIES DISCLOSURE	33
EMPLOYEE NUMBERS	34
SUBSEQUENT EVENTS	35
CONTINGENCY	36
SIGNIFICANT BUSINESS ACTIVITIES	37
FINANCIAL INSTRUMENTS	39

WEST COAST COUNCIL

*Notes to and forming part of the Financial Report
30 June 2013*

**Statement of Comprehensive Income
for the year ended 30 June 2013**

	Notes	Budget 2013 \$	Actual 2013 \$	Actual 2012 \$
<u>INCOME</u>				
RECURRENT INCOME				
Rates and Charges		6,282,522	6,300,727	6,160,090
Operating Grants	3	1,280,431	2,149,806	2,782,703
User Charges including Reimbursements	4	879,893	993,204	1,129,948
Visitor Information Centre	5	170,059	217,449	205,409
Investment Income from Water Corporation	6	324,515	677,839	308,340
Interest	7	355,883	290,145	450,658
Rent		312,547	238,274	258,767
Other Income	8	41,322	52,552	99,189
	2(a)	9,647,172	10,919,996	11,395,104
CAPITAL INCOME				
Capital Grants received specifically for new or upgraded assets	3	181,880	504,791	789,682
Contributions - non monetary assets	17,18	-	-	437,000
Net (gain)/loss on disposal of property, plant and equipment	12	-	31,909	(15,685)
		181,880	536,700	1,210,997
		9,829,052	11,456,696	12,606,101
<u>EXPENSES</u>				
Employee Costs	9	3,887,992	3,859,370	3,618,737
Materials and Contracts	10	2,442,107	2,677,687	2,540,606
Depreciation and Amortisation	11	2,475,362	2,727,197	2,632,581
Rebate on Pensioner Rates and Charges/Rates Adj General		309,942	281,809	298,336
Fees, Levies, Subscriptions and Allowances		261,981	241,973	245,911
Contributions to Government		209,716	185,582	183,016
Insurances		132,174	129,767	128,825
Communications and Information Technology Expenses		165,233	132,929	129,289
Discount on Rates and Charges		171,645	168,522	167,503
Borrowing Costs		87,617	85,347	93,878
Other Expenses	13	419,081	327,410	315,877
	2(a)	10,562,850	10,817,593	10,354,559
		(733,798)	639,103	2,251,542
<u>OTHER COMPREHENSIVE INCOME</u>				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment(decrement) reversals	29	-	(24,749)	(547,501)
		(733,798)	614,354	1,704,041
Items that may be reclassified subsequently to surplus or deficit				
Fair Value adjustment on Available for Sale Assets	29,38	-	342,424	27,290
		-	342,424	27,290
		(733,798)	956,778	1,731,331
COMPREHENSIVE RESULT				

This statement should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

**Statement of Financial Position
 as at 30 June 2013**

	Notes	Actual 2013 \$	Actual 2012 \$
CURRENT ASSETS			
Cash and Equivalents	14	5,298,496	5,721,157
Receivables	15	655,866	393,719
Other Assets	16	41,874	53,617
Inventories		69,248	34,860
Total Current Assets	2(b)	6,065,484	6,203,353
NON-CURRENT ASSETS			
Investment in Water Corporation	38	25,726,159	25,383,735
Land	17	4,293,726	4,862,093
Buildings	18	12,227,901	13,717,504
Roads and Bridges	19	53,775,082	52,001,197
Other Structures	20	1,562,335	819,295
Plant and Equipment	21	2,340,548	2,357,549
Furniture and Fittings	22	276,353	243,815
Work in Progress	23	999,564	609,434
Intangible	24	18,000	36,000
Total Non-Current Assets	2(b)	101,219,668	100,030,622
TOTAL ASSETS		107,285,152	106,233,975
CURRENT LIABILITIES			
Payables	25	1,101,866	874,379
Interest Bearing Liabilities	26	132,606	123,753
Provisions	27	443,674	478,598
Other Liabilities	28	227,596	264,003
Total Current Liabilities		1,905,742	1,740,733
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	26	1,020,368	1,152,974
Provisions	27	182,079	124,651
Other Liabilities	28	15,984	11,416
Total Non-Current Liabilities		1,218,431	1,289,041
TOTAL LIABILITIES		3,124,173	3,029,774
NET ASSETS		104,160,979	103,204,201
EQUITY			
Accumulated Surplus		63,260,893	62,621,790
Reserves	29	40,900,086	40,582,411
TOTAL EQUITY		104,160,979	103,204,201

This statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the year ended 30 June 2013

		Actual 2013 Inflows (Outflows)	Actual 2012 Inflows (Outflows)
Cash Flows from Operating Activities	Note		
Rates		5,907,358	5,752,099
Grants (Inclusive of GST)		2,187,431	2,815,333
Other Including Reimbursements and User Charges (Inclusive of GST)		1,610,659	2,088,375
Investment in Water Corporation		682,972	429,506
Interest		296,298	447,736
Payments to Employees		(3,859,370)	(3,652,706)
Payments to Suppliers (Inclusive of GST)		(2,823,789)	(2,941,090)
Finance Costs		(87,617)	(95,878)
Other Payments		(1,099,021)	(1,052,197)
Net Cash provided by (used in) Operating Activities	32	2,814,921	3,791,178
Cash Flows from Investing Activities			
Payments for Property, Infrastructure, Plant and Equipment		(3,586,148)	(3,110,318)
Proceeds from sale of Property, Infrastructure, Plant and Equipment		155,043	12,727
Net Cash provided by (used in) Investing Activities		(3,431,105)	(3,097,591)
Cash Flows from Financing Activities			
Capital Grants (Inclusive of GST)		317,276	976,962
Repayment of Interest Bearing Loans and Borrowings		(123,753)	(115,492)
Net Cash provided by (used in) Financing Activities		193,523	861,470
Net Increase (decrease) in Cash and Cash Equivalents		(422,661)	1,555,057
Cash and Cash Equivalents at the beginning of the year		5,721,157	4,166,100
Cash at the end of the financial year	32	5,298,496	5,721,157

This statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the Year Ended 30 June 2013

	Note	Accumulated Surplus	Asset Revaluation Reserve	Investment CMW Reserve	Total
2013					
Balance at beginning of the financial year	29	62,621,790	35,966,494	4,615,917	103,204,201
Comprehensive Result	29	639,103	(24,749)	342,424	956,778
Total Equity		63,260,893	35,941,745	4,958,341	104,160,979
2012					
Balance at beginning of the financial year	29	60,370,248	36,541,285	4,588,627	101,500,160
Comprehensive Result	29	2,251,542	(574,791)	27,290	1,704,041
Total Equity		62,621,790	35,966,494	4,615,917	103,204,201

This statement should be read in conjunction with the accompanying notes.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Introduction

- (a) The West Coast Council is a body corporate with perpetual succession and a common seal. Council's main office is located at 11 Sticht Street, Queenstown, 7467.
- (b) The purpose of the Council is to:
- 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 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

i) Accounting Standards

This general purpose financial report of the West Coast Council (the Council) consists of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. This 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 (LGA 1993)* (as amended).

The following Australian Accounting Standards have been amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

(b) PENDING ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below

- (i) AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

(ii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of Council's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value.

Council reviews its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes are necessary. No substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for Council's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside Council, the amount of information to be disclosed will be relatively greater.

