



## ANNUAL REPORT 2013 - 2014



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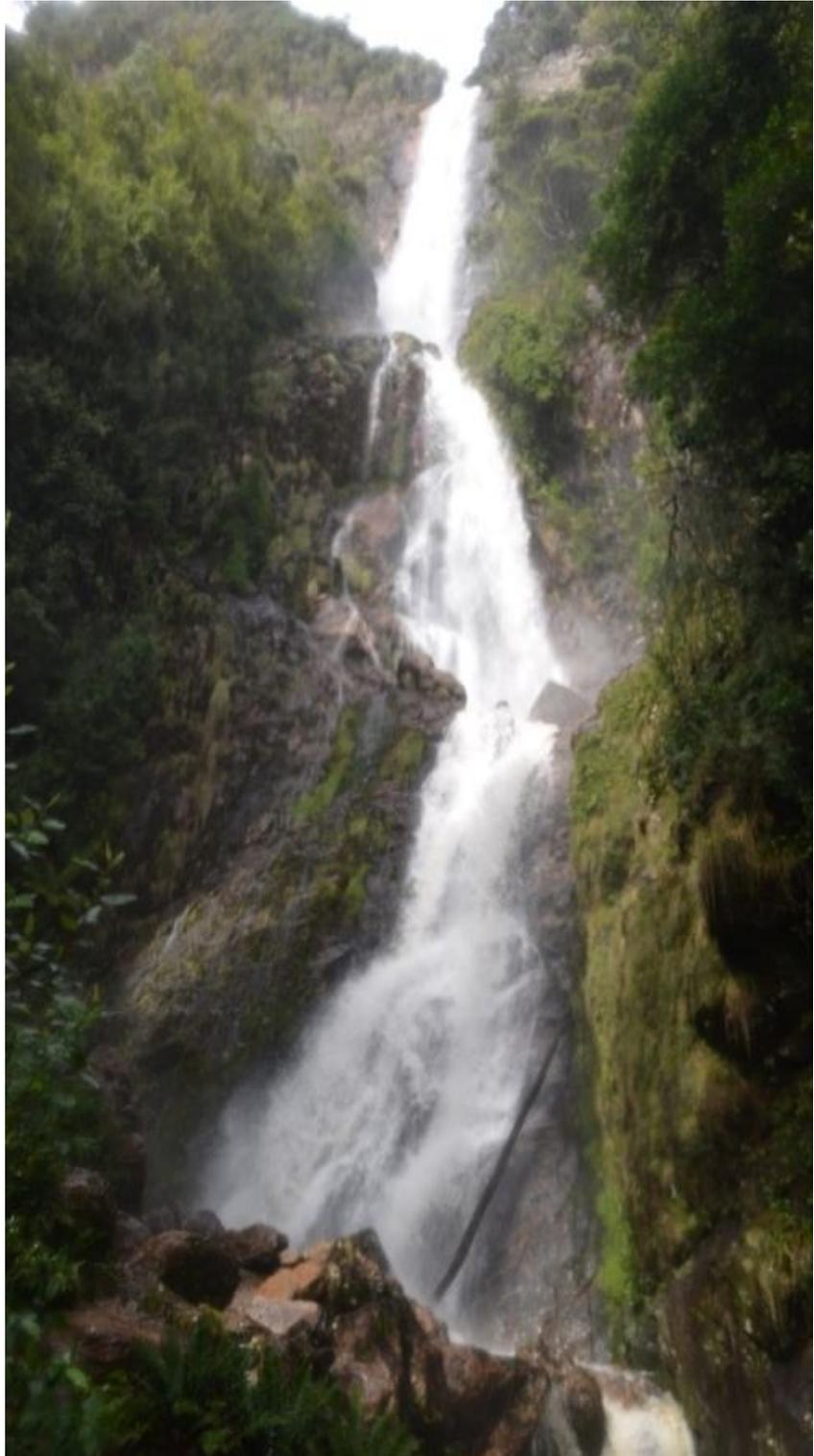
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Montezuma Falls





## 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 Profile

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 4707 (ABS August 2014 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.

## 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 -	70
Total Operating Revenue	\$10,501,563
Loan Debt -	\$1,020,368
Total Operating Expense -	\$12,196,743

Property Assessment 4707

Physical Infrastructure  
 Municipal Sealed Roads 99kms

Municipal Unsealed Roads 96Kms

Sporting Ovals Four

Community Halls Six

Public Toilets Thirteen

### Valuations

Land -	\$172,942,750
Capital -	\$606,702,050
Assessed Annual Value	\$34,475,076
Adjusted Assessed Annual Value	\$30,548,731

# 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
  - Landcare
  - Public Toilets
  - Swimming Pools
  
- **Regulatory**
  - Animal / Litter Control
  - Public & Environmental Health
  - Building Control
  - Planning
  
- **Technical Services**
  - Asset Management
  - State Emergency 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



## SECTION 2 YOUR COUNCIL



**Mayor Robyn Gerrity 2013 -2014**



**Mayor Phillip Vickers 2014**





## General Manager's Report

During my relatively short time here I have gained an appreciation of what it means to be a "West Coaster", perhaps best summarised by words of local student Mia Crosswell at the opening of the 2014 Queenstown Heritage and Arts Festival.

The following pages represent a snapshot of the activities and endeavours of the West Coast Council as it pursued its Mission during the 2013/14 financial year. There will continue to be challenges and opportunities the Council and community together will be required to face and embrace if the adopted Vision is to be achieved.

*Welcome everyone, my name is Mia Crosswell and I am 14 years old. I am a 5<sup>th</sup> generation West Coaster and have lived in Queenstown all of my life.*

*My great, great grandfather Huntly Clarke engineered the Lake Margaret Power Station and my other great grandfather George Windridge was a shift boss at the Mt Lyell Mine. In the past a large group of my family has worked in the mine and other industries and organisations on the West Coast including both of my parents. We have been a part of the West Coast through good times and bad.*

*With my family being a part of the community for so long I am privileged to be a part of the festival. With the closing of the mine it has caused families and friends to leave the West Coast. Other family units have been split up with partners having to leave for jobs on the mainland. The flow on effect reaches out to so many different parts of Tasmania, not just the West Coast. Schools, shops and sporting clubs, just to name a few all suffer as a consequence.*

*My hope for the future is that families come back and numbers continue to grow, strengthening the community. We can all unite together to achieve this, especially the younger generation. I want people to see how great, not just Queenstown is, but the entire West Coast because our spirit is strong.*

*With the local salmon industry rapidly growing, tourism increasing and new industries being developed as well as mining, this will hopefully start a chain reaction to a new beginning.*

*When times get tough everyone comes together to support and help one another no matter what it takes.*

*With a little bit of dedication and determination I know that everything will be ok for our future. I believe if we all stay together we can help to rebuild and reshape our wonderful community. This is why I am proud to call myself a West Coaster.*

The delivery of the Annual Report coincides with the commencement of Mr Dirk Dowling as the General Manager and the early days of a Council elected for a four year term. I have no doubt that with a mix of endeavour and enthusiasm, the sunshine can be brighter and the clouds not so grey.

In closing, my thanks to Councillors and staff for their patience during my role here and best wishes as the history of the West Coast Council continues to be written. I look forward to reading the 2014/2015 Annual Report.

Greg Winton

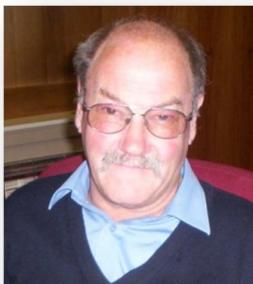
Interim General Manager

# Council Members

**Mayor Robyn Gerrity**  
Term Expiry Oct 14



**Deputy Mayor Peter Reid**  
Term Expiry Oct/14



**Councillor Lindsay Newman**  
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



## Councillor Schedule of Attendance

Councillor	Ordinary Meeting	Special Meeting	Annual General Meeting	Total Attendance
Mayor Darryl Gerrity July 2013- Oct 2013	2 of 12			02
Mayor Robyn Gerrity Oct 2013-June 2014	8 of 12	0	1	09
Deputy Mayor Peter Reid	11 of 12	0	1	12
Shane Pitt	10 of 12	0	1	11
Phil Vickers	10 of 12	0	1	11
Robyn Gerrity July 2013-Oct 2013	03 of 12	0	0	03
Lyn O'Grady	11 of 12	0	1	12
Al Medwin	09 of 12	0	1	10
Phil Evans	10 of 12	0	1	11
Lindsay Newman	07 of 07			07

Total Meetings convened for 2013/2014 Year

Mayor Robyn Gerrity was sworn in 19 November 2013

Cr Lindsay Newman was sworn in 25 November 2013

## Allowances and Expenses

In accordance with Section 72 (1) (cb) of the *Local Government Act 1993*, Council is to include within its Annual Report a statement relating to the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors:

Councillor Allowances and Reimbursements 2013/2014                      \$130,035

In accordance with Section 72 (1) (cd), 72 (4) and 72 (5) of the *Local Government Act 1993 (as amended)*, Council is to include within its Annual Report a statement relating to the total remuneration paid to employees of the Council who hold senior positions. Total remuneration includes the salary paid, contributions to superannuation, values of the use of any motor vehicle and any other allowance or benefit paid.

Annual remuneration	Number of Employees
\$165,000-\$185,000	1
\$125,000 -\$145,000	2

