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# Section 1

## Introduction





## Mission Statement

### Our Purpose & Mission

#### We are here to . . . . .

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

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

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

## Our Vision

#### We want to be a community that . . . . .

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

## Our Values

#### We Value. . . . .

- ▶ Being ethical and professional at all times,
- ▶ Promoting open and effective community consultation, which facilitates discussion, involvement and partnership,
- ▶ Providing excellence in customer service by ensuring prompt, accurate and effective responses to our customer concerns and
- ▶ Encouraging quality, innovation and continuous improvement in the delivery of services to the community.

# Council Brief

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

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

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

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

With a population of approximately 4908, the West Coast is celebrated for its tourism, mining and fishing whilst the clean air, mild climate and strong commitment to community make the West Coast a fantastic and unique place to be.

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



# Significant Services

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

- **Governance**
  - Council Elected Member Support
  - Advocacy
  - Partnership Agreement
  - Tourism & Community Liaison
  
- **Corporate Services**
  - Administrative Services
  - Financial Management
  - Human Resources
  - Information Technology
  - OH&S
  - Risk Management
  - Tourism, Economic,
  - Community Development
  
- **Community Facilities**
  - Parking
  - Land Care
  - Public Toilets
  - Swimming Pools
  
- **Regulatory**
  - Animal / Litter Control
  - Public & Environmental Health
  - Building Control
  - Planning
  
- **Technical Services**
  - Asset Management
  - SES Services
  - Engineering Management
  
- **Community Services**
  - Family Support
  - Crisis Accommodation Referral Service
  
- **Physical and Infrastructure Services**
  - Road Maintenance and Development
  - Road Sealing and Resealing
  - Bridge Maintenance
  - Provision of Road and Street Signage
  - Traffic Management
  - Installation and Maintenance of Kerbing and Channelling
  - Construction and Maintenance of Footpaths
  - Stormwater
  - Waste Management Service
  - Recreational Facilities
  - Beautification Strategies
  - Parks & Gardens
  - Cemetery Management
  - Playgrounds
  - Asset Management
  - Street Lighting

## Council Profile Statistics

### Council Chambers

11 Sticht Street, Queenstown

### Service Centres

Esplanade, Strahan

Agnes Street, Rosebery

Main Street, Zeehan

### Council Depots

Altcar Street, Zeehan

Tramway Street, Queenstown

Harvey Street, Strahan

Gepp Street, Rosebery

**Elected Members - 9**

**Employees FTE - 62**

**Total Operating Revenue\*\* - \$11,395,104**

**Loan Debt - \$1,276,727**

**Total Operating Expense - \$10,370,244**

**Property Assessment - 4661**

### Physical Infrastructure

**Municipal Sealed Roads 99kms**

**Municipal Unsealed Roads 96Kms**

**Sporting Ovals - Four**

**Community Halls - Six**

**Public Toilets - Thirteen**

### Valuations

**Land - \$173,826,075**

**Capital - \$605,350,575**

**AAV - \$34,470,582**

**Adjusted AAV \$32,087,074**

## Section 2

## Your Council





## Mayor's Message

With the Global Financial Crisis shadow still evident and the economy in the slow lane, the West Coast Council through its cautious approach is still in a good position.

Our highly viable Capital Works program throughout the West Coast has instilled a sense of pride within our communities, and gained compliments from those outside the West Coast.

Our mining and aquaculture industries continue to have strong growth and will create many employment opportunities in the future, but our Tourism industry is still soft due to reasons beyond our control, such as the high Australian dollar. New emerging opportunities such as art and craft are starting to attract new residents to all areas of the West coast.

Water, sewerage and electricity costs have risen substantially and are impacting on residents, businesses, industry and Council which will result in cautious budgets next year.

Challenges still remain to increase the West Coast population and we continue our strong and direct advocacy to Governments for better and more services in health, education and housing to grow our area.

I would like to make mention of our staff and outside workforce who continue to work as a team, I especially wish to thank our Finance Department who have performed exceptionally well in controlling our outstanding funds to what I believe is a Council record.

In closing I sincerely thank the General Manager, staff, outside workforce and Councillors who support our efforts to make the West Coast a better place



**Darryl Gerrity**  
**MAYOR**

# General Manager's Report

I am pleased to present the 2011/12 Annual Report of Council, being my first as the incoming General Manager. Publication of the Annual Report is a requirement of the *Local Government Act 1993* but it also provides an opportunity to report on the significant achievements of the West Coast Community and Council over the 2011/2012 financial year for which we, as a community, can be justifiably proud.