(iii) Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits includes significant revisions to the recognition, re-measurement, presentation and disclosure of defined benefit liabilities/assets. These changes will not affect Council as it does not have any defined benefit plans. Whilst this standard does include revision to multi-employer plans; such as Council's multi-employer sponsored plan the Quadrant Defined Benefit Fund (Refer Note 38); these are generally disclosure related and not expected to have a financial impact.

The standard also clarifies criteria for accounting for "short-term employee benefits" including treatment of terminations. Employee benefits 'expected to be settled' (as opposed to 'due to be settled' under current standard) within 12 months after year end are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave and other short-term benefits not expected to be used within 12 months of end of reporting period will in future be discounted when calculating the leave liability. Council has assessed the impact of this as immaterial.

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. Council has assessed the impact of this as immaterial.

(iv) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

(v) AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014)

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

(vi) AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments. ASB 116 - clarifies the classification of servicing equipment. AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes. AASB 134- provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

(c) CONTINGENT ASSETS AND CONTINGENT LIABILITIES AND COMMITMENTS

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, 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.

(d) BASIS OF PREPARATION

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

This report has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment except where specifically stated in the accompanying notes.

In the application of Australian Accounting 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.

Judgement and Assumptions

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:

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Fair Value of Property Plant and 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 disclosed in notes 17, 18, 19, 20, 21, 22 and 23.

Fair Value of Financial Assets and Liabilities

Assumptions and judgements are utilised in determining the fair value of Council's monetary financial assets and liabilities. These assumptions are discussed in note 39.

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are disclosed in note 31.

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are outlined further in this section under Employee Benefits note 1 (d) and again later in the Provisions note 27.

(e) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, grants and contributions

Rates, grants, donations and other contributions (including developer contributions) are recognised as revenues when Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Only a small provision for impairment on rates (if any) is established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. The provision is made on those properties that are unsaleable due to being land locked etc. Currently there is no need for a provision.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon prior notification that a grant has been secured.

Grants, donations and other contributions are brought to account as revenue at the earlier of, upon their receipt or upon receipt of formalised ratification in writing from a recognised authority ratifying that a grant has been secured.

Un-received contributions over which Council has control are recognised as receivables.

Donations and other contributions that are not subject to accompanying conditions that they be expended in a particular manner or for a particular purpose are recognised as revenue in the reporting period when Council obtains control over the assets comprising the contributions and donations.

User charges

User charges 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. A provision for impairment is recognised when collection in full is no longer probable.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Visitor Information Centre

The Visitor Information and Booking Centre operates on a retail and commission basis. Revenue is recognised as payment is received over the counter due to this being a cash business.

Sale of property, plant and equipment

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

Interest

Interest is recognised as revenue as it accrues.

Dividends and other revenue from Water Corporation

Dividends are recognised when Council's right to receive is established. Council's right is established at the time dividends are declared by Cradle Mountain Water. Other revenue is recognised when payment becomes due.

Rent

Rent is recognised as revenue as it accrues.

Rental payments received in advance are recognised as a prepayment until they are due.

(f) LOCAL GOVERNMENT REPORTING ENTITY

All funds through which Council controls resources to carry on its functions have been included in the financial statements of Council.

i) Trust Funds

Amounts received as tender deposit and retention amounts and proceeds from unpaid rates auctions controlled by Council are included in the amount disclosed as payables within the Current Liabilities until they are refunded or forfeited.

(g) ASSETS

Acquisition of Assets

The cost method of accounting is to be used for the initial recording of all assets. Cost is determined as the fair value of the asset given as consideration, plus costs to the acquisition (e.g. architects fees, engineering design fees, administration charges and all other costs incurred) in getting the asset ready for use.

The cost of non-current assets constructed by the Council includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of all materials includes all consulting and engineering fees.

Non-monetary assets received in the form of grants or donations are recognised as assets and revenues at their fair value at the date of receipt. (Fair value meaning the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arms length transaction).

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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.

Revaluation of Non-Current Assets

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

Investment in Water Corporation	at fair value
Land	at fair value
Buildings	at fair value
Plant and equipment	at cost
Furniture and fittings	at cost
Other Structures	at fair value
Roads	at fair value
Bridges	at fair value
Intangibles	at cost

At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset reasonably approximated its fair value.

Where the carrying value materially differed from its fair value at balance date, the class of asset was re-valued by the application of an appropriate index or re-valued using an appropriate valuation method.

- Any increase or decrease in the value of Land is determined using valuations supplied by the Office of the Valuer-General. Adjustments using adjustment factors are applied each two years until a complete revaluation. If there is material movement then the Adjustment Factors are applied annually. For the year ending 30 June 2009 a complete revaluation was done. Council did not value land existing under roads in accordance with the option available under AASB 1051. Moving forward Council intends to report land under roads for new roads at fair value or cost should the amount be determined as material.
- Any increase or decrease in the value of Buildings is determined using valuations supplied by the Office of the Valuer-General. Adjustments using adjustment factors are applied every second year until a complete revaluation is done. For the year ending 30 June 2009 a complete revaluation was done.
- An increase in the value of Roads was determined using information supplied by W E Enkelaar Pty Ltd for the year ending 30 June 2012. Road pavement valuations included earthworks, substructures, seals and kerbs relating to roads, footpaths and parking areas.
- An increase in the value of Bridges was determined using information supplied by AusSpan in their BMS Report May'13. AusSpan inspect Council bridges twice yearly and provide a report that enables Council to effectively value bridges.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Council revaluation policy is to re-value Land every year using adjustment factors supplied by the Office of the Valuer-General and for Buildings using other adjustment factors available (only if the difference is material). These adjustment factors will be used every two years until a complete valuation is done by the Valuer-General. The new values are then applied using the complete valuation. Complete valuations are done every five years.

Furniture and Fittings along with Plant and Equipment are valued at cost.

Roads are re-valued each year using information supplied by a contract engineering firm.

Bridges are re-valued each year using information supplied by AusSpan who inspect our bridges twice annually and supply the necessary values to allow for revaluation.

All other assets are at fair value using indices with an independent valuation every three years.

The Investment in Water Corporation is valued each year based upon Council's share of net assets of the Water Corporation.

Depreciation and Amortisation of Non-Current Assets

All non-current assets, which have a limited useful life, are systematically depreciated over the useful life in a manner, which reflects the consumption of the service potential of those assets. Land generally is not a depreciable asset. Non-current assets are those which provide a benefit to Council extending beyond twelve (12) months. Depreciation is recognised as per the schedule below. Rates of depreciation reflect the consumption of the service potential of these assets.

The current schedule for rates of depreciation are:-

<u>Classification</u>	<u>Useful Life</u>
Buildings	50 - 100 years
Plant and Equipment	5 - 20 years
Roads and Bridges	20 - 100 years
Parks, Reserves and Recreational Facilities	10 - 50 years
Furniture and Equipment	3 - 20 years
Solid Waste Management	25 - 60 years
Intangibles	1 - 7 years

Maintenance vs. Capitalisation

Officers of the Council will determine at the occurrence of an event whether to capitalise/expense expenditure. The following formula is provided as a guide..."maintenance, repair costs and minor renewals are charged as expenses as incurred unless their total value exceeds 10% of the written down current value and increases the economic life by more than 10% or the net realisable value by more than five (5) thousand dollars".

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Threshold for Recognising a New Asset

The following limits apply in recognising the acquisition of new assets. When group values have been determined the threshold applies to the group not individual assets within that group.