*Senior staff total remuneration was \$459,364*



## Senior Management Staff



**Greg Winton** May-Nov 2014

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

**Brian Lovell**



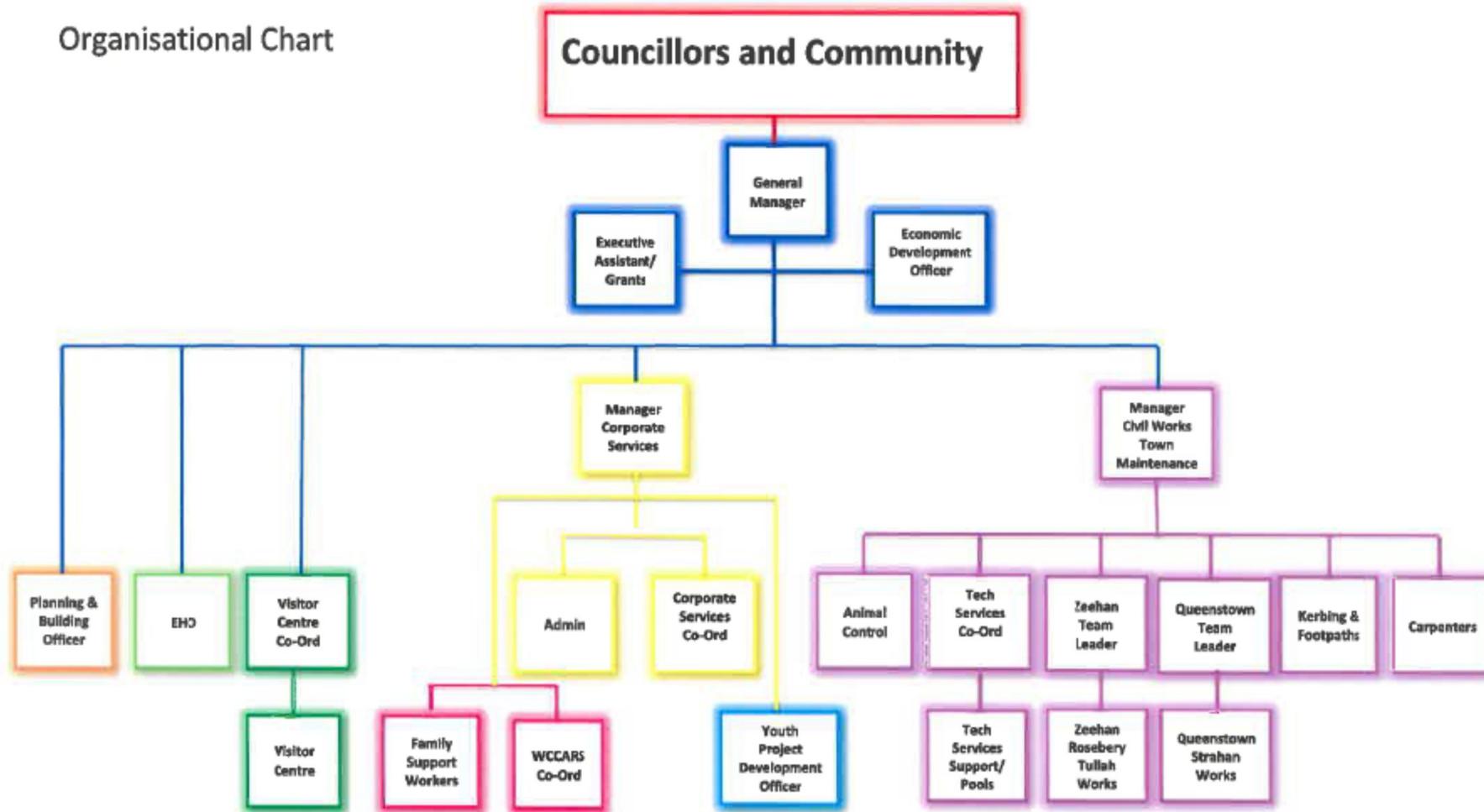
- Corporate Services
- Finance Administration
- Risk Management
- Accounting
- Rates & Charges
- Collections
- Human Resources
- Insurance
- Information Technology
- Legal
- Customer Service
- By-Laws
- Asset Management
- Occupational Health & Safety

**Daryl Polzin**



- 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



## SECTION 3 DEPARTMENTAL PLANS



Governance  
Greg Winton  
Interim  
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 economy continues to be underpinned by 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.

## Governance - Annual Aims 2013/2014

- ▶ 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 community 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



In Progress



Incomplete



Continuous activity

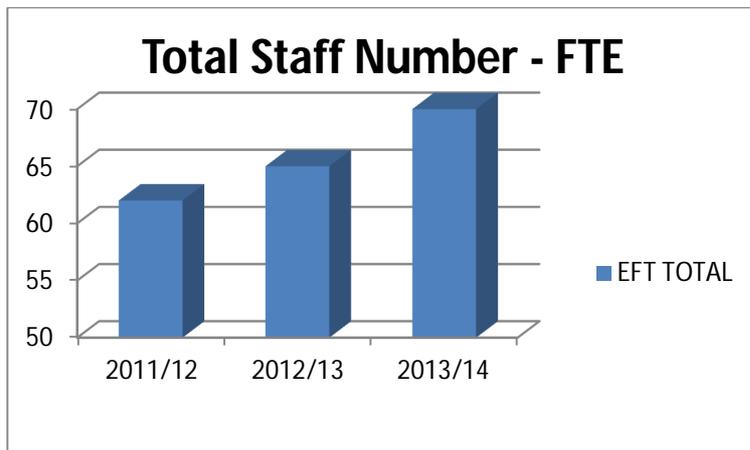
## Administration and Financial Support - Annual Aims 2013/14

- ▶ 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 14th August 2014; 
- ▶ Up to date 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 continually investigate the implementation of competitive principles into Council operations; 
- ▶ To continue to monitor and upgrade as needed 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. 

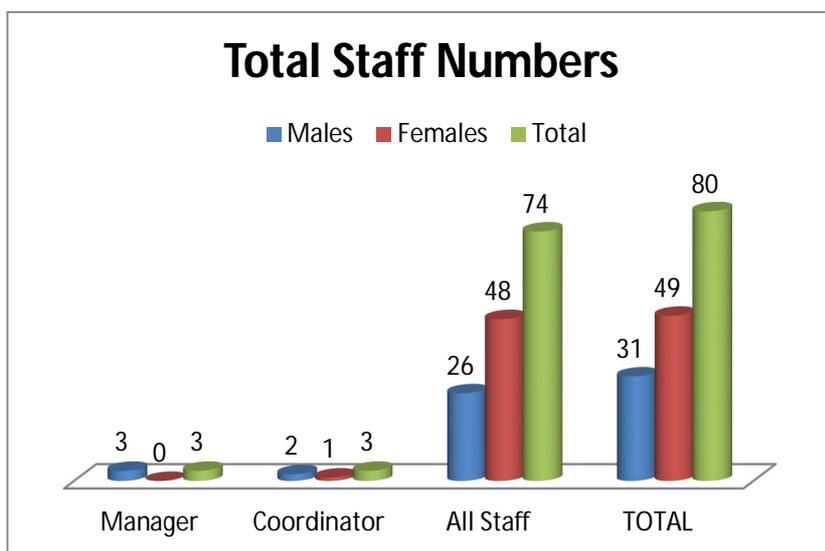
## Staff Profile

Council's staff is one of the most valuable resources. West Coast Council is committed to being an employer of choice with a focus on attracting and retaining excellent staff to ensure a high level of service delivery.

Employees list is not based on full time equivalents, it is by count and includes seasonal, casual, part time plus full time. This excludes MAP (Mine Assistance Program) employees.

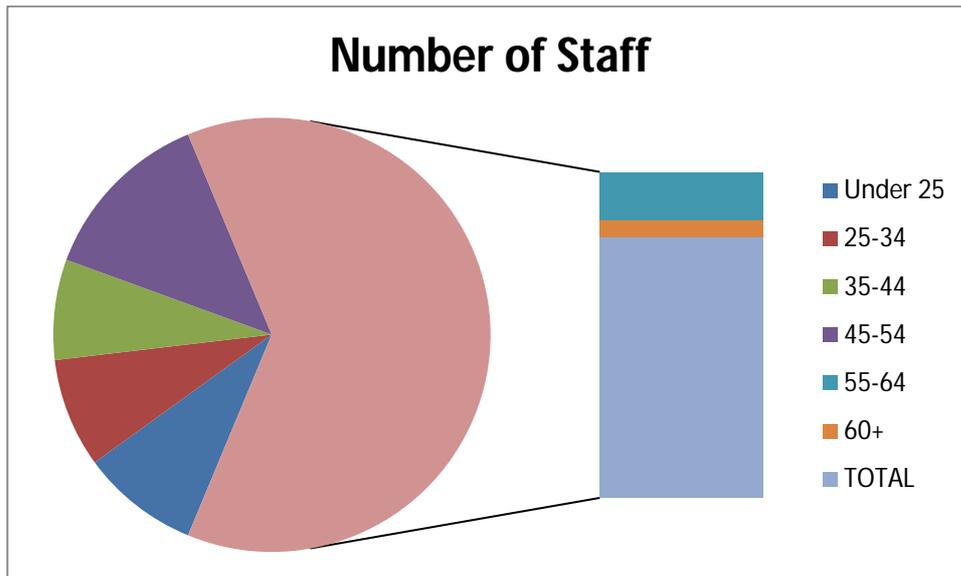


YEAR	FULL TIME EQUIVALENT
2011/12	62
2012/13	65
2013/14	70



<u>Job Level</u>	<u>Males</u>	<u>Females</u>	<u>Total</u>
Manager	3	0	3
Coordinator	2	1	3

All Staff	26	48	74
<b>TOTAL</b>	<b>31</b>	<b>49</b>	<b>80</b>

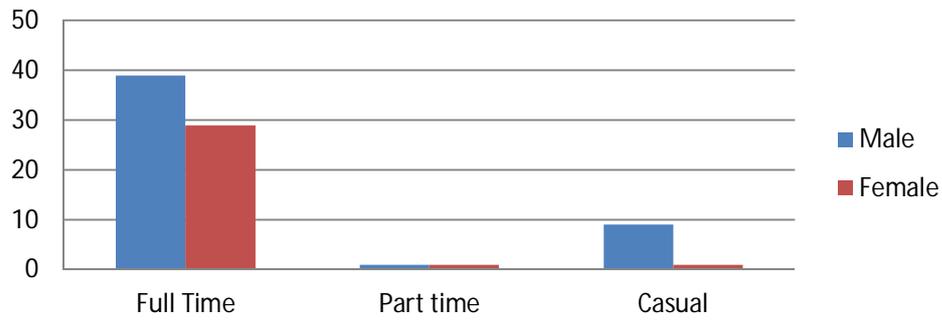


<u>Age</u>	<u>Number of Staff</u>	<u>Percentage of Staff</u>
Under 25	14	17.50%
25-34	13	16.25%
35-44	12	15.00%
45-54	21	26.25%
55-64	15	18.75%
60+	5	6.25%
<b>TOTAL</b>	<b>80</b>	<b>100.00%</b>

<u>Employment Type</u>	<u>Male</u>	<u>Female</u>	<u>Percentage of Staff</u>
Full Time	39	29	85.00%
Part time	1	1	2.50%
Casual	9	1	12.50%
<b>TOTAL</b>	<b>49</b>	<b>31</b>	<b>100.00%</b>

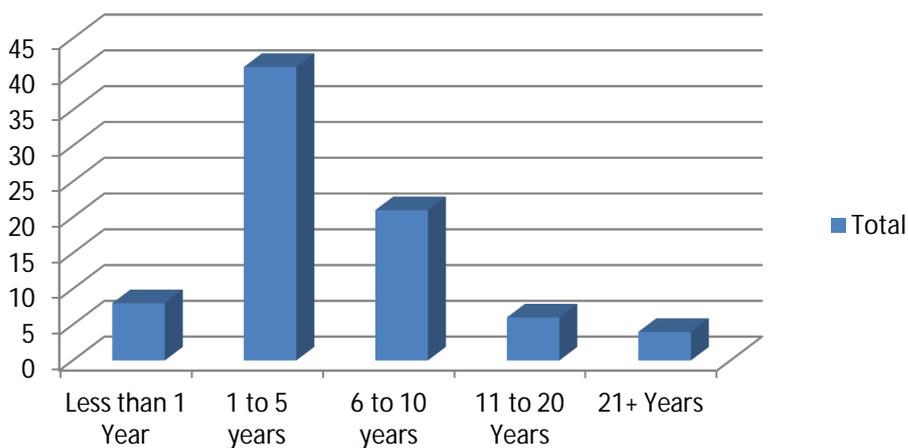
Based on reportable FTE

### Percentage of equivalent full-time staff by employment



<u>Service Profile</u>	<u>Total</u>	<u>Percentage of Staff</u>
Less than 1 Year	8	10.00%
1 to 5 years	41	51.25%
6 to 10 years	21	26.25%
11 to 20 Years	6	7.50%
21+ Years	4	5.00%
<b>TOTAL</b>	<b>80</b>	<b>100.00%</b>

### Length of Service Profile







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



In Progress



Incomplete



Continuous activity

## REGULATORY SERVICES

### PLANNING OVERVIEW

For 2013/2014 financial year Council received 63 planning applications, which resulted in 59 permits being issued, with 3 applications carried over to the next financial year and 1 application refused. With the introduction of Planning Directive No 4 where planning applications are no longer required for dwellings and associated buildings located in the general residential zone this has resulted in 13 no permit required certificates being issued. Overall Council has undertaken 76 planning assessments.