2011/2012 saw completion of some major infrastructure projects including

- ▶ Queenstown main street renewal
- ▶ Bridge replacement at Harvey Street, Strahan
- ▶ Strahan Esplanade and amenities upgrades
- ▶ Zeehan Pool upgrade
- ▶ Tullah Community Hall refurbishment
- ▶ Continuation of the Resealing and Re-sheeting program
- ▶ Refurbishment of the Queenstown Memorial Hall

There was also commencement of some major projects that will be completed during 2012/2013

- ▶ Rosebery path and cycleway
- ▶ New Tullah and Zeehan playgrounds
- ▶ Tullah "Gateway"
- ▶ Conlan Street, Queenstown upgrade with shared path and cycleway
- ▶ Extension of Strahan shared path and cycleway to Regatta Point

These projects, together with new ones scheduled for commencement during 2012/2013, will provide ongoing benefit to residents across the West Coast as well as increasing our region's attractiveness as a destination for visitors.

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

The budgeted operating deficit of \$491k was nullified by a forward payment of the Federal Assistance Grant totalling \$975k, leaving a further \$484k contribution towards an overall surplus of \$1.025k. The balance of the \$541k came from unbudgeted rates auction monies (being trust funds forfeited) coupled with increased user charges and monies from investing activities. Operating expenses were very close to budget with a \$67k over-spend.

It is a good result that enables Council to fund its balance sheet for any overruns in capital expenditure for the ensuing year along with any operating losses and gives some security for the unexpected.

At the end of the financial year Council held cash and investments totalling \$5.7m. The cash position is inflated by the forward payment of the Financial Assistance Grant by 975k along with 935k in grant monies for projects not yet commenced.

Council has again a very aggressive Capital Works Program for the ensuing year with ~\$4m planned which will deplete our cash reserves.

On a personal note I wish to thank my fellow employees, Councillors and the community for their assistance and support as I've transitioned into my new role. I feel that the team at Council has made an excellent contribution over the past year, working enthusiastically in all areas with a focus on improving their performance in carrying out their particular tasks within the community. Regular team meetings have allowed staff the opportunity to have input into the changing of systems and processes, improvements in safety performance, and improvements in service levels to the community.

Finally I would like to acknowledge the leadership of the Mayor, Deputy Mayor and Councillors in the community. I also commend my predecessor Peter Harder for the groundwork that he laid towards many of the projects that we are now seeing come to fruition. Council is in a strong position to provide sustainable levels of service to the community, and in partnership with the community, contribute to a strong and vibrant West Coast well into the future.

A handwritten signature in black ink, appearing to read 'Paul Lockwood', with a small flourish at the end.

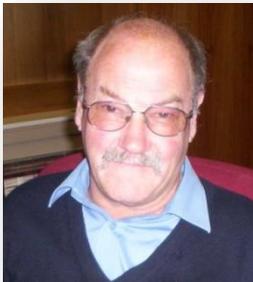
**Paul Lockwood**  
**GENERAL MANAGER**

# Council Members

**Mayor Darryl Gerrity**  
Term Expiry Oct/15



**Deputy Mayor Peter Reid**  
Term Expiry Oct/13



**Councillor Robyn Gerrity**  
Term Expiry Oct/13



**Councillor Phillip Vickers**  
Term Expiry Oct/13



**Councillor Samantha Eley**  
Term Expiry Oct/15



**Councillor Shane Pitt**  
Term Expiry Oct/13



**Councillor Lyn O'Grady**  
Term Expiry Oct/15



**Councillor Al Medwin**  
Term Expiry Oct/15



**Councillor Allen Rose**  
Term Expiry Oct/13



Mayor and Deputy Mayor are elected to that position every two years.

## Councillor Schedule of Attendance

Councillor	Ordinary Meeting	Special Meeting	Annual Meeting	General	Total Attendance
Mayor Darryl Gerrity	12 of 12	0	1		13
Deputy Mayor Peter Reid	11 of 12	0	1		12
Shane Pitt	12 of 12	0	1		13
Phil Vickers	12 of 12	0	1		13
Samantha Eley	11 of 12	0	1		12
Robyn Gerrity	11 of 12	0	1		12
Lyn O'Grady	7 of 8	0	1		8
Allen Rose	10 of 12	0	0		10
Al Medwin	11 of 12	0	1		12

Total Meetings convened for 2011/2012 year: 13

Cr O'Grady was sworn onto the West Coast Council at the November council meeting in 2011