Land	Nil	Roads	As per 1(c)vi
Plant/Machinery	\$1,000	Bridges	\$5,000
Furniture & Fittings	\$1,000	Buildings	\$5,000
Office Equipment	\$1,000	Recreation Facilities	\$1,000
Community Amenities	\$1,000	Parks and Gardens	\$1,000
Playground Equipment	\$2,000		

Where a number of immaterial assets are considered to be of like type or function, the threshold will apply to the group in total.

Investments

Investments are carried at fair value.

An increase in the value of the investment in the Water Corporation was determined as at 30 June 2013 using Councils percentage share of the Water Corporations net assets with the calculation shown in Note 38.

From 1 July, 2013 Councils ownership in Cradle Mountain Water will change to an ownership interest in Tas Water. Refer Note 35.

(b) EMPLOYEE BENEFITS

The liability for wages and salaries, annual leave and long service leave is calculated using remuneration rates Council expects to pay as at each reporting date. The liability also includes related superannuation.

Wages and Salaries

Liabilities for wages and salaries are measured at their nominal amounts (current pay rates) and are settled well within twelve months of the reporting date, usually the following pay period.

Superannuation

The superannuation expense within a reporting period is the amount of the statutory contribution the Council makes to the Quadrant Superannuation Scheme administered by the Local Government, which provides benefits to employees. It also includes amounts paid by Council to other Superannuation Funds. Details of those arrangements are set out in Note 31.

Annual Leave

A liability for Annual Leave is accrued on a pro rata basis in respect of services provided by employees up to the reporting date. The liability is assessed at each reporting date having regard to current rates of pay and includes allowance for superannuation, payroll tax and workers compensation employee on-costs. Discount rates have not been applied as the amount is considered immaterial.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Long Service Leave

Long service leave expected to be settled within twelve months of the reporting date, is measured at its nominal value and includes allowance for superannuation, payroll tax and workers compensation employee on-costs.

(a) Long service leave and other employee entitlements not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash flows to be made by Council in respect of services provided by employees up to the reporting date and includes allowance for superannuation, payroll tax and workers compensation employee on-costs.

The interest rate attaching, as at the reporting date, to the appropriate national government guaranteed securities will be used to discount estimated future cash flows. In addition an inflation rate of 3.10% has been utilised in the calculation of the net present value.

Sick Leave

The Council's sick leave system is based on a cumulative basis with a percentage payable on termination. On previous experience sick leave taken for each reporting period is less than the entitlement accruing. Council believes that this gives rise to a liability and therefore a provision is provided for.

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 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

(i) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet.

(j) INVENTORIES

The valuation of inventories has been assigned to the quantities of stock on hand using the lower of cost or replacement value method of valuation for inventory stock.

(k) MUNICIPAL PROPERTY VALUATION

In accordance with the Valuer-General's policy of valuing municipal properties each five years a revaluation occurred throughout the municipal area in 2008.

As the revaluation is used by Council in raising rates and charges and the valuation extends over a five year period, Council has determined that the expenditure should be recorded as an asset and carried forward and amortised in future accounting periods over the life of the asset. (refer intangible asset Note 24)

(l) ACCRUALS / PREPAYMENTS

Accruals and prepayments are recognised in accordance with generally accepted accounting practices with materiality a major factor in determining their applicability.

Net fair values of financial assets and liabilities

Net fair values of financial instruments are determined on the following basis:

- (a) Monetary financial assets and liabilities – cost basis carrying amounts of trade debtors, trade creditors and accruals (which approximates net market value).
- (b) Fixed rate loans and debentures – the liability for debenture loans will be reviewed annually with disclosure of the net fair value being recorded in the notes to the accounts.

Significant business activities

The *Local Government Act 1993* as at 30 June 1999 under section 84(2)(da) requiring the reporting of operating capital and competitive neutrality costs in respect of each significant business activity undertaken by Council. Council disclosure is recorded in Note 37.

Council has determined, based upon materiality, that Roads and Streets and Waste Management as defined in Note 2 (c) are considered significant business activities.

Council considers that competitive neutrality costs incorporated in Note 37 represent notional costs for which Council are currently exempt, however if Council were to operate in a taxable business environment then there would be the likelihood that these costs would be incurred.

In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- The notional opportunity cost of capital was calculated by applying an interest rate of 9%, which Council has determined as an appropriate interest rate adjusted for a risk margin.
- Taxation equivalents were calculated by an appropriate taxation rate of 30% applied to the activities notional accounting profit before abnormal items.
- Notional Council rates and land tax have been calculated using actual rates and charges set by Council and Government for the current financial period.
- Loan guarantee fees were calculated on the average loan outstanding for each activity multiplied by the loan guarantee fee rate of .45%, which is determined by Treasury.
- The impact of fringe benefits tax credits, stamp duty and financial institution duty were determined to be immaterial and have not been included.
- In preparing Note 37 on Significant Business Activities a notional allocation of rates and grants was made in addition to the allocation recorded in Note 2 (a).

(m) COMPARATIVE TOTALS

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

WEST COAST COUNCIL

*Notes to and forming part of the Financial Report
30 June 2013*

(n) MATERIALITY

Information shall be deemed to be material if its omission, non-disclosure or mis-statement would cause the financial statements to be misleading to users of the statements when making evaluations or decisions.

(o) 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

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the Balance Sheet. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recovered from, or paid to, the ATO are classified as operating cash flows.

(p) STATEMENT OF COMPREHENSIVE INCOME – BUDGET AMOUNTS

The Budget amounts which appear in the Statement of Comprehensive Income are taken from the Annual Estimates and are not subject to audit.

WEST COAST COUNCIL

*Notes to and forming part of the Financial Report
30 June 2013*

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

(a) Expenses, revenues and assets have been attributed to the following functions/activities, descriptions of which are set out in Note 2 (c).

	ROADS AND BRIDGES	WATER	SEWERAGE	COMMUNITY AMENITIES	COMMUNITY SERVICES	CORPORATE SERVICES	OTHER-NON ATTRIBUTABLE	TOTAL
Expenses	2013	\$3,876,877	\$0	\$2,775,794	\$1,585,111	\$2,541,828	\$6,074	\$10,785,684
		35.94%	\$0	25.74%	14.70%	23.57%	0.06%	100.00%
	2012	\$3,635,747	\$0	\$2,601,156	\$1,542,088	\$2,589,268	\$1,985	\$10,370,244
		35.06%	0%	25.08%	14.87%	24.97%	0.02%	100.00%
Revenues		\$916,610	\$0	\$124,844	\$371,655	\$1,241,488	\$0	\$2,654,597
	Grants	\$2,297,888	\$0	\$2,712,799	\$598,682	\$691,358	\$0	\$6,300,727
	Rates	\$71,961	\$0	\$508,718	\$645,305	\$1,237,530	\$5,949	\$2,469,463
	Other	\$3,286,459	\$0	\$3,346,361	\$1,615,642	\$3,170,376	\$5,949	\$11,424,787
	Total	28.77%	\$0	29.29%	14.14%	27.75%	0.05%	100.00%
	2012	\$3,607,322	\$0	\$3,450,126	\$1,737,281	\$3,381,871	\$445,186	\$12,621,786
		28.58%	0%	27.33%	13.76%	26.79%	3.53%	100.00%
Increase in Net Assets resulting from operations	2013	(\$590,418)	\$0	\$570,567	\$30,531	\$628,548	(\$125)	\$639,103
	2012	(\$28,425)	\$0	\$848,970	\$195,193	\$792,603	\$443,201	\$2,251,542
Assets (Note 2 (b))	2013	\$53,775,081	\$25,726,159	\$13,779,738	\$1,336,640	\$8,536,975	\$4,130,559	\$107,285,152
	2012	\$52,001,197	\$25,383,735	\$14,353,894	\$1,392,333	\$8,892,682	\$4,210,134	\$106,233,975

Note: for 2012

Other Non - Attributable revenue includes (but not limited to) \$97,000 being the transfer of property from Crown plus \$340,000 being the transfer of Westhaven Homes.