### Introduction of Interim West Coast Planning Scheme

West Coast Council along with the other eight councils within the Cradle Coast Region developed the new common planning scheme template which has led to the implementation of the interim planning schemes for the region. The main objective was to introduce a planning scheme which would lead to consistency throughout the region to ensure the requirements for most uses and development between municipalities is the same.

The West Coast Interim Planning Scheme 2014 replaced the West Coast Planning Scheme 2000. The State Government will provide clarification on finalising the interim schemes early 2015.

### Annual Aims 2013/2014

- ▶ 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 
- ▶ Maintain an efficient administrative system for the issuing of planning documentation. 
- ▶ Continue to address education resources for Council and the public to assist with the implementation of the interim planning scheme. 

### Major projects and tasks for 2013-2014

**Implementation of the new Interim Planning Scheme** - in accordance with the Minister for Planning declaration and Land Use Planning & Approvals Act 

- ▶ Processing of all planning applications in accordance with the timeframe perimeters outlined under the Land Use Planning & Approvals Act 1993. 

## **BUILDING OVERVIEW**

Council functions as the Building Permit Authority with all applications lodged requiring certification by a private building surveyor. Council issued 91 Building Applications for the financial year.

### **Annual Aims 2013/2014**

- ▶ Continue to enforce the standard of building, plumbing and drainage regulated by the Building Act 2000 and Building Regulations 2014. 
- ▶ Continue to investigate illegal works and enforce appropriate sanctions 
- ▶ Maintain an efficient administrative system for the permit authority role which issues building and plumbing documentation 
- ▶ Continue to refine the audit system for linking planning and building controls within the organisation. 

### **Manage Major projects and tasks for 2013-2014**

- ▶ Continue to communicate with other Council's and Workplace standards to ensure staff are kept updated on changes to current legislation for building and plumbing duties in accordance with the roles of the permit authority. 
- ▶ Continue to process building and plumbing applications within timeframe perimeters outlined under the Building & Plumbing Acts.





## Interim Manager Town Maintenance & Civil Works Daryl Polzin

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



Complete



In Progress



Incomplete



Continuous activity

## Technical Services - Annual Aims 2013/2014

**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 2013-2014; 
- ▶ Investigate requests for work promptly and take follow-up action;  
- ▶ Complete Council's asset and preventative maintenance management system; 
- ▶ Update Council's maintenance procedures; 
- ▶ Administer Council's internal and external contracts –  

## Technical Services – Swimming Pools - Annual Aims 2013/14

**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 mid October 2013 until late March 2014; 
- ▶ 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 all Pool staff are suitably trained; 
- ▶ Continue to monitor the operation of all pools; 
- ▶ Develop strategies to increase patronage; 
- ▶ Develop strategies for staffing of the three pools, including increased staff numbers and retention of staff across seasons; 
- ▶ Investigate solar Options for Queenstown pool to reduce costs; 
- ▶ Installation of coin operated and solar heated showers when funding is available. 

## Town Maintenance & Civil Works – Parking – Annual Aims 2013/14

**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;
- ▶ To Monitor and issue infringement notices for non-compliance with Council's parking requirements;
- ▶ 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 camping fees;
- ▶ Manage existing license agreements;
- ▶ Promotion of the overnight camping areas.



## Town Maintenance & Civil Works – Waste Transfer, Landfill & Recycling – Annual Aims 2013/14

**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;



▶ Reduce the fire hazard of green and other dimensional domestic waste at the transfer stations; separate bin, fire break exists.



## Town Maintenance & Civil Works – Bridges & Culverts – Annual Aims 2013/14

**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;



▶ Replace one bridge and maintain others as per works schedule and capital budget.



## Town Maintenance & Civil Works – Workshop – Annual Aims 2013/14

**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; Tick  
- ▶ That all equipment maintenance records are maintained;  
- ▶ 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 2013/14

**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 possible relocation of Rosebery SES units to new refurbished premises in Rosebery; 
- ▶ Complete the relocation of the Zeehan SES unit to the new premises at the Zeehan Fire Station; 
- ▶ To be responsive to the emergency needs of the municipal area; 
- ▶ Continue ongoing development of the Emergency Management Plan for the West Coast with all stakeholders. 

## Town Maintenance & Civil Works – Private Works – Annual Aims 2013/14

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

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

## Town Maintenance & Civil Works – Kerb & Channel, Stormwater, Aerodromes & Cemeteries – Annual Aims 2013/14

**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 to engineering standards within budget and are adequate for the municipality;  
- ▶ Maintain infrastructure assets to an acceptable standard;  
- ▶ Undertake frequent visual inspections of both aerodromes and cemeteries; 
- ▶ Maintain a five year plan for kerb and footpath replacement. 

## Town Maintenance & Civil Works – Parks, Buildings, Reserves & Recreation – Annual Aims 2013/14

**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;  
- ▶ Implement tree management policy and guidelines for managing all trees within town boundaries. Parks and reserves; 
- ▶ Continue with weed spraying within town boundaries and road reserves. 
- ▶ 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; 
- ▶ Complete Strahan Playground in 2013/14; 
- ▶ Review Council's maintenance procedures in relation to all related infrastructure; 
- ▶ Review the number, usage, and long term viability of all infrastructures within this department. 

## Animal Control

### Environmental Health - Dog Control - Annual Aims 2013/14

- ▶ 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. 

## Town Maintenance & Civil Works – Roads, Signs, Lighting, Nature Strips & Footpaths – Annual Aims 2013/14

**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; 
- ▶ 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 2013/14

**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;  
- ▶ 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 2013/14

- ▶ 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 training and planting days within local schools 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. 

**NOTE:** Funding constraints led to the cessation of this role as of July 2014.



## Tourism & Community Liason Greg Winton

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 2013/214

- ▶ 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  
Paddy Kennedy  
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 2013/14

- ▶ 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 – 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 notifiable disease;
- ▶ 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, contracted to two day fortnight, EHO Administration Officer three part days per week.

### **(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 = 39, HepB = 0, Varicella – 25 and dTpa Boosters = 56; and
- ▶ Public immunisation awareness program.

### **Sampling regimes for the following:**

- ▶ 3 Public swimming pools on a monthly basis (during season) for disinfection qualities – 22 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
- ▶ 77 premises inspected prior to the re-registration and licensing of operators with follow-up inspections as required, total = 85.

### **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.

Submissions to the Director of Public Health

- ▶ Annual recreational water quality report.



**Community Services**  
**Brian Lovell**  
**Manager Community Services**



**Community Service Officer's**  
**Helen Buettel, Rexelle Ray & Wanita Potito**

The Community Services area includes Family Support Services and West Coast Crisis Accommodation Service.

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;
- Regularly review the way in which the services collaborates with other agencies;
- Ensure that children accompanying adults have their individual needs identified and met; and that each child is provided with care and protection; and
- Community Services also encompasses the West Coast Youth Project.

## Community Services – Annual Aims 2013/14

- ▶ To undertake a review of operations by reviewing all policies, procedures, professional agreements and collection of consumer data annually; 
- ▶ 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; 

### Legend



Complete



Continuous



In Progress

**Manager Community Services  
Brian Lovell**



**Rowan Harvey & Amy Walker  
Youth Project Development Officers**

**West Coast Youth Project**



Starting in 2013, a Tasmanian government grant was awarded to the Queenstown PCYC and as a result partnered with the West Coast Council. It is this grant that funds the West Coast Youth Project. Based at the Council in Queenstown, the project is governed by a Steering Committee and managed onsite by the Corporate Services Manager Brian Lovell and Youth Project Development Officers Amy Walker and Rowan Harvey. The project provides a range of sustainable services, events, groups and activities to all youth aged 12- 24 from across the West Coast.

All events and activities are partnership projects. This means that the WCYP does not provide financial sponsorship for events or activities; rather it assists in facilitating and managing the event or activity for a period of time, and then hands it over to be run by a West Coast business, organisation or a community group.

By working closely with our community, the WCYP strives to provide something for youth to do and a place for them to go, ultimately encouraging pro-social and safer behaviours. This in turn enhances the involvement of young people in their towns, providing opportunities for youth to make decisions on what influences them and what happens within their towns.

## SECTION 4 FINANCIAL SERVICES



### Financial Management

The financial report for the year ended 30 June 2014 is appended to this report.

The budget operating deficit for 2013/14 excluding Capital income (shown on the Statement of Comprehensive Income) was \$1,066,392. 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) in the Financial Report. In the 2014/15 Federal Budget the Commonwealth announced it would discontinue the approach of prepaying instalments, therefore there were no prepayments in 2013/14 that would have compensated.

The actual result for 2013/14 was a deficit of \$1,695,180 with the unfavourable variance from budget of \$629,000 being largely due to the Mine Assistance Program accounting for \$332,000 of additional operating expenditure and an increase in depreciation of \$255,000 with the balance being the net result of positives and negatives in materials and other expenses.

Both Budget and the Actual result excludes Capital Grants received specifically for new or upgraded assets, contributions of non-monetary assets and any net gain(loss) on disposal of property, plant and equipment, asset recognition for the first time, and the removal of assets not controlled by Council.

Grant funding for the Mine Assistance Program was allocated against Capital Projects as Capital Income and did not contribute to operating revenue.

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>Increase</u> <u>/Decrease</u>
Operating Income	11,395,104	10,919,996	10,501,563	(418,433)
Operating Expenditure	10,354,559	10,817,593	12,196,743	1,379,150
Operating Surplus/Deficit	1,040,545	102,403	(1,695,180)	(1,797,583)
Cash	5,721,157	5,298,496	3,222,075	(2,076,421)
Receivables	393,719	655,866	764,922	109,056
Creditors at 30 June	874,379	1,101,866	1,401,905	300,039
Borrowings	1,276,727	1,152,974	1,020,368	(132,606)
Employee Provisions	652,812	675,563	767,083	91,520
Work in Progress	609,434	999,564	762,729	(236,835)

## Financial Indicators

Indicator	2011/12	2012/13	2013/14
Current Ratio: <u>Current Assets</u> Current Liability	3.564:1	3.183:1	1.841:1

Quick Asset Ratio: <u>Cash + Liquid Debtors</u> Current Liabilities (Note: Liquid Debtors do not include outstanding rate debtors)	3.360:1	2.991:1	1.652:1
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Indicator	2011/12	2012/13	2013/14
Rate Coverage  <u>(Rate Revenue)</u> (Operating Revenue)	54.06%	57.70%	61.00%
<u>(Rate Debtors O/S)</u> (Total Rates)	4.31%	4.03%	5.71%
<u>(Expenditure per Capital)</u> (Operating Expenditure) <i>Population 4707</i>	2,217	2,257	2,591

Grant Coverage <u>Grant Revenue</u> (Operating Revenue)	32.3%	24.8%	13.5%
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### Rate remissions granted throughout the year to non-profit groups and organisations

#### Organisation Amount

West Coast Heritage Ltd	\$2,411.58
Zeehan Senior Citizens Inc.	\$ 440.83
Zeehan RSL Club	\$ 630.66
Zeehan Lions Club	\$ 321.80
Queenstown Rebekah Lodge	\$ 286.95
Rosebery Senior Citizens	\$ 383.56
Rosebery Community House	\$ 400.10
Zeehan Gem & Mineral Fair	\$ 293.57
Zeehan Neighbourhood Centre	\$ 728.35
Boy Scout Association	\$ 331.73

<b>ACTIVITY</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>FINANCE</b>			
Revenue per capita	2,322	2,279	2,231
Total rate per capita	1,255	1,315	1,361
Average residential rate	976	999	1,034
Year end rates outstanding	4.3%	4.0%	5.7%
<u>(Capital expenditure)</u>			
(Depreciation)	134.3%	100.5%	118.8%
<b>HUMAN RESOURCE</b>			
<b>MANAGEMENT</b>			
<i>(*per employee)</i>			
Average cost	60,312	59,375	61,104
Average cost of training	851	704	466
Relative number of Employee	12.2	13.2	14.9
Staff turnover rate	8.3%	7.7%	8.6%
Average sick leave (days)	9.9	9.2	6.6
Lost time due to injury (hptw)	0.7	0.6	0.9
<b>PLANNING &amp; BUILDING</b>			
(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	115	128	163

## Gifts and Donations

Posting Date	Recipient	Amount
22/07/2013	Zeehan Primary School	75
23/07/2013	Zeehan Primary School P & F Assoc	100
23/07/2013	Strahan Primary School Parents & Friends Assoc.	100
23/07/2013	Strahan Primary School	75
23/07/2013	Mountain Heights School	225
23/07/2013	Zeehan Gem & Mineral FairAssoc Inc.	500
23/07/2013	Lions Club of Zeehan	200
23/07/2013	Lake Burbury King River Picnic Committee	250
23/07/2013	West Coast District Hospital Auxiliary	500
23/07/2013	Active Strahan Inc	250
23/07/2013	Queenstown Christmas Parade Committee	150
23/07/2013	Queenstown Anglers Club	200
23/07/2013	Queenstown Fire Brigade	150
23/07/2013	Mt Lyell Strahan Picnic Committee	500
23/07/2013	Lions Club of Rosebery	300
23/07/2013	Wee Georgie Wood Steam Railway Inc.	260
23/07/2013	Trial Harbour Progress Assoc	500
23/07/2013	Queenstown Senior Citizens Club Inc.	1,000
23/07/2013	Zeehan Senior Citizens	1,000
23/07/2013	Strahan Senior Citizens Club	1,000
23/07/2013	Strahan Fire Brigade	200
23/07/2013	Queenstown Amateur Swimming Club	150
23/07/2013	Rosebery District High School	225
23/07/2013	St Joseph's School Queenstown	75
23/07/2013	St Joseph's School Rosebery	75
23/07/2013	Queenstown Under 13's Football	150
23/07/2013	Zeehan Under 13's Football	150
23/07/2013	Rosebery Under 13's Football	150
23/07/2013	Strahan - Under 13 Football Club	150
23/07/2013	Rosebery Senior Citizens	1,000
19/09/2013	Fire Appeal	2,500
25/09/2013	Mountain Heights School P & F Association	100
21/11/2013	ABC Giving Tree	250
19/12/2013	Lake Burbury King River Picnic Committee	250
		12,760

## 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 **1<sup>st</sup> July 2013 to 30<sup>th</sup> June 2014**.

<b>Contractor Name &amp; Address</b>	<b>Description of Contract</b>	<b>Value of Contract (excl. GST)</b>
Civilscape Contracting Tasmania PO Box 63 RIDGLEY TAS 7321	<b>Tender T001/2013-2014: Reconstruction of Conlan Streets, Queenstown – Stage 3</b>	\$414,219.00
Procurement Australia 447 Auburn Road HAWTHORN EAST VIC 3123 (Komatsu Australia Pty Ltd)	<b>Tender T003/2013-14: Supply and Delivery of CCF14 Excavator</b>	\$191,300.00
Procurement Australia 447 Auburn Road HAWTHORN EAST VIC 3123	<b>Tender T004/2013-14: Supply and Delivery of footpath sweeper</b>	Tenders called but no contract awarded
Procurement Australia 447 Auburn Road HAWTHORN EAST VIC 3123 (Motors group Tasmania Pty Ltd t/as Webster trucks)	<b>Tender T005/2013-14: Supply and Delivery of GMV Compactor</b>	\$303,974.68
Hardings Hotmix Pty Ltd PO Box 709 ULVERSTONE TAS 7315	<b>Tender T006/2013-2014: Road Construction and Maintenance Program</b>	\$271,462.20

# Audit Statement and Financial Report Ending 30 June 2014



## Independent Auditor's Report

To the Councillors of West Coast Council

Financial Report for the Year Ended 30 June 2014

### Report on the Financial Report

I have audited the accompanying financial report of West Coast Council (Council), which comprises the statement of financial position as at 30 June 2014 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Acting General Manager's statement.

### Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2014 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

### *The Responsibility of the Acting General Manager for the Financial Report*

The Acting General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Section 84 of the *Local Government Act 1993*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those  
...1 of 2

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*

risk assessments, I considered internal control relevant to the Acting General Manager's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Acting General Manager, as well as evaluating the overall presentation of the financial report.

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

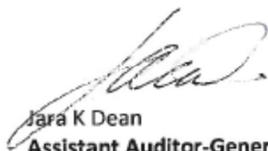
My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in Council's financial report.

#### **Independence**

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

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

#### **Tasmanian Audit Office**



Jara K Dean  
**Assistant Auditor-General Financial Audit  
Delegate of the Auditor-General**

Hobart  
26 September 2014

...2 of 2

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## WEST COAST COUNCIL

### Financial Report

for the year ended 30/06/14

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 2014 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

B R Lovell

Acting General Manager

Dated at Queenstown this 14th day of August 2014.

**WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
30 June 2014*

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**WEST COAST COUNCIL**

Notes to and forming part of the Financial Report  
30 June 2014

**Statement of Comprehensive Income  
for the year ended 30 June 2014**

	Notes	Budget 2014 \$	Actual 2014 \$	Actual 2013 \$
<b><u>INCOME</u></b>				
<b>RECURRENT INCOME</b>				
Rates and Charges		6,444,067	6,406,426	6,300,727
Operating Grants	3	1,317,985	1,249,066	2,149,806
User Charges including Reimbursements	4	868,534	1,141,846	993,204
Visitor Information and Booking Centre	5	180,617	220,614	217,449
Investment Income from Water Corporation	6	669,395	663,287	677,839
Interest	7	192,852	505,324	290,145
Rent		302,949	210,265	238,274
Other Revenue	8	31,053	104,735	52,552
		<b>10,007,452</b>	<b>10,501,563</b>	<b>10,919,996</b>
<b>CAPITAL INCOME</b>				
Capital Grants received specifically for new or upgraded assets	3	181,880	711,119	504,791
Contributions - non monetary assets	21,22	-	47,043	-
Net gain/(loss) on disposal of property, plant and equipment	12	-	(175,076)	31,909
		<b>181,880</b>	<b>583,086</b>	<b>536,700</b>
<b>TOTAL INCOME</b>		<b>10,189,332</b>	<b>11,084,649</b>	<b>11,456,696</b>
<b><u>EXPENSES</u></b>				
Employee Costs	9	4,000,000	4,277,256	3,859,370
Materials and Contracts	10	2,413,140	3,322,568	2,677,687
Depreciation and Amortisation	11	2,671,872	2,927,658	2,727,197
Rebate on Pensioner Rates and Charges/Rates Adj General		302,343	270,603	281,809
Fees, Levies, Subscriptions and Allowances		254,587	236,127	241,973
Contributions to Government		215,518	185,972	185,582
Insurances		145,009	143,964	129,767
Communications and Information Technology Expenses		147,412	144,097	132,929
Discount on Rates and Charges		175,165	184,022	168,522
Borrowing Costs		76,434	76,332	85,347
Other Expenses	13	672,364	428,144	327,410
<b>TOTAL EXPENSES</b>		<b>11,073,844</b>	<b>12,196,743</b>	<b>10,817,593</b>
<b>SURPLUS / (DEFICIT)</b>		<b>(884,512)</b>	<b>(1,112,094)</b>	<b>639,103</b>
<b><u>OTHER COMPREHENSIVE INCOME</u></b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net asset revaluation increment(decrement) reversals	29	-	(109,304)	(24,749)
		<b>(884,512)</b>	<b>(1,221,398)</b>	<b>614,354</b>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Fair Value adjustment on Available for Sale Assets	29,38	-	1,922,000	342,424
		<b>-</b>	<b>1,922,000</b>	<b>342,424</b>
<b>COMPREHENSIVE RESULT</b>		<b>(884,512)</b>	<b>700,602</b>	<b>956,778</b>

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

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

**WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
30 June 2014*

## Statement of Financial Position as at 30 June 2014

	Notes	Actual 2014 \$	Actual 2013 \$
<b>CURRENT ASSETS</b>			
Cash and Equivalents	14	3,222,075	5,298,496
Receivables	15	764,922	655,866
Other Assets	16	15,769	41,874
Inventories		35,625	69,248
<b>Total Current Assets</b>	2(b)	<b>4,038,391</b>	<b>6,065,484</b>
<b>NON-CURRENT ASSETS</b>			
Investment in Water Corporation	38	27,648,159	25,726,159
Land	17	3,334,782	4,293,726
Buildings	18	12,737,856	12,227,901
Roads and Bridges	19	56,428,973	53,775,082
Other Structures	20	761,304	1,562,335
Plant and Equipment	21	2,146,705	2,340,548
Furniture and Fittings	22	305,809	276,353
Work in Progress	23	762,729	999,564
Intangible	24	-	18,000
Security Deposit - Quarry		6,000	-
<b>Total Non-Current Assets</b>	2(b)	<b>104,132,317</b>	<b>101,219,668</b>
<b>TOTAL ASSETS</b>		<b>108,170,708</b>	<b>107,285,152</b>
<b>CURRENT LIABILITIES</b>			
Payables	25	1,401,905	1,101,866
Interest Bearing Liabilities	26	142,092	132,606
Provisions	27	492,627	443,674
Other Liabilities	28	156,940	227,596
<b>Total Current Liabilities</b>		<b>2,193,564</b>	<b>1,905,742</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	26	878,276	1,020,368
Provisions	27	218,304	182,079
Other Liabilities	28	18,983	15,984
<b>Total Non-Current Liabilities</b>		<b>1,115,563</b>	<b>1,218,431</b>
<b>TOTAL LIABILITIES</b>		<b>3,309,127</b>	<b>3,124,173</b>
<b>NET ASSETS</b>		<b>104,861,581</b>	<b>104,160,979</b>
<b>EQUITY</b>			
Accumulated Surplus		62,148,799	63,260,893
Reserves	29	42,712,782	40,900,086
<b>TOTAL EQUITY</b>		<b>104,861,581</b>	<b>104,160,979</b>