WEST COAST COUNCIL

*Notes to and forming part of the Financial Report
30 June 2013*

- (b) Total assets shown in Note 2(a) are reconciled with the amounts shown for assets in the Balance Sheet as follows;

	2013	2012
	\$	\$
Current Assets	6,065,484	6,203,353
Non-current Assets	101,219,668	100,030,622
	107,285,152	106,233,975

- (c) The activities of Council are categorised into the following broad functions:

Roads and Bridges

Construction, maintenance and cleaning of roads, footpaths, drainage works, street lighting, bridges, parking facilities and traffic signs.

Community Amenities

Collection, handling, processing and disposal of all waste materials; operation and maintenance of parks and gardens; library services; cemeteries; public halls; sanitary services; property services; caravan parks; sporting and natural reserves; and other sporting facilities.

Community Services

Administration of the town planning scheme; animal control; fire protection; preventative services; rural services; tourism; aerodromes; building control; economic activities; area promotion; emergency services; health and environment services; employment programs; housing; cultural services; community options; senior citizen centre; child care; crisis accommodation; family support and land care.

Corporate Services

Operation and maintenance of Council Chambers; committee rooms; administration offices; maintenance depots, unallocated engineering service and plant and equipment.

Other Non-Attributable

General services and activities not identifiable with the foregoing functions.

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013*

	2013	2012
	\$	\$
3. GRANTS		
Grants were received in respect of the following:		
<u>Operating Grants</u>		
Landcare	54,300	21,000
Other Miscellaneous Small Grants	4,596	38,789
Community Services	317,356	305,300
Government Financial Assistance Grant	1,773,554	2,417,614
Total Operating Grants	<u>2,149,806</u>	<u>2,782,703</u>
<u>Capital Grants</u>		
Roads to Recovery	179,947	181,880
Tullah Gateway	200,000	-
Other miscellaneous Small Grants	9,844	17,802
Rosebery Cycleway	115,000	60,000
Strahan Cycleway Grant Stage 2	-	330,000
Comina Link Road	-	200,000
Total Capital Grants	<u>504,791</u>	<u>789,682</u>
Total Grants	<u>2,654,597</u>	<u>3,572,385</u>

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Conditions of Grants

Non-reciprocal grants recognised as revenue during the year that were obtained on condition that they be expended in a specific manner that had not occurred at balance date were:

	2013 \$	2012 \$
Landcare	21,173	21,000
Other miscellaneous small grants - operating	-	20,404
Other miscellaneous small grants - capital	9,844	-
Strahan Cycleway Stage 2	22,790	326,818
Total	<u>53,807</u>	<u>368,222</u>

Non-reciprocal grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

	2013 \$	2012 \$
Contribution to New Chambers	-	4,800
Landcare	1,279	-
Strahan Cycleway Stage 2	474,028	3,182
Other miscellaneous small grants	10,404	-
Total	<u>485,711</u>	<u>7,982</u>

Net increase (decrease) in restricted assets resulting from non-reciprocal grant revenues for the year:

	2013 \$	2012 \$
Total	<u>(431,904)</u>	<u>360,240</u>

Note: Timing of Grants Expenditure on projects is not always confined to a particular year dependant upon the project duration and the availability of resources or in some cases funds are advanced earlier than required.

WEST COAST COUNCIL

*Notes to and forming part of the Financial Report
30 June 2013*

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. In 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that, "to assist local councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012-13 works programs", it would bring forward for payment to all councils in June 2012, the first two instalments of the 2012-13 grant pool. In the 2013-14 Budget the Commonwealth announced it would continue this approach and include the first two instalments of the 2013-14 grant pool. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2012-13 by \$941,391 and 2011-12 by \$975,444. This has impacted the Statement of Comprehensive Income resulting in the Net (surplus)/deficit from continuing operations being higher in both years by these amounts. With fewer instalments due to be received in 2013-14, the reverse effect may occur, however future payments remain at the Commonwealth's discretion.

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013*

	2013	2012
	\$	\$
4. USER CHARGES INCLUDING REIMBURSEMENTS		
User charges including reimbursements	993,204	1,129,948
	<u>993,204</u>	<u>1,129,948</u>

	2013	2012
	\$	\$
5. VISITOR INFORMATION AND BOOKING CENTRE		
Visitor Information and Booking Centre revenue for the reporting period comprised:		
Visitor Information and Booking Centre - Retail	108,875	94,253
Visitor Information and Booking Centre - Commissions	108,574	111,156
	<u>217,449</u>	<u>205,409</u>

The Visitor Information & Booking Centre operates on a retail and commission basis.

Bookings are largely for accommodation whilst normal retail sales comprise books and souvenirs etc.

For the booking transactions (which only attract a commission of ~15%) the sale and cost of goods sold have been netted off to show only the commission as revenue in line with AASB118 (whereby revenue is measured as the consideration received or receivable - this being the commission on the bookings).

	2013	2012
	\$	\$
6. INVESTMENT INCOME FROM WATER CORPORATION		
Water & Sewerage Investment for the reporting period included:		
Quarterly Tax Instalments	370,675	158,434
Guarantee Fees	157,842	149,906
Final Dividend	149,322	-
	<u>677,839</u>	<u>308,340</u>

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013*

7. INTEREST	2013	2012
	\$	\$
Interest on Financial Assets	197,468	244,008
Interest Reimbursement	87,616	199,467
Interest on Rate Debtors	5,061	7,172
Interest Other	-	11
	<u>290,145</u>	<u>450,658</u>

8. OTHER REVENUE	2013	2012
	\$	\$
Other revenue for the reporting period included:		
Building and Construction Levy	1,808	180
Contributions, Subsidies and Reimbursements	49,846	45,631
Sundry Revenue	898	53,378
	<u>52,552</u>	<u>99,189</u>

Note:

2012 Sundry Revenue includes \$44,544 being unclaimed monies from the sale of properties to cover rates following the expiry of the claim period.

9. EMPLOYEE COSTS	2013	2012
	\$	\$
Wages and Salaries	2,904,328	2,766,176
Superannuation	382,286	361,867
Annual, Sick and Long Service Leave	426,762	436,335
Workers Compensation, Insurance and Other Payroll On-Costs	304,425	280,084
Total Employee Costs	<u>4,017,801</u>	<u>3,844,462</u>
Less Capitalised Employee Costs	(158,431)	(225,725)
Total Employee Costs Expensed	<u>3,859,370</u>	<u>3,618,737</u>

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013*

	2013 \$	2012 \$
10. MATERIALS AND CONTRACTS		
Materials and Consumables	1,306,410	1,413,155
Power and Phone Charges	531,672	440,810
External Contracts	839,605	686,641
	<u>2,677,687</u>	<u>2,540,606</u>
	2013 \$	2012 \$
11. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation expense for the reporting period was charged in respect of:		
Buildings	423,003	366,136
Bridges	216,529	206,108
Other Structures	51,609	49,558
Plant and Equipment	495,777	488,110
Furniture and Fittings	43,550	45,233
Road and Pavements	1,478,729	1,459,436
Amortisation of Leased Equipment	-	-
Amortisation of Municipal Property Valuation	18,000	18,000
	<u>2,727,197</u>	<u>2,632,581</u>
	2013 \$	2012 \$
12. GAIN/(LOSS) ON SALE OF NON - FINANCIAL ASSETS		
Proceeds from Sales	155,043	12,727
Less Carrying Amount of Assets Sold	(123,134)	(28,412)
Gain on Sale of Non - Financial Assets	<u>31,909</u>	<u>(15,685)</u>