**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 2014*

## Statement of Cash Flows for the year ended 30 June 2014

		<b>Actual 2014 Inflows (Outflows)</b>	<b>Actual 2013 Inflows (Outflows)</b>
<b>Cash Flows from Operating Activities</b>	<b>Note</b>		
Rates		6,031,672	5,907,358
Grants (Inclusive of GST)		1,269,920	2,187,431
Other Including Reimbursements and User Charges (Inclusive of GST)		1,824,179	1,610,659
Investment in Water Corporation		672,789	682,972
Interest		489,651	296,298
Payments to Employees		(4,277,256)	(3,859,370)
Payments to Suppliers (Inclusive of GST)		(3,379,567)	(2,823,789)
Finance Costs		(78,764)	(87,617)
Other Payments		(1,336,100)	(1,099,021)
<b>Net Cash provided by (used in) Operating Activities</b>	<b>32</b>	<b>1,216,524</b>	<b>2,814,921</b>
<b>Cash Flows from Investing Activities</b>			
Payments for Property, Infrastructure, Plant and Equipment		(4,092,088)	(3,586,148)
Proceeds from sale of Property, Infrastructure, Plant and Equipment		23,000	155,043
Capital Grants (Inclusive of GST)		908,749	317,276
<b>Net Cash provided by (used in) Investing Activities</b>		<b>(3,160,339)</b>	<b>(3,113,829)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of Interest Bearing Loans and Borrowings		(132,606)	(123,753)
<b>Net Cash provided by (used in) Financing Activities</b>		<b>(132,606)</b>	<b>(123,753)</b>
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>		<b>(2,076,421)</b>	<b>(422,661)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>5,298,496</b>	<b>5,721,157</b>
<b>Cash at the end of the financial year</b>	<b>32</b>	<b>3,222,075</b>	<b>5,298,496</b>

**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 2014*

**Statement of Changes in Equity  
For the Year Ended 30 June 2014**

	Accumulated Surplus	Asset Revaluation Reserve	Investment Tas Water Reserve	Total
2014				
Balance at beginning of the financial year	63,260,893	35,941,745	4,958,341	104,160,979
Comprehensive Result	(1,112,094)	(109,304)	1,922,000	700,602
Total Equity	<u>62,148,799</u>	<u>35,832,441</u>	<u>6,880,341</u>	<u>104,861,581</u>
	Accumulated Surplus	Asset Revaluation Reserve	Investment Tas Water Reserve	Total
2013				
Balance at beginning of the financial year	62,621,790	35,966,494	4,615,917	103,204,201
Comprehensive Result	639,103	(24,749)	342,424	956,778
Total Equity	<u>63,260,893</u>	<u>35,941,745</u>	<u>4,958,341</u>	<u>104,160,979</u>

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 2014

### 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.

##### AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period, except for financial instruments, of which the fair value disclosures are required under AASB 7: Financial Instruments, Disclosures.

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

##### AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which

## **WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
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were previously calculated/measured by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

### **(b) PENDING ACCOUNTING STANDARDS**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

AASB 9 Financial Instruments and the relevant amending standards (effective from 1 January 2017) AASB 9 is one of a series of amendments that are expected to replace AASB 139 Financial Instruments: Recognition and Measurement. The main impact of the standard is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four categories of financial assets in AASB 139 will be replaced with two measurement categories: fair value and amortised cost. This amendment will have no impact on the financial statement.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part A - Conceptual Framework effective from 20 December 2013; Part B - Materiality effective from 1 January 2014; Part C - Financial Instruments effective from 1 January 2015)

Part A of this standard updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of AASB CF 2013-1 in December 2013.

Part B of this standard deletes references to AASB 1031 Materiality in various other standards. Once all references to AASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn.

Part C of this standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015.

The adoption of this standard will not impact Council's accounting policies.

AASB 1031 Materiality (effective from 1 January 2014)

The objective of this standard is to make cross-references to other standards and the Framework for the Preparation and Presentation of Financial Statements (as identified in AASB 1048 Interpretation of Standards) that contain guidance on materiality.

### **(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.

## **WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
30 June 2014*

### **(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 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:

#### **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.

#### **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 (h) 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

## **WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
30 June 2014*

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.

### **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.

## WEST COAST COUNCIL

Notes to and forming part of the Financial Report  
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### (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).

#### 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. There has not been any land acquired since 1 July 2008. Moving forward Council intends to report land under roads for new roads at fair value or cost should the amount be determined as material.

## WEST COAST COUNCIL

Notes to and forming part of the Financial Report  
30 June 2014

- 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 2014. 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 April'14. AusSpan inspect Council bridges twice yearly and provide a report that enables Council to effectively value bridges.

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 Councils voting rights in 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	10 - 100 years
Plant and Equipment	5 - 20 years
Roads and Bridges	20 - 100 years
Other Structures	20 - 100 years
Furniture and Equipment	3 - 20 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  
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### 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 14 based upon Council's voting rights. Councils share of the Water Corporations net assets is shown in Note 38.

From 1 July, 2014 Councils ownership in Cradle Mountain Water changed to an ownership interest in Tas Water.

## (h) 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.

### 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.

## **WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
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(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 2.60% 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.

## **WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
30 June 2014*

### **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.

### **(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.

## **WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
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### **(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.

### **(q) OPERATING LEASES AS LESSOR**

Council owns a range of facilities that are available for lease by not-for-profit sport, recreational and community organisations. Leases to not-for-profit organisations, in general, do not reflect commercial arrangements and have minimal lease payments. Land and building which are leased under these arrangements are recognised within Property, plant and equipment in the Statement of Financial Position and associated rental income is recognised in accordance with Council's revenue recognition policy.

Furthermore, council leases some of its land and buildings on commercial terms. Rental income is recognised in accordance with Council revenue recognition policy.

Where leasing of a property is incidental to Council's use of it, the associated land and buildings are recognised within Property, plant and equipment in the Statement of Financial Position and valued in accordance with Council's valuation policy.

## WEST COAST COUNCIL

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### 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 & BRIDGES	COMMUNITY AMENITIES	COMMUNITY SERVICES	CORPORATE SERVICES	OTHER NON ATTRIBUTABLE		TOTAL
<b>Expenses</b>	<b>2014</b>	\$4,424,660	\$3,397,319	\$1,602,347	\$2,703,610	\$68,807		\$12,196,743
		36.28%	27.85%	13.14%	22.17%	0.56%		100.00%
	<b>2013</b>	\$3,876,877	\$2,775,794	\$1,585,111	\$2,573,737	\$6,074		\$10,817,593
		35.84%	25.66%	14.65%	23.79%	0.06%		100.00%
<b>Revenues</b>								
<b>Grants</b>		\$452,621	\$127,306	\$362,338	\$617,920	\$400,000		\$1,960,185
<b>Rates</b>		\$2,301,105	\$2,765,193	\$601,704	\$738,424	\$0		\$6,406,426
<b>Other</b>		\$240,505	\$439,604	\$683,958	\$1,268,331	\$85,640		\$2,718,038
<b>Total</b>	<b>2014</b>	\$2,994,231	\$3,332,103	\$1,648,000	\$2,624,675	\$485,640		\$11,084,649
		27%	30%	15%	24%	4%		100%
	<b>2013</b>	\$3,286,459	\$3,346,361	\$1,615,642	\$3,202,285	\$5,949		\$11,456,696
		29%	29%	14%	28%	0%		100%
<b>Increase in Net Assets resulting from operations</b>								
	<b>2014</b>	(\$1,430,429)	(\$65,216)	\$45,653	(\$78,935)	\$416,833		(\$1,112,094)
	<b>2013</b>	(\$590,418)	\$570,567	\$30,531	\$628,548	(\$125)		\$639,103
<b>Assets</b>								
		ROADS & BRIDGES	COMMUNITY AMENITIES	COMMUNITY SERVICES	CORPORATE SERVICES	OTHER NON ATTRIBUTABLE	TAS WATER	TOTAL
<b>Assets (Note 2 (b))</b>	<b>2014</b>	\$56,428,973	\$11,949,475	\$1,159,104	\$7,403,070	\$3,581,927	\$27,648,159	\$108,170,708
<b>Assets (Note 2 (b))</b>	<b>2013</b>	\$53,775,081	\$13,779,738	\$1,336,640	\$8,536,975	\$4,130,559	\$25,726,159	\$107,285,152

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Current Assets	4,038,391	6,065,484
Non-current Assets	104,132,317	101,219,668
	<b>108,170,708</b>	<b>107,285,152</b>

(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.

## **WEST COAST COUNCIL**

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### **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**

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<b>3. GRANTS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Grants were received in respect of the following:		
<b>Operating Grants</b>		
Landcare	30,000	54,300
Other Miscellaneous Small Grants	4,985	4,596
Community Services	331,338	317,356
Government Financial Assistance Grant	882,743	1,773,554
Total Operating Grants	<u>1,249,066</u>	<u>2,149,806</u>
<b>Capital Grants</b>		
Roads to Recovery	183,813	179,947
Tullah Gateway	-	200,000
Mine Assistance Program	400,000	-
Solar Heating Swimming Pools	50,000	-
Solar Hot Water Swimming Pools	28,306	-
Removal Concrete Cycleway	49,000	-
Other miscellaneous Small Grants	-	9,844
Rosebery Cycleway	-	115,000
Total Capital Grants	<u>711,119</u>	<u>504,791</u>
Total Grants	<u>1,960,185</u>	<u>2,654,597</u>

**WEST COAST COUNCIL**

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**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:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Landcare	-	21,173
Removal Concrete Cycleway	49,000	-
Community Services	3,085	-
Other miscellaneous small grants - capital	-	9,844
Strahan Cycleway Stage 2	-	22,790
Total	<u>52,085</u>	<u>53,807</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:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Landcare	21,173	1,279
Strahan Cycleway Stage 2	22,790	474,028
Other miscellaneous small grants	9,844	10,404
Total	<u>53,807</u>	<u>485,711</u>

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Total	<u>(1,722)</u>	<u>(431,904)</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.

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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 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 recognizes 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. In the 2014-15 Budget the Commonwealth announced it would discontinue the approach of prepaying instalments, therefore there were no prepayments in 2013-14.

**WEST COAST COUNCIL**

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<b>4. USER CHARGES INCLUDING REIMBURSEMENTS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
User charges including reimbursements	1,141,846	993,204
	<u>1,141,846</u>	<u>993,204</u>

<b>5. VISITOR INFORMATION AND BOOKING CENTRE</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Visitor Information and Booking Centre revenue for the reporting period comprised:		
Visitor Information and Booking Centre - Retail	133,692	108,875
Visitor Information and Booking Centre - Commissions	86,922	108,574
	<u>220,614</u>	<u>217,449</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).

<b>6. INVESTMENT INCOME FROM WATER CORPORATION</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Water & Sewerage Investment for the reporting period included:		
Quarterly Tax Instalments	171,539	370,675
Guarantee Fees	46,305	157,842
Final Dividend	445,443	149,322
	<u>663,287</u>	<u>677,839</u>

<b>7. INTEREST</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Interest on Financial Assets	139,906	197,468
Interest Reimbursement	326,615	87,616
Interest on Rate Debtors	38,803	5,061
	<u>505,324</u>	<u>290,145</u>

**WEST COAST COUNCIL**

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<b>8. OTHER REVENUE</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Other revenue for the reporting period included:		
Contributions, Subsidies and Reimbursements	18,567	51,654
Sundry Revenue	86,168	898
	<u>104,735</u>	<u>52,552</u>

Note:

2014 Sundry Revenue includes \$63,028 being unclaimed monies from the sale of properties to cover unpaid rates following expiry of the claim period.