WEST COAST COUNCIL
Notes to and forming part of the Financial Report
 30 June 2013

13. OTHER EXPENSES	2013	2012
	\$	\$
Other expenses for the reporting period included:		
External Audit Remuneration (Tasmanian Audit Office)	33,733	28,002
Legal and Debt Collection	48,537	82,735
Gifts and Donations	21,750	19,928
Election and Civic Function Expenses	17,603	19,144
Water and Sewerage Rates	88,118	74,845
Other Sundry Expenses	117,669	91,223
	<u>327,410</u>	<u>315,877</u>

14. CASH AND CASH EQUIVALENTS	2013	2012
	\$	\$
Cash at Bank	198,607	211,179
Cash on Hand	1,360	1,360
Term Deposits	5,098,529	5,508,618
	<u>5,298,496</u>	<u>5,721,157</u>

The credit card facility was \$12,000 with an unused balance of \$10,884 as at 30 June 2013.
 The credit card facility was \$14,000 with an unused balance of \$9,039 as at 30 June 2012.
 There has been no overdraft facility for either year.

15. RECEIVABLES	2013	2012
	\$	\$
<u>Current Assets</u>		
Rates Receivable	253,988	265,413
Other Debtors	334,487	75,792
GST Receivable	67,777	52,998
Less Provision for Impairment	(386)	(484)
	<u>655,866</u>	<u>393,719</u>

WEST COAST COUNCIL
Notes to and forming part of the Financial Report
 30 June 2013

	2013	2012
	\$	\$
16. OTHER ASSETS		
<u>Current Assets</u>		
Prepayments	-	6,233
Accrued Revenue	41,874	47,384
	<u>41,874</u>	<u>53,617</u>
	2013	2012
	\$	\$
17. LAND		
Opening Balance - At Fair Value	4,862,093	5,468,050
Revaluation Adjustment - Equity	(568,367)	(935,957)
Transfers from Crown	-	80,000
Transfers of Westhaven Homes	-	250,000
Closing Balance - At Valuation	<u>4,293,726</u>	<u>4,862,093</u>

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013*

18. BUILDINGS	2013	2012
	\$	\$
Opening Balance - At Fair Value	14,701,471	12,213,549
Revaluation Adjustment - Equity	(1,845,978)	-
Additions	647,784	2,354,342
Disposals	-	(13,000)
Transfers from Crown	-	17,000
Transfers from Plant and Equipment - Skate Park Components	-	39,580
Transfer of West Haven Homes	-	90,000
Closing Balance - At Valuation	<u>13,503,277</u>	<u>14,701,471</u>
Opening Balance - Accumulated Depreciation	(983,967)	(600,276)
Transfers from Plant and Equipment - Skate Park Components	-	(18,855)
Disposals	-	1,300
Depreciation Expense	(423,003)	(366,136)
Revaluation Adjustment - Equity	131,594	-
Closing Balance - Accumulated Depreciation	<u>(1,275,376)</u>	<u>(983,967)</u>
Closing Written Down Value	<u>12,227,901</u>	<u>13,717,504</u>

WEST COAST COUNCIL
Notes to and forming part of the Financial Report
 30 June 2013

	2013	2012
	\$	\$
19. ROADS AND BRIDGES		
ROADS		
Opening Balance - At Fair Value	79,632,890	75,219,645
Additions	1,003,144	4,374,516
Revaluation Adjustment	2,321,800	38,729
Closing Balance - At Valuation	<u>82,957,834</u>	<u>79,632,890</u>
Opening Balance - Accumulated Depreciation	(33,409,039)	(32,288,771)
Depreciation Expense	(1,478,729)	(1,459,436)
Revaluation Adjustment	(810,095)	339,168
Closing Balance - Accumulated Depreciation	<u>(35,697,863)</u>	<u>(33,409,039)</u>
Roads - Closing Written Down Value	<u>47,259,971</u>	<u>46,223,851</u>
BRIDGES		
Opening Balance - At Fair Value	10,049,055	10,066,949
Additions	180,275	290,826
Revaluation Adjustment	1,048,265	(191,315)
Disposals	(67,367)	(117,405)
Closing Balance - At Valuation	<u>11,210,228</u>	<u>10,049,055</u>
Opening Balance - Accumulated Depreciation	(4,271,709)	(4,316,383)
Revaluation Adjustment	(274,246)	133,377
Disposals	67,367	117,405
Depreciation Expense	(216,529)	(206,108)
Closing Balance - Accumulated Depreciation	<u>(4,695,117)</u>	<u>(4,271,709)</u>
Bridges - Closing Written Down Value	<u>6,515,111</u>	<u>5,777,346</u>
Roads & Bridges - Closing Written Down Value	<u>53,775,082</u>	<u>52,001,197</u>

WEST COAST COUNCIL
Notes to and forming part of the Financial Report
 30 June 2013

	2013	2012
	\$	\$
20. OTHER STRUCTURES		
Opening Balance - At Fair Value	980,846	904,494
Additions	822,371	35,145
Revaluation Adjustment	(34,120)	41,207
Closing Balance - At Fair Value	<u>1,769,097</u>	<u>980,846</u>
Opening Balance - Accumulated Depreciation	(161,551)	(111,993)
Depreciation Expense	(51,609)	(49,558)
Revaluation Adjustment	6,398	-
Closing Balance - Accumulated Depreciation	<u>(206,762)</u>	<u>(161,551)</u>
Closing Written Down Value	<u><u>1,562,335</u></u>	<u><u>819,295</u></u>
21. PLANT AND EQUIPMENT		
Opening Balance - At Cost	4,706,690	4,594,668
Additions	585,749	181,309
Disposals	(450,787)	(29,710)
Transfer to Buildings - Skate Park Components	-	(39,580)
Closing Balance - At Cost	<u>4,841,652</u>	<u>4,706,687</u>
Opening Balance - Accumulated Depreciation	(2,349,138)	(1,893,518)
Disposals	343,811	13,635
Transfer to Buildings - Skate Park Components	-	18,855
Depreciation Expense	(495,777)	(488,110)
Closing Balance - Accumulated Depreciation	<u>(2,501,104)</u>	<u>(2,349,138)</u>
Closing Written Down Value	<u><u>2,340,548</u></u>	<u><u>2,357,549</u></u>

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013*

	2013	2012
	\$	\$
22. FURNITURE AND FITTINGS		
Opening Balance - At Cost	511,933	503,279
Additions	92,247	30,550
Disposals	(79,162)	(21,896)
Closing Balance - At Cost	<u>525,018</u>	<u>511,933</u>
Opening Balance - Accumulated Amortisation	(268,118)	(244,144)
Depreciation Expense	(43,550)	(45,233)
Disposals	63,003	21,259
Closing Balance - Accumulated Depreciation	<u>(248,665)</u>	<u>(268,118)</u>
Closing Written Down Value	<u>276,353</u>	<u>243,815</u>
	2013	2012
	\$	\$
23. WORK IN PROGRESS		
Opening Balance - At Cost	609,434	4,765,804
Queenstown Swimming Pool	-	289,744
Bowes Street	-	34,632
Granville Harbour Toilets	-	4,015
Strahan Cycleway (Stage 2)	-	3,182
Queenstown Cycleway	827,568	-
Strahan Playground	26,287	-
Jones Street Footpath	4,129	-
Tullah Playground	-	43,212
Hedley Faul Park Toilets	-	941
Rosebery Cycleway	-	90,177
Transfer to Other Asset Classes	(467,854)	(4,622,273)
Closing Balance - At Cost	<u>999,564</u>	<u>609,434</u>