2014 Sundry Revenue also includes \$10,815 from forfeited bond.

<b>9. EMPLOYEE COSTS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Wages and Salaries	3,575,273	2,904,328
Superannuation	434,856	382,286
Annual, Sick and Long Service Leave	435,200	426,762
Workers Compensation, Insurance and Other Payroll On-Costs	349,862	304,425
Total Employee Costs	<u>4,795,191</u>	<u>4,017,801</u>
Less Capitalised Employee Costs	(517,935)	(158,431)
Total Employee Costs Expensed	<u>4,277,256</u>	<u>3,859,370</u>

<b>10. MATERIALS AND CONTRACTS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Materials and Consumables	1,511,553	1,306,410
Power and Phone Charges	532,949	531,672
External Contracts	1,278,066	839,605
	<u>3,322,568</u>	<u>2,677,687</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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<b>11. DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Depreciation and amortisation expense for the reporting period was charged in respect of:		
Buildings	435,802	423,003
Bridges	196,430	216,529
Other Structures	20,176	51,609
Plant and Equipment	503,303	495,777
Furniture and Fittings	44,130	43,550
Road and Pavements	1,709,817	1,478,729
Amortisation of Municipal Property Valuation	18,000	18,000
	<u>2,927,658</u>	<u>2,727,197</u>

<b>12. GAIN/(LOSS) ON SALE OF NON - FINANCIAL ASSETS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Proceeds from Sales	23,000	155,043
Less Carrying Amount of Assets Sold	(198,076)	(123,134)
Gain on Sale of Non - Financial Assets	<u>(175,076)</u>	<u>31,909</u>

<b>13. OTHER EXPENSES</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Other expenses for the reporting period included:		
External Audit Remuneration (Tasmanian Audit Office)	35,135	33,733
Legal and Debt Collection	45,320	48,537
Gifts and Donations	12,760	21,750
Election and Civic Function Expenses	19,763	17,603
Water and Sewerage Rates	125,792	88,118
Other Sundry Expenses	189,374	117,669
	<u>428,144</u>	<u>327,410</u>

**WEST COAST COUNCIL**

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<b>14. CASH AND CASH EQUIVALENTS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	48,521	198,607
Cash on Hand	1,360	1,360
Term Deposits	3,172,194	5,098,529
	<u>3,222,075</u>	<u>5,298,496</u>

The credit card facility was \$15,000 with an unused balance of \$8,083.86 as at 30 June 2014.  
The credit card facility was \$12,000 with an unused balance of \$10,884.15 as at 30 June 2013.  
There has been no overdraft facility for either year.

<b>15. RECEIVABLES</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<u>Current Assets</u>		
Rates Receivable	365,709	253,988
Other Debtors	294,467	334,487
GST Receivable	108,056	67,777
Less Provision for Impairment	(3,310)	(386)
	<u>764,922</u>	<u>655,866</u>

<b>16. OTHER ASSETS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<u>Current Assets</u>		
Prepayments	-	-
Accrued Revenue	15,769	41,874
	<u>15,769</u>	<u>41,874</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>17. LAND</b>		
Opening Balance - At Fair Value	4,293,726	4,862,093
Revaluation Adjustment - Equity	(958,944)	(568,367)
Closing Balance - At Valuation	<u>3,334,782</u>	<u>4,293,726</u>

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>18. BUILDINGS</b>		
Opening Balance - At Fair Value	13,503,277	14,701,471
Revaluation Adjustment - Equity	-	(1,845,978)
Additions	622,565	647,784
Disposals	(85,500)	-
Transfer from Other Structures	504,418	-
Closing Balance - At Valuation	<u>14,544,760</u>	<u>13,503,277</u>
Opening Balance - Accumulated Depreciation	(1,275,376)	(983,967)
Disposals	3,000	-
Transfer from Other Structures	(98,726)	-
Depreciation Expense	(435,802)	(423,003)
Revaluation Adjustment - Equity	-	131,594
Closing Balance - Accumulated Depreciation	<u>(1,806,904)</u>	<u>(1,275,376)</u>
Closing Written Down Value	<u>12,737,856</u>	<u>12,227,901</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>19. ROADS AND BRIDGES</b>		
<b>ROADS</b>		
Opening Balance - At Fair Value	82,957,834	79,632,890
Additions	3,252,657	1,003,144
Revaluation Adjustment	3,035,387	2,321,800
Closing Balance - At Valuation	<u>89,245,878</u>	<u>82,957,834</u>
Opening Balance - Accumulated Depreciation	(35,697,863)	(33,409,039)
Depreciation Expense	(1,710,007)	(1,478,729)
Revaluation Adjustment	(1,810,768)	(810,095)
Closing Balance - Accumulated Depreciation	<u>(39,218,638)</u>	<u>(35,697,863)</u>
Roads - Closing Written Down Value	<u>50,027,240</u>	<u>47,259,971</u>
<b>BRIDGES</b>		
Opening Balance - At Fair Value	11,210,228	10,049,055
Additions	146,324	180,275
Revaluation Adjustment	(30,756)	1,048,265
Disposals	(143,564)	(67,367)
Closing Balance - At Valuation	<u>11,182,232</u>	<u>11,210,228</u>
Opening Balance - Accumulated Depreciation	(4,695,117)	(4,271,709)
Revaluation Adjustment	(32,515)	(274,246)
Disposals	143,563	67,367
Depreciation Expense	(196,430)	(216,529)
Closing Balance - Accumulated Depreciation	<u>(4,780,499)</u>	<u>(4,695,117)</u>
Bridges - Closing Written Down Value	<u>6,401,733</u>	<u>6,515,111</u>
Roads & Bridges - Closing Written Down Value	<u>56,428,973</u>	<u>53,775,082</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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<b>20. OTHER STRUCTURES</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Opening Balance - At Fair Value	1,769,097	980,846
Additions	22,301	822,371
Disposals	(175,701)	-
Transfer of Buildings	(504,418)	-
Transfer of Plant & Equipment	(1,611)	-
Revaluation Adjustment	(311,708)	(34,120)
Closing Balance - At Fair Value	<u>797,960</u>	<u>1,769,097</u>
Opening Balance - Accumulated Depreciation	(206,762)	(161,551)
Depreciation Expense	(20,176)	(51,609)
Disposals	90,161	-
Transfer of Buildings	98,726	-
Transfer of Plant & Equipment	1,395	-
Revaluation Adjustment	-	6,398
Closing Balance - Accumulated Depreciation	<u>(36,656)</u>	<u>(206,762)</u>
Closing Written Down Value	<u><u>761,304</u></u>	<u><u>1,562,335</u></u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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<b>21. PLANT AND EQUIPMENT</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Opening Balance - At Cost	4,841,652	4,706,690
Additions	300,747	585,749
Donation of Gym Equipment	28,862	-
Transfer from Other Structures	1,611	-
Disposals	(169,972)	(450,787)
Closing Balance - At Cost	<u>5,002,900</u>	<u>4,841,652</u>
Opening Balance - Accumulated Depreciation	(2,501,104)	(2,349,138)
Disposals	149,607	343,811
Transfer from Other Structures	(1,395)	-
Depreciation Expense	(503,303)	(495,777)
Closing Balance - Accumulated Depreciation	<u>(2,856,195)</u>	<u>(2,501,104)</u>
Closing Written Down Value	<u>2,146,705</u>	<u>2,340,548</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>22. FURNITURE AND FITTINGS</b>		
Opening Balance - At Cost	525,018	511,933
Additions	65,078	92,247
Donation of Motor Vehicle	18,181	-
Disposals	(93,218)	(79,162)
Closing Balance - At Cost	<u>515,059</u>	<u>525,018</u>
Opening Balance - Accumulated Amortisation	(248,665)	(268,118)
Depreciation Expense	(44,130)	(43,550)
Disposals	83,545	63,003
Closing Balance - Accumulated Depreciation	<u>(209,250)</u>	<u>(248,665)</u>
Closing Written Down Value	<u><u>305,809</u></u>	<u><u>276,353</u></u>

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>23. WORK IN PROGRESS</b>		
Opening Balance - At Cost	999,564	609,434
Queenstown Cycleway	-	827,568
Galley Museum Footpath	71,203	-
Denison & Orr Street Footpath	71,550	-
Zeehan Embankment Kerbing & Footpath	11,884	-
Zeehan Main Street Embankment	207,504	-
Selby Street Childcare Carpark	189,295	-
Mellor Street Drainage & Roadworks	187,819	-
Reid Street Kerb, Channel & Footpath	14,009	-
Urquhart Street Footpath	2,746	-
Harold Street Upgrade	6,719	-
Strahan Playground	-	26,287
Jones Street Footpath	-	4,129
Transfer to Other Asset Classes	(999,564)	(467,854)
Closing Balance - At Cost	<u><u>762,729</u></u>	<u><u>999,564</u></u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>24. INTANGIBLE ASSETS</b>		
<b>NAVISION SOFTWARE</b>		
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>
<b>MUNICIPAL PROPERTY VALUATION</b>		
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	(167,000)	(149,000)
Amortisation Expense	(18,000)	(18,000)
Closing Balance - Accumulated Amortisation	<u>(185,000)</u>	<u>(167,000)</u>
Closing Written Down Value	<u>-</u>	<u>18,000</u>
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>25. PAYABLES</b>		
Accrued Salaries and On-Costs	242,963	199,641
Trade Creditors	1,140,229	881,080
Loan Interest Accrual	18,713	21,145
	<u>1,401,905</u>	<u>1,101,866</u>

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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>26. INTEREST BEARING LIABILITIES</b>		
<u>Current Liability</u>		
Loans	142,092	132,606
	<u>142,092</u>	<u>132,606</u>
<u>Non-Current Liability</u>		
Loans	878,276	1,020,368
	<u>878,276</u>	<u>1,020,368</u>
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>27. PROVISIONS</b>		
<u>Current Liability</u>		
Annual Leave	298,987	266,760
Sick Leave Provision	57,993	52,831
Long Service Leave	135,647	124,083
Total Current Liabilities	<u>492,627</u>	<u>443,674</u>
<u>Non-Current Liability</u>		
Long Service Leave	218,304	182,079
Total Non-Current Liabilities	<u>218,304</u>	<u>182,079</u>
Total Employee Provisions	<u>710,931</u>	<u>625,753</u>

**WEST COAST COUNCIL**

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<b>28. OTHER LIABILITIES</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<u>Current Liability</u>		
Employee Benefits (Oncosts)	37,169	33,826
Trust Funds	27,541	23,796
S137 Surplus Proceeds On Sale of Properties	35,342	98,370
Bonds	56,888	71,604
	<u>156,940</u>	<u>227,596</u>
<u>Non-Current Liability</u>		
Employee Benefits (Oncosts)	18,983	15,984
	<u>18,983</u>	<u>15,984</u>

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**29. RESERVES**

	<b>Opening Balance</b>	<b>Transfers to Reserve</b>	<b>Transfers from Reserve</b>	<b>Closing Balance</b>
<b>Asset Revaluation Reserve - Land</b>				
2013/2014	3,587,206	-	(958,943)	2,628,263
2012/2013	4,155,573	-	(568,367)	3,587,206
<b>Asset Revaluation Reserve - Buildings</b>				
2013/2014	4,747,203	-	-	4,747,203
2012/2013	6,461,587	-	(1,714,384)	4,747,203
<b>Asset Revaluation Reserve - Bridges</b>				
2013/2014	4,442,274	-	(63,271)	4,379,003
2012/2013	3,668,255	774,019	-	4,442,274
<b>Asset Revaluation Reserve - Other Structures</b>				
2013/2014	84,623	-	(311,709)	227,086
2012/2013	112,345	-	(27,722)	84,623
<b>Asset Revaluation Reserve - Roads</b>				
2013/2014	23,080,439	1,224,619	-	24,305,058
2012/2013	21,568,734	1,511,705	-	23,080,439
<b>Fair Value Reserve - Investment Tas Water</b>				
2013/2014	4,958,341	1,922,000	-	6,880,341
2012/2013	4,615,917	342,424	-	4,958,341
<b>Total Reserves</b>				
2013/2014	40,900,086	3,146,619	(1,333,923)	42,712,782
2012/2013	40,582,411	2,628,148	(2,310,473)	40,900,086

**30. COMMITMENTS FOR EXPENDITURE**

Council has no commitments for expenditure.