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013*

	2013	2012
	\$	\$
24. INTANGIBLE ASSETS		
NAVISION SOFTWARE		
Opening Balance - At Cost	191,079	191,079
Closing Balance - At Cost	<u>191,079</u>	<u>191,079</u>
Opening Balance - Accumulated Amortisation	(191,079)	(191,079)
Amortisation Expense	-	-
Closing Balance - Accumulated Amortisation	<u>(191,079)</u>	<u>(191,079)</u>
Closing Written Down Value	<u>-</u>	<u>-</u>
MUNICIPAL PROPERTY VALUATION		
Opening Balance - At Cost	185,000	185,000
Additions	-	-
Closing Balance - At Cost	<u>185,000</u>	<u>185,000</u>
Opening Balance - Accumulated Amortisation	(149,000)	(131,000)
Amortisation Expense	(18,000)	(18,000)
Closing Balance - Accumulated Amortisation	<u>(167,000)</u>	<u>(149,000)</u>
Closing Written Down Value	<u>18,000</u>	<u>36,000</u>
25. PAYABLES		
Accrued Salaries and On-Costs	199,641	156,780
Trade Creditors	881,080	694,185
Loan Interest Accrual	21,145	23,414
	<u>1,101,866</u>	<u>874,379</u>

	2013 \$	2012 \$
26. INTEREST BEARING LIABILITIES		
<u>Current Liability</u>		
Loans	132,606	123,753
	<u>132,606</u>	<u>123,753</u>
<u>Non-Current Liability</u>		
Loans	1,020,368	1,152,974
	<u>1,020,368</u>	<u>1,152,974</u>
	2013	2012
	\$	\$
27. PROVISIONS		
<u>Current Liability</u>		
Annual Leave	266,760	266,449
Sick Leave Provision	52,831	67,971
Long Service Leave	124,083	144,178
Total Current Liabilities	<u>443,674</u>	<u>478,598</u>
<u>Non-Current Liability</u>		
Long Service Leave	182,079	124,651
Total Non-Current Liabilities	<u>182,079</u>	<u>124,651</u>
Total Employee Provisions	<u>625,753</u>	<u>603,249</u>

WEST COAST COUNCIL
Notes to and forming part of the Financial Report
 30 June 2013

28. OTHER LIABILITIES	2013	2012
	\$	\$
<u>Current Liability</u>		
Employee Benefits (Oncosts)	33,826	38,147
Trust Funds	23,796	52,943
S137 Surplus Proceeds On Sale of Properties	98,370	66,998
Bonds	71,604	105,915
	<u>227,596</u>	<u>264,003</u>
<u>Non-Current Liability</u>		
Employee Benefits (Oncosts)	15,984	11,416
	<u>15,984</u>	<u>11,416</u>

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013***29. RESERVES**

	Opening Balance	Transfers to Reserve	Transfers from Reserve	Closing Balance
Asset Revaluation Reserve - Land				
2012/2013	4,155,573	-	(568,367)	3,587,206
2011/2012	5,091,530	-	(935,957)	4,155,573
Asset Revaluation Reserve - Buildings				
2012/2013	6,461,587	-	(1,714,384)	4,747,203
2011/2012	6,461,587	-	-	6,461,587
Asset Revaluation Reserve - Bridges				
2012/2013	3,668,255	774,019	-	4,442,274
2011/2012	3,726,193	-	(57,938)	3,668,255
Asset Revaluation Reserve - Other Structures				
2012/2013	112,345	-	(27,722)	84,623
2011/2012	71,138	41,207	-	112,345
Asset Revaluation Reserve - Roads				
2012/2013	21,568,734	1,511,705	-	23,080,439
2011/2012	21,190,837	377,897	-	21,568,734
Fair Value Reserve - Investment CMW				
2012/2013	4,615,917	342,424	-	4,958,341
2011/2012	4,588,627	27,290	-	4,615,917
Total Reserves				
2012/2013	40,582,411	2,628,148	(2,310,473)	40,900,086
2011/2012	41,129,912	446,394	(993,895)	40,582,411

30. COMMITMENTS FOR EXPENDITURE

Council has no commitments for expenditure.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

31. SUPERANNUATION

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 32(b) of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2013 the Council contributed 12.5% 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, the Council is required to meet its share of the deficiency.

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2011. The review disclosed that at that time the net market value of assets available for funding member benefits was \$57,588,247, the value of vested benefits was \$52,794,839, the surplus over vested benefits was \$4,793,408 and the value of total accrued benefits was \$57,330,437. 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	0% p.a. for 2011/12 and 7.0% p.a. thereafter
Salary Inflation	4.0% pa
Price Inflation	n/a

The actuarial review concluded that:

1. The value of assets of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2011.
2. 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 2011.
3. 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 2014.

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2012/13, 10.5% of salaries in 2013/14, and 11% of salaries in 2014/15. The West Coast Council already exceeds these percentages.

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 2014 and is expected to be completed late in 2014 or early in 2015.

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*.

During the reporting period the amount of contributions paid to defined benefits schemes was \$7,129 (2011-12, \$6,738), and the amount paid to accumulation schemes was \$374,064 (2011-12, \$351,558).

WEST COAST COUNCIL*Notes to and forming part of the Financial Report
30 June 2013*

	2013 \$	2012 \$
32. RECONCILIATION OF SURPLUS TO NET CASH FROM OPERATING ACTIVITIES		
Change in Net Assets for the Period	<u>639,103</u>	<u>2,251,542</u>
<u>Non Operating Investing Activities</u>		
Capital Grants Received Specifically for New or Existing Assets	(317,276)	(976,962)
<u>Items not involving cash</u>		
Depreciation and Amortisation Expenses	2,727,197	2,632,581
Land and Buildings Transferred From Crown (Notes 17,18)	-	(97,000)
Structures transferred from West Haven Homes (Notes 17,18)	-	(340,000)
<u>Investing Activity</u>		
(Gain) /Loss on disposal of Fixed Assets	(31,909)	15,685
<u>Change in Operating Assets & Liabilities</u>		
(Increase) Decrease in Receivables	(261,077)	220,166
(Increase) Decrease in Other Assets	(22,644)	122,928
(Increase) Decrease in Creditors	90,962	(76,973)
Increase (Decrease) in Other Liabilities	(32,086)	(83,020)
(Increase) Decrease in Provisions	22,651	122,231
Net Cash Used in Operating Activities	<u>2,814,921</u>	<u>3,791,178</u>
<u>CASH BALANCE AS PER CASH FLOW STATEMENT</u>		
Cash (Note 14)	5,298,496	5,721,157
Total	<u>5,298,496</u>	<u>5,721,157</u>

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

	2013	2012
	\$	\$
33. RELATED PARTY DISCLOSURE		
(a) Allowances and Reimbursements		
Councillor Allowances & Reimbursements	120,755	124,503
	<u>120,755</u>	<u>124,503</u>

(b) Register of Interests - 2012/13

Interest of Councillors notified to the General Manager in respect of any body or organisation with which the Councillor has major financial dealings:

Councillor & Position

Cr Darryl Gerrity (Mayor)		No interest declared
Cr Peter Reid (Deputy Mayor)		No interest declared
Cr Alwyn Medwin		No interest declared
Cr Lyn O'Grady		No interest declared
Cr Samantha Eley	Resigned 27th September, 2012	No interest declared
Cr Phillip Vickers		No interest declared
Cr Shane Pitt		No interest declared
Cr Robyn Gerrity		No interest declared
Cr Allen Rose	Deceased 26th March, 2013	No interest declared
Cr Phillip Evans	Commenced 29th November, 2012	No interest declared
Cr Douglas Murchie	Commenced 04th July, 2013	No interest declared

Common Expiry is October, 2014 - Polling Period 14th to 28th October, 2014

34. EMPLOYEE NUMBERS - FTE

	2013	2012
Full time	60.0	56.0
Part time	2.0	2.0
Casual	3.0	2.0
Total Employees (full time equivalents)	<u>65.0</u>	<u>60.0</u>

35. SUBSEQUENT EVENTS

From 1 July 2013 a new State-wide water and sewerage corporation trading as "Tas Water" commenced in accordance with the Water and Sewerage Corporation Act 2012. Tas Water will take over the water and sewerage services and assets currently operated by Ben Lomond Water, Cradle Mountain Water and Southern Water. It will also manage the billing, IT and payroll functions currently managed by the industry's service firm, Onstream. Council holds an equal representation with all other councils. No change is expected to current investment treatment, with Council receiving a proportional share in the new corporation. Council will continue to derive returns in the form of dividends, guarantee fees and tax equivalents. Any changes to Council's investments in "Tas Water" will be treated as a non-adjusting event and accounted for in the next financial year.

WEST COAST COUNCIL

*Notes to and forming part of the Financial Report
30 June 2013*

36. CONTINGENCY

There are no contingencies to report.

WEST COAST COUNCIL
*Notes to and forming part of the Financial Report
30 June 2013*
37. SIGNIFICANT BUSINESS ACTIVITIES

The operating capital and competitive neutrality costs of the Council's significant business activities are:

	Roads and Bridges		Waste Management	
	2013 \$	2012 \$	2013 \$	2012 \$
Revenue				
Rates	2,297,888	2,196,774	1,108,634	1,104,715
User Charges	71,961	161,719	215,395	367,029
Grants	916,610	1,248,829	-	-
Total Revenue	3,286,459	3,607,322	1,324,029	1,471,744
Expenditure				
Direct				
Employee Costs	1,029,400	959,606	349,875	334,308
Materials and Contracts	598,027	488,421	251,693	318,386
Interest	56,628	62,585	-	-
Utilities	257,972	242,502	353	242
Indirect				
Engineering & Administration	50,731	55,191	25,365	27,595
Total Expenses	1,992,758	1,808,305	627,286	680,531
Notional cost of free services received				
Capital costs				
Depreciation and amortisation	1,934,850	1,882,633	151,259	158,693
Opportunity cost of capital	4,703,304	4,468,134	95,796	97,741
Total Capital Costs	6,638,154	6,350,767	247,055	256,434
Competitive neutrality adjustments				
Rates and land tax	-	-	2,611	2,451
Loan guarantee fees	4,890	5,467	-	-
	4,890	5,467	2,611	2,451
Calculated Surplus/(Deficit)	(646,039)	(89,082)	542,873	630,069
Tax Equivalent Rate	30.00%	30.00%	30.00%	30.00%
Taxation equivalent	(193,812)	(26,725)	162,862	189,021
Competitive neutrality Costs	(188,922)	(21,258)	165,473	191,472

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

38. INVESTMENT IN WATER CORPORATION

In February 2008 State and Local Government reached agreement to establish three Local Government owned, vertically integrated businesses providing bulk, distribution and retail water and sewerage services, and a common service provider subsidiary company. The *Water and Sewerage Corporations Act 2008* (Corporations Act) was subsequently enacted and received Royal Assent on 13 June 2008.

Full transfer of water and sewerage assets, liabilities and staff to the new corporations took place on 1 July 2009. From that date, responsibility for the water and sewerage services moved from local councils to the three new regional water and sewerage corporations (trading as Cradle Mountain Water, Ben Lomond Water and Southern Water). A fourth company provides common services and support to the three regional corporations (trading as Onstream).

The following assets and liabilities relating to water and sewerage were transferred to Cradle Mountain Water from 1 July 2009. Council's opening ownership interest in the new corporation was represented by the net assets transferred.

Cash and cash equivalents	665,661
Inventories	39,223
Land	108,000
Buildings	615,000
Plant and Equipment	117,702
Furniture and Fittings	1,488
Water Assets	5,817,591
Sewerage Assets	15,632,449
Work in Progress Water and Sewerage	3,646,609
Employee Provisions	(273,042)
Financial Liabilities	(5,602,863)
Net assets transferred	\$20,767,818

Council has an ownership interest of 7.77% in Cradle Mountain Water. Council does not have significant influence to allow it to use the equity method to account for this interest.

Council has classified this asset as an Available-for-Sale financial asset as defined in *AAB 139 Financial Instruments: Recognition and Measurement* and has followed *AASB132 Financial Instruments: Presentation* and *AASB 7 Financial Instruments: Disclosures* to value and present the asset in the financial statements.

There is no active market for the investment and so it is valued at Council's share of total equity as at each balance date. Changes in the fair value are recognised as revenue or expense in the Comprehensive Income Statement each year. Council's investment is disclosed on the face of the Balance Sheet with the value being determined as disclosed above. Dividends received from Cradle Mountain Water are brought to account as income is received.

Council's share of the Corporation's net assets at 30 June 2013 is \$25,726,159.

	30 June 2013	30 June 2012
Brought Forward Balance	25,383,735	25,356,445
Change in fair value of investment	342,424	27,290
Total investment in water corporation	\$25,726,159	\$25,383,735

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

39. FINANCIAL INSTRUMENTS

(a) Financial Risk Management and Risk Exposures

Risk management policies and processes

The Council has exposure to the following risks from its use of financial instruments:

- Credit Risk;
- Liquidity Risk; and
- Market risk

The General Manager has overall responsibility for the establishment and oversight of the Council's risk management framework. Risk management policies are established to identify and analyse risks faced by the Council, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

The Council's liability Insurer, Civic Mutual Plus, undertook a progress review / audit on 6th March 2013 and the Council achieved an overall score of 64%. Council remains strongly committed to improvement with designated staff and resources to this project.

The report confirmed that Council has continued to develop its risk management framework within the organisation.

Credit Risk

Credit risk is the risk of financial loss to the Council if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables and cash and investments.

The carrying amount of financial assets recorded in its financial statements, net of any allowances for impairment losses, represents the Council's maximum exposure to credit risk without taking account of all collateral or other security. Reference should be made to Notes 14, 15 and 16 for the carrying amounts of the Council's financial assets at reporting date.

Council's policy in relation to receivables is summarised below.

Debtors of Council are required to settle their accounts within specified terms including:

Rates Debtors

Rates and charges were required to be paid in full by 31 August, 2012 and if done so by that date ratepayers were afforded a discount. Ratepayers may apply to Council to pay rates and charges by instalments, subject to approved terms and conditions. Should amounts remain unpaid outside of approved payment options, the Council will instigate collection proceedings in accordance with the provisions of the *Local Government Act 1993* and its Collection Policy.