## WEST COAST COUNCIL

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### 31. SUPERANNUATION

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), which is a sub fund of the Quadrant Superannuation Scheme (the 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 34 of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2014 the Council contributed 10.5% 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:

- 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.
- 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.
- 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 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*.

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

- The 2011 actuarial review used a funding method that sets the level of Council contributions targeting a margin of 10% in the value of Fund assets over the total of members' vested benefits over the medium to longer term.

## WEST COAST COUNCIL

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The funding method used was the same as the method used at the previous actuarial review in 2008. Under the target funding method of financing the benefits, the stability of the Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, the Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards its financing target.

- In terms of Clause 1.9.2 of the Scheme Trust Deed, there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Clause 1.9.2(b). However in terms of Clause 1.9.2 (d), the only contributions that can be sought from the Employer and its employee Members are any arrears of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Clause 1.22.2(a) requiring the Employer to make good any shortfall before the cessation of participation is approved.

Clause 1.22.2(b) specifically provides that employers participating in the Fund will not be liable for the obligations of other Employers in other funds within the Scheme.

- The application of Fund assets on the Fund or the Scheme being wound-up is set out in Clause 1.21.3. This Clause provides that expenses, pensions in payment and the Superannuation Guarantee benefits of other members should have first call on the available assets. Additional assets will initially be applied proportionately to providing Member's benefits in respect of completed service. If additional assets are available they are applied to increasing members' benefits.

The Trust Deed does not contemplate the Fund withdrawing from the Scheme. However it is likely that Clause 1.9.2 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$7,501 (2012-13, \$7,129), and the amount paid to accumulation schemes was \$421,962 (2012-13, \$374,064).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$7,839, and the amount to be paid to accumulation schemes is \$408,487.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2011. Favourable investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2014.
- An analysis of the assets and vested benefits of Funds participating in the Scheme, prepared by Bendzulla Actuarial Pty Ltd as at 30 June 2013, showed that the Fund had assets of \$61.5 million and members' Vested Benefits were \$54.2 million. These amounts represented 9.8% and 8.7% respectively of the corresponding total amounts for the Scheme.

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>32. RECONCILIATION OF SURPLUS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Change in Net Assets for the Period	<u>(1,112,094)</u>	<u>639,103</u>
<u>Non Operating Investing Activities</u>		
Capital Grants Received Specifically for New or Existing Assets	(908,749)	(317,276)
<u>Items not involving cash</u>		
Depreciation and Amortisation Expenses	2,927,658	2,727,197
Assets Donated (Notes 21,22)	(47,043)	-
<u>Investing Activity</u>		
(Gain) /Loss on disposal of Fixed Assets (Note 12)	175,076	(31,909)
<u>Change in Operating Assets &amp; Liabilities</u>		
(Increase) Decrease in Receivables	(110,126)	(261,077)
(Increase) Decrease in Other Assets	53,727	(22,644)
(Increase) Decrease in Creditors	220,554	90,962
Increase (Decrease) in Other Liabilities	(73,999)	(32,086)
(Increase) Decrease in Provisions	91,520	22,651
Net Cash Used in Operating Activities	<u><u>1,216,524</u></u>	<u><u>2,814,921</u></u>
<b><u>CASH BALANCE AS PER CASH FLOW STATEMENT</u></b>		
Cash (Note 14)	3,222,075	5,298,496
Total	<u><u>3,222,075</u></u>	<u><u>5,298,496</u></u>

## WEST COAST COUNCIL

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	2014	2013
	\$	\$
<b>33. RELATED PARTY DISCLOSURE</b>		
(a) Allowances and Reimbursements		
Councillor Allowances & Reimbursements	130,035	120,755
	<u>130,035</u>	<u>120,755</u>

### (b) Register of Interests - 2013/14

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 Robyn Gerrity (Mayor)	No interest declared
Cr Peter Reid (Deputy Mayor)	No interest declared
Cr Alwyn Medwin	No interest declared
Cr Lynette O'Grady	No interest declared
Cr Phillip Vickers	No interest declared
Cr Shane Pitt	No interest declared
Cr Phillip Evans	No interest declared
Cr Douglas Murchie	No interest declared
Cr Lindsay Newman	No interest declared

Common Expiry is October, 2014

### 34. EMPLOYEE NUMBERS - FTE

	2014	2013
Full time	58.0	60.0
Part time	2.0	2.0
Casual	10.0	3.0
Total Employees (full time equivalents)	<u>70.0</u>	<u>65.0</u>

### 35. SUBSEQUENT EVENTS

There were no subsequent events for the 2013/14 fiscal year.

### 36. CONTINGENCY

There are no contingencies to report.

**WEST COAST COUNCIL**

*Notes to and forming part of the Financial Report  
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**37. SIGNIFICANT BUSINESS ACTIVITIES**

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

	Roads and Bridges		Waste Management	
	2014	2013	2014	2013
	\$	\$	\$	\$
Revenue				
Rates	2,301,105	2,297,888	1,130,916	1,108,634
User Charges	240,505	71,961	232,251	215,395
Grants	452,621	916,610	-	-
Total Revenue	2,994,231	3,286,459	1,363,167	1,324,029
Expenditure				
Direct				
Employee Costs	1,165,112	1,029,400	389,991	349,875
Materials and Contracts	801,140	598,027	324,305	251,693
Interest	38,005	56,628	-	-
Utilities	269,298	257,972	586	353
Indirect				
Engineering & Administration	51,000	50,731	25,500	25,365
Total Expenses	2,324,555	1,992,758	740,382	627,286
Notional cost of free services received				
Capital costs				
Depreciation and amortisation	2,151,106	1,934,850	152,201	151,259
Opportunity cost of capital	4,921,178	4,703,304	85,954	95,796
Total Capital Costs	7,072,284	6,638,154	238,155	247,055
Competitive neutrality adjustments				
Rates and land tax	-	-	2,632	2,611
Loan guarantee fees	4,272	4,890	-	-
	4,272	4,890	2,632	2,611
Calculated Surplus/(Deficit)	(1,485,701)	(646,039)	467,952	542,873
Tax Equivalent Rate	30.00%	30.00%	30.00%	30.00%
Taxation equivalent	(445,710)	(193,812)	140,386	162,862
Competitive neutrality Costs	(441,438)	(188,922)	143,018	165,473

## WEST COAST COUNCIL

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### 38. INVESTMENT IN WATER CORPORATION

At 30 June 2013, Council held a 7.77% ownership interest in Cradle Mountain Water based on the Final Treasurer's Allocation Order in 2011.

From 1 July 2013 a new State-wide water and sewerage corporation trading as "TasWater", commenced in accordance with the Water and Sewerage Corporation Act 2012. TasWater took over the water and sewerage services and assets previously operated by Ben Lomond Water, Cradle Mountain Water and Southern Water.

At 30 June 2014, Council held a 1.8% ownership interest in TasWater which is based on Councils voting rights.

Council's investment is disclosed on the face of the Balance Sheet.

Dividends received from Tas Water are brought to account as income is received.

Council's share of the Corporation's net assets at 30 June 2014 is \$27,648,159.

	30 June 2014	30 June 2013
Brought Forward Balance	25,726,159	25,383,735
Change in fair value of investment	1,922,000	342,424
<b>Total investment in water corporation</b>	<b>\$27,648,159</b>	<b>\$25,726,159</b>

### 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.

## WEST COAST COUNCIL

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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, 2013 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.

### **Impaired Losses**

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

Trade receivables	30 June 2014		30 June 2013	
	Gross	Impairment	Gross	Impairment
Not past due	169,345		285,798	
Past due 0-30 days	39,646		8,772	
Past due 31-60 days	30,551		4,616	
Past due 61-90 days	3,323		6,003	
More than 90 days	51,602	3,310	29,298	386
Total trade receivables	294,467		334,487	
Rates receivables	365,709	-	253,988	-
Total receivables	\$660,176	\$3,310	\$588,475	\$386

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.

## WEST COAST COUNCIL

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### 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 2.41 % of the revenue (net of grants) of the preceding financial year.

### 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
<b>30 June 2014</b>				
Payables	1,401,905	-	-	1,401,905
Other liabilities	523,157	363,697	-	886,854
Financial liabilities	211,370	1,056,849	-	1,268,219
<b>Total</b>	<b>2,136,432</b>	<b>1,420,546</b>	<b>-</b>	<b>3,556,978</b>
<b>30 June 2013</b>				
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
<b>Total</b>	<b>1,984,506</b>	<b>1,254,912</b>	<b>211,370</b>	<b>3,450,788</b>

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.

## WEST COAST COUNCIL

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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.

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

	30 June 2014	30 June 2013
<i>Financial assets</i>		
Cash and Cash Equivalents	3,222,075	5,298,496
Total	\$3,222,075	\$5,298,496

The following financial assets and liabilities were exposed to fixed interest rate:

<i>Financial assets</i>		
Rates Receivable	365,709	253,988
Total	\$365,709	\$253,988
<i>Financial Liabilities</i>		
Interest Bearing Liabilities	1,020,368	1,152,974
Total	1,020,368	1,152,974
Net Total	\$2,567,416	\$4,399,510

### *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 2013.

At 30 June 2014, if interest rates had moved, as illustrated in tables below, profit and equity would have been affected as follows:

	Profit or Loss		Equity	
	2013/14	2012/13	2013/14	2012/13
+1% (100 basis points)	\$32,221	\$ 52,985	\$32,221	\$ 52,985
-.5% (50 basis points)	\$(16,110)	\$(26,492)	\$(16,110)	\$(26,492)

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

**WEST COAST COUNCIL**

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## (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 2014		30 June 2013	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<i>Financial assets</i>				
Investment in Water Corporation	27,648,159	27,648,159	25,726,159	25,726,159
Cash and Cash Equivalents	3,222,075	3,222,075	5,298,496	5,298,496
Receivables	764,922	764,922	655,866	655,866
Other financial assets	15,769	15,769	41,874	41,874
	31,650,925	31,650,925	31,722,395	31,722,395
<i>Financial liabilities</i>				
Payables	1,401,905	1,401,905	1,101,866	1,101,866
Interest bearing liabilities	1,020,368	1,124,956	1,152,974	1,265,572
Other liabilities	869,333	869,333	869,333	869,333
	3,291,606	3,396,194	3,124,173	3,236,771
Net financial assets	\$28,359,319	\$28,254,731	\$28,598,222	\$28,485,624

Carrying amounts classified as:	30 June 2014	30 June 2013
<i>Financial assets</i>		
Available for sale	27,648,159	25,726,159
Loans and receivables	780,691	697,740
Cash and cash equivalents	3,222,075	5,298,496
	31,650,925	31,722,395
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	3,309,127	3,124,173
Net financial assets / (liabilities)	\$28,341,798	\$28,598,222

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

**Ownership Interest in TasWater**

The ownership interest in TasWater is classified as an "Available for Sale financial asset".

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

**WEST COAST COUNCIL**

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***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 2014	Level 1	Level 2	Level 3	Total
Available for sale financial assets	-	-	\$27,648,159	\$27,648,159
Total	-	-	\$27,648,159	\$27,648,159

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

***Reconciliation of Level 3 Fair Value Movements***

	30 June 2014
Brought Forward Balance	25,726,159
<i>Gains (losses) recognised in comprehensive income statement:</i>	1,922,000
Closing Balance	\$27,648,159

## WEST COAST COUNCIL

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### 40. FAIR VALUE MEASUREMENTS

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

- Investment in Water Corporation
- Land
- Buildings
- Roads
- Bridges
- Other Structures

#### (a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2014. Comparative information has not been provided as allowed by the transitional provisions of AASB 13.

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

#### As at 30 June 2014

	Note	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>					
Investment in water corporation	38	-	-	27,648,159	27,648,159
Land	17	-	3,334,782	-	3,334,782
Buildings	18	-	-	12,737,856	12,737,856
Roads	19	-	-	50,027,240	50,027,240
Bridges	19	-	-	6,401,733	6,401,733
Other Structures	20	-	-	761,304	761,304
			<hr/>	<hr/>	<hr/>
		-	3,334,782	97,576,292	100,911,074

#### *Transfers between levels of the hierarchy*

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

For the 2013/14 fiscal year there were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

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### **(b) Highest and best use**

Council considers the current use of its assets to be their highest and best use. Council holds and uses these assets to continue to provide service to the community as mandated by the *Local Government Act 1993* and other laws and regulations.

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

Council adopted AASB 13 *Fair Value Measurement* for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

#### ***Level 2 Fair Value Measurements Recurring***

##### ***Land***

Any increase or decrease in the value of Land is determined using statutory valuations supplied by the Office of the Valuer-General. The statutory valuations by the Office of the Valuer General are derived from the analysis of market sales for different classes of properties and localities. 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. The next complete valuation will be October 2014. 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.

#### ***Level 3 Fair Value Measurements Recurring***

##### ***Buildings***

Any increase or decrease in the value of Buildings is determined using statutory valuations supplied by the Office of the Valuer-General. The statutory valuations by the Office of the Valuer General are derived from the analysis of market sales for different classes of properties and localities. Adjustments using adjustment factors are applied every second year until a complete revaluation is done. For the year ending 2009 a complete revaluation was done and every two years thereafter adjustment factors have been applied as they became available. A complete revaluation will occur in October 2014.

##### ***Roads***

Any increase or decrease in the value of Roads was determined using information supplied by W.E.Enkelaar Pty Ltd for the year ending 30 June 2014. The (CRC) Current Replacement Cost is based on the road area multiplied by a unit price being an estimate of labour and material inputs, service costs, and overhead allocations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's (EBA) Enterprise Bargaining Agreement. Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years. Road pavement valuations included earthworks, substructures, seals and kerbs relating to roads, footpaths and parking areas. The useful life of material components is also considered.

##### ***Bridges***

Any increase or decrease in the value of Bridges was determined using information supplied by AusSpan in their BMS Report April 2014. AusSpan inspects Council bridges twice yearly and provides a report that enables Council to effectively value bridges, their life span and also determines Council's Bridge replacement and maintenance schedule. A condition report are also supplied. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

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### *Other Structures*

Any increase or decrease in the value of Other Structures (currently comprising the Cycleways) was determined using information supplied by W.E.Enkelaar Pty Ltd for the year ending 30 June 2014. The pavement valuations took in to account the labour cost, substructure, concrete paving and reinforcement culminating in a unit cost per square metre. The Cycleways do not follow a roadway therefore they have not been categorised as part of Roads.

### *Sensitivity of Fair Value Measurement to changes in Unobservable Inputs*

The Fair Value of Land and Buildings is subject to fluctuations in the property market which is determined by the economy of the Municipal Area in terms of employment and the demand for property. These factors can see considerable movements in the valuations from year to year which follow the fortunes of the Mines being the main employers.

The Fair Values of Roads, Bridges and Other Structures are subject to increases in the value of inputs such as labour and materials. It is likely the Fair Values will continue to increase on this basis of valuation.

#### (d) **Unobservable inputs and sensitivities**

<u>Asset / liability category</u>	<u>Carrying amount (at fair value)</u>	<u>Key unobservable inputs *</u>	<u>Expected range of inputs</u>	<u>Changes in inputs will affect the fair value</u>
Buildings	12,737,856	Valuations basis Market Property Values and useful life	Valuer General Determination	The higher the useful life the higher the fair value The fair value being subject to changes in market valuations
Bridges	6,401,733	Unit price per sq metre and useful life	Materials & Labour	The higher the unit price the higher the fair value The higher the useful life the higher the fair value
Roads	50,027,240	Unit price per sq metre and useful life	Materials & Labour	The higher the unit price the higher the fair value The higher the useful life the higher the fair value
Other Structures	761,304	Unit price per sq metre and useful life	Materials & Labour	The higher the unit price the higher the fair value The higher the useful life the higher the fair value

\*There were no significant inter-relationships between unobservable inputs that materially affecting fair values.

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### 41. MANAGEMENT INDICATORS

Management indicators	Benchmark	2014	2013	2012	2011
		\$'000	\$'000	\$'000	\$'000
(a) Underlying surplus or deficit					
Recurrent income* less		11,442	10,954	10,919	10,379
recurrent expenditure		12,371	10,786	10,369	9,820
Underlying surplus/deficit	0	-929	168	550	559

\* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.

Council's Deficit for the 2013/14 fiscal year was largely due to an additional 332k being spent on the unbudgeted Mine Assistance program. In addition to this there was 941k of the Financial Assistance Grant prepaid in the previous financial year. There was also 253k of additional depreciation not budgeted for.

(b) Underlying surplus ratio	Benchmark	2014	2013	2012	2011
		\$'000	\$'000	\$'000	\$'000
Underlying surplus or deficit		-929	168	550	559
Recurrent income*		11,442	10,954	10,919	10,379
Underlying surplus ratio %	0%	-8%	2%	5%	5%

This ratio serves as an overall measure of financial operating effectiveness.

As per the commentary in (a) above. Council did not generate sufficient revenue to cover its operating expenditure for 2013/14. However, Council over the four years shown has generated sufficient income to cover its operating expenditure.

(c) Net financial liabilities	Benchmark	2014	2013	2012	2011
		\$'000	\$'000	\$'000	\$'000
Liquid assets less		3,987	5,955	6,114	4,780
total liabilities		3,308	3,124	3,029	3,182
Net financial liabilities	0	679	2,831	3,085	1,598

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.

Council's total liabilities were less than its liquid assets therefore Council if liquidated would be able to cover its liabilities. Council has exceeded the benchmark and is able to generate sufficient cash to cover its liabilities. This is largely due to excess funds being carried forward each year on the balance sheet. This coupled with the fact that there has been no borrowings for Capital projects other than the borrowings that were taken out as part of the economic stimulus package in March 2010. This was largely sought as it was offered with subsidised interest repayments and provided a good opportunity for infrastructure renewal and the affordable housing project. The economic stimulus package saw a proliferation of funding by way of grants that largely subsidised Councils Capital expenditure enabling Council to build cash reserves.

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(d) <b>Net financial liabilities ratio</b>	2014	2013	2012	2011	
	\$'000	\$'000	\$'000	\$'000	
<u>Net financial liabilities</u>	679	2,831	3,085	1,598	
Recurrent income*	11,442	10,954	10,919	10,379	
Net financial liabilities ratio %	0% - (50%)	6%	26%	28%	15%

This ratio indicates the net financial obligations of Council compared to its recurrent income.

Councils has been able to generate surplus liquid assets net of financial liabilities on an ongoing basis over the four year period as per the comments in (c) above.

(e) <b>Asset consumption ratio</b>	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000
<u>Depreciated replacement cost</u>	12,737	12,228	13,717	11,613
Current replacement cost	14,545	13,503	14,701	12,214
Asset consumption ratio %	88%	91%	93%	95%

An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

### **Buildings**

<u>Depreciated replacement cost</u>	12,737	12,228	13,717	11,613
Current replacement cost	14,545	13,503	14,701	12,214

Asset consumption ratio %

### **Roads and Bridges**

<u>Depreciated replacement cost</u>	56,429	53,775	52,001	48,681
Current replacement cost	100,428	94,168	89,700	85,286

Asset consumption ratio %

The Asset Consumption Ratio indicates the level of service potential available in Council's existing asset base.

The resulting Buildings consumption ratio over the four years suggests that Council has sufficient life left in these assets for them to continue to service the community and does not suggest any immediate concern.

The resulting Roads and Bridges consumption ratio over the four years suggests that Council needs to either review it's depreciation so as to provide for accelerated renewal or review the useful lives of the assets to slow down the depreciation. Councils intention whilst developing a long term Asset Management Plan is to address this issue by further reviewing the condition of all roads and bridges.

### (f) **Asset renewal funding ratio**

Council has yet to develop a long term Asset Management Plan therefore there is no disclosure of the asset renewal funding ratios. Council has not progressed to a long term Financial Management Plan as Council sees this as being a precursor. In general Council allocates the depreciation from one year to the Capital Expenditure for the following year as a minimum to maintain it's Assets. Additional funds are allocated from Grants and any cash surplus from the preceding year over and above the depreciation.

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(g) <b>Asset sustainability ratio</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Capex on replacement/renewal of existing assets</u>	3,983	2,674	2,984	4,946
Annual depreciation expense	2,928	2,727	2,633	2,383
Asset sustainability ratio %	100%	136%	98%	208%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base.

In general Council exceeds the Benchmark as it has drawn on cash reserves and grant funding to better the depreciation provision that would normally pay for asset replacement/renewal.

(h) <b>Asset sustainability ratio</b>	<b>Capital renewal expenditure</b>	<b>Capital new /upgrade expenditure</b>	<b>Total Capital Expenditure</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Buildings	237	-	237
Roads	3,271	-	3,271
Bridges	161	-	161
Other Structures	-	25	25
Plant & Equipment	285	71	356
Furniture & Fittings	13	29	42
<b>Total</b>	<b>3,967</b>	<b>125</b>	<b>4,092</b>