Other Debtors (including loans and advances)

Debtors are required to settle within 30 days of the issue of the account. Debtors may apply to the Council to pay accounts by instalments, subject to approval terms and conditions. Should the amount remain unpaid outside of the approved payment options, the Council will instigate collection proceedings within its Collection Policy.

There are no significant concentrations of credit risk within Council and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counter parties.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Impaired Losses

The following table provides an ageing of Council's trade and rate receivables at the reporting date:

Trade receivables	30 June 2013		30 June 2012	
	Gross	Impairment	Gross	Impairment
Not past due	285,798		35,114	
Past due 0-30 days	8,772		5,073	
Past due 31-60 days	4,616		1,709	
Past due 61-90 days	6,003		3,501	
More than 90 days	29,299	386	30,395	484
Total trade receivables	334,487		75,792	
Rates receivables	253,988	-	265,413	-
Total receivables	\$588,475	\$386	\$341,205	\$484

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

All rates receivables are in excess of 90 days. Only a small allowance for impairment loss is recognised as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold with the only exception being properties that may be unsaleable due to being land locked etc.

Where a Council has obtained financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements (eg guarantees) as such assets meet the recognition criteria in other Australian Accounting Standards, the Council must disclose:

- the nature and carrying amount of the assets obtained; and
- when the assets are not readily convertible to cash, its policies for disposing of such asset or for using them in its operations.

Liquidity Risk

Liquidity risk is the risk that Council will not be able to meet its financial obligation as they fall due. The Council's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due. Council manages this process through budgeting procedures and monthly reviews.

The debenture loans of Council are secured by trust deed and the total loan borrowings are limited to borrowings approved by Treasury. In accordance with section 80 of the *Local Government Act 1993* (as amended) the borrowing capacity of the Council is limited as follows:

- Except with the approval of the Minister, a Council may not borrow additional money for any purpose if the annual payments require to service of the total borrowings would exceed 30% of its revenue of the preceding financial year; and
- Grants made to a Council for a specific purpose are to be excluded in calculating 30% of the revenue of the Council.

The current annual payment of loans by Council equated to 2.46 % of the revenue (net of grants) of the preceding financial year.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

Maturity Analysis of Financial Liabilities

The following tables detail the undiscounted cash flows payable by the Council by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted and include actual fixed rate interest payments. Totals will not reconcile to the carrying amounts presented in the Balance Sheet due to the interest being included.

	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows
30 June 2013				
Payables	1,101,866	-	-	1,101,866
Other liabilities	671,270	198,063	-	869,333
Financial liabilities	211,370	1,056,849	211,370	1,479,589
Total	1,984,506	1,254,912	211,370	3,450,788
30 June 2012				
Payables	874,379	-	-	874,379
Other liabilities	742,601	136,067	-	878,668
Financial liabilities	211,370	1,056,849	422,740	1,690,959
Total	\$1,828,350	\$1,192,916	\$422,740	\$3,444,006

The Council has not defaulted on or breached the conditions of any loans payable recognised at balance date. The comparative year has been altered from that previously reported to fall in line with the payment schedule.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk within acceptable parameters, while optimising the return to the Council.

The primary market risk that the Council is exposed to is the interest rate risk.

Cash and cash equivalents are subject to the floating interest rates. Any variations in future cash flows from interest rate movements are expected to have an immaterial effect on the Council's revenue.

The Council's interest bearing liability is at a fixed rate, so there is no exposure to interest rate risk. The loan funding of \$1,500,000 was taken out over 10 years, taken out in March 2010 and is not subject to interest rate reviews.

Interest rate risk on deposits is managed by adopting practices that ensures:

- Conformity with State and Federal regulations and standards,
- Adequate safety,
- Appropriate liquidity,
- Monitoring of return on investment,
- Staggering maturity dates to provide for interest rate variations,
- Benchmarking of returns and comparisons with budget.

WEST COAST COUNCIL

Notes to and forming part of the Financial Report
30 June 2013

At the reporting date the Council has the following mix of financial assets and liabilities exposed to variable interest rate risk:

	30 June 2013	30 June 2012
<i>Financial assets</i>		
Investment in Water Corporation	25,726,159	25,383,735
Cash at bank and on hand	199,967	212,539
Cash management account	5,098,529	5,508,618
Other financial assets	697,740	447,336
Total	\$31,722,395	\$31,552,228
<i>Financial liabilities</i>		
	Fixed Interest Rate	Fixed Interest Rate
Interest Bearing Liabilities	1,152,974	1,276,727
Total	1,152,974	1,276,727
Net Total	\$30,569,421	\$30,275,501

Sensitivity Analysis of Council's Exposure to Possible Changes in Interest Rates

The following sensitivity analysis is based on the interest rate risk exposure in existence at the reporting date. The analysis assumes all other variables remain constant as was performed on the same basis for 2012.

At 30 June 2013, if interest rates had moved, as illustrated in tables below, profit and equity would have been affected as follows:

	Profit or Loss		Equity	
	2012/13	2011/12	2012/13	2011/12
+1% (100 basis points)	\$52,985	\$ 57,212	\$52,985	\$ 57,212
-5% (50 basis points)	\$(26,492)	\$(28,606)	\$(26,492)	\$(28,606)

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances.

(b) Net Fair Values and Categories of Financial Assets and Liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Balance Sheet, are as follows:

Fair Values	30 June 2013		30 June 2012	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<i>Financial assets</i>				
Cash and cash equivalents				
Investment in Water Corporation	25,726,159	25,726,159	25,383,735	25,383,735
Cash at bank and on hand	5,298,496	5,298,496	5,721,157	5,721,157
Receivables	655,866	655,866	393,719	393,719
Other financial assets	41,874	41,874	53,617	53,617
	31,722,395	31,722,395	31,552,228	31,552,228
<i>Financial liabilities</i>				
Payables	1,101,866	1,101,866	874,379	874,379
Interest bearing liabilities	1,152,974	1,265,572	1,276,727	1,415,461
Other liabilities	869,333	869,333	878,668	878,668
	3,124,173	3,236,771	3,029,774	3,168,508
Net financial assets	\$28,598,222	\$28,485,624	\$28,522,454	\$28,383,720

WEST COAST COUNCIL

*Notes to and forming part of the Financial Report
30 June 2013*

Carrying amounts classified as:	30 June 2013	30 June 2012
<i>Financial assets</i>		
Available for sale	25,726,159	25,383,735
Loans and receivables	697,740	447,336
Cash and cash equivalents	5,298,496	5,721,157
	31,722,395	31,552,228
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	3,124,173	3,029,774
Net financial assets / (liabilities)	\$28,598,222	\$28,522,454

The basis for determining fair values is disclosed in Note 1.

Ownership Interest in Cradle Mountain Water

The ownership interest in Cradle Mountain Water is classified as an "Available for Sale financial asset".

As per Note 38 and Note 1 fair value has been determined.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

- . Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- . Level 2 - inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- . Level 3 - inputs for the asset or liability that are not based on observable market data

30 June 2013	Level 1	Level 2	Level 3	Total
Available for sale financial assets	-	-	\$25,726,159	\$25,726,159
Total	-	-	\$25,726,159	\$25,726,159

There were no transfers between Level 1 and Level 2 during the period.

Reconciliation of Level 3 Fair Value Movements

	30 June 2013
Brought Forward Balance	25,383,735
<i>Gains (losses) recognised in comprehensive income statement:</i>	342,424
Closing Balance	\$25,726,159