## Senior Management Staff



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

**Belinda Pumpa**



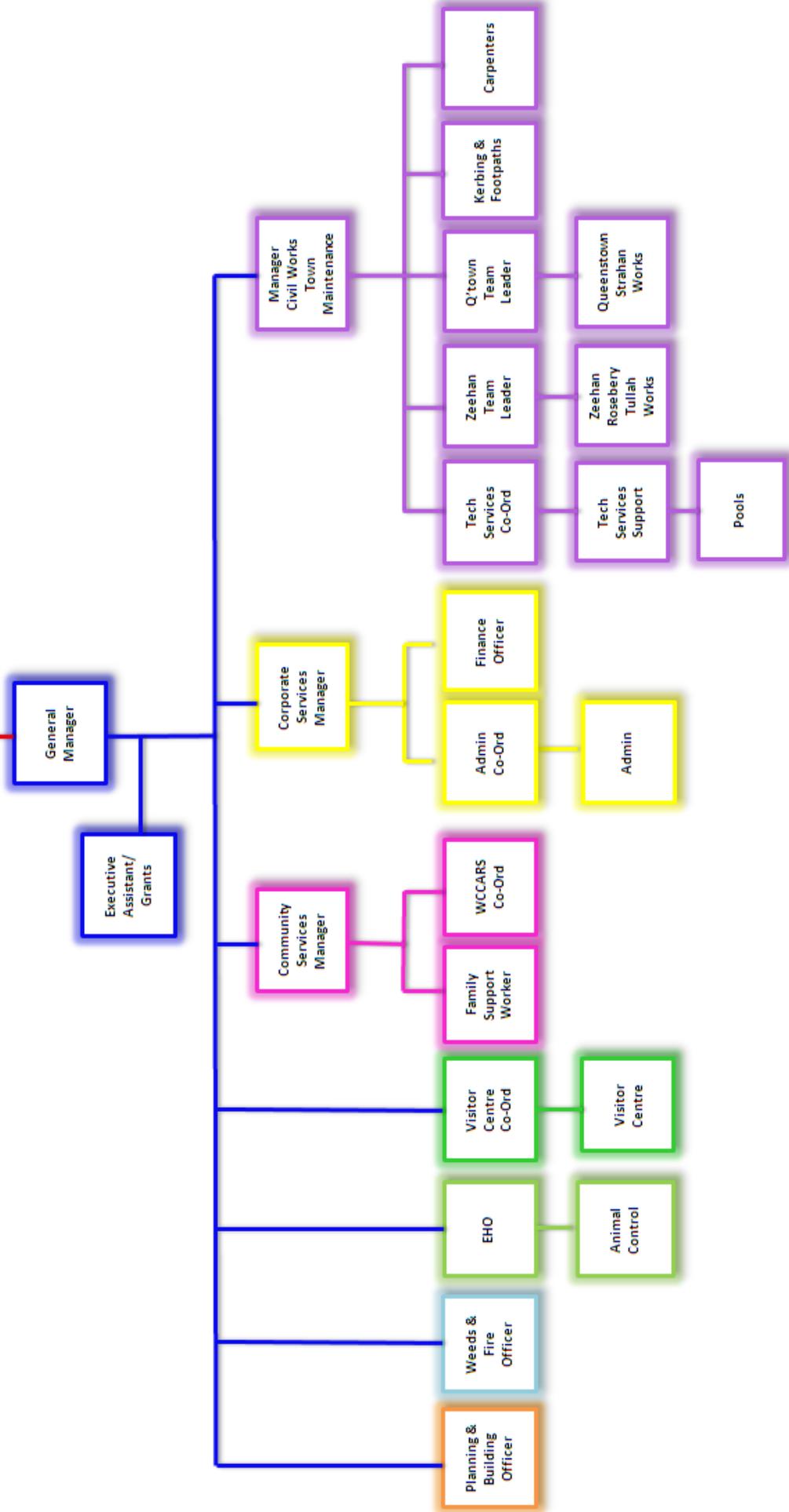
- Community Services
- Family Support
- Crisis Accommodation

**Robert Fee**



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

**Councillors and Community**



**SECTION 3**  
**DEPARTMENTAL**  
**PLANS**







## Governance

### Paul Lockwood General Manager

The Council is comprised of the Mayor, Deputy Mayor and seven (7) other Councillors. Half of the Council is elected every two years for a four-year term, to ensure continuity of business.

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

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

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

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

## Legend



Complete



Continuous



In Progress

## Governance - Annual Aims 2011/12

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

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



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







**Administration & Financial Services**  
**Brian Lovell**  
**Manager Corporate Services**

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

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

### **Legend**



Complete



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In Progress

## Administration and Financial Support - Annual Aims 2011/12

- ▶ To ensure on-going compliance with all legislation, regulations and codes of practice having an impact upon the Council; 
- ▶ The provision and courteous delivery of quality professional, financial and customer services to the organisation; 
- ▶ Issue annual rates notice in accordance with Council's instructions; 
- ▶ Complete monthly financial reports by the 5th working day of the following month; 
- ▶ Prepare the Annual Financial Statement by 15th August 2011; 
- ▶ To continue to develop an improved working knowledge of current and impending legislation; 
- ▶ To maintain high standards in service delivery; 
- ▶ To further develop office procedures; 
- ▶ To ensure that the benefits of modern information technology are achieved through the upgrading of business software; 
- ▶ To undertake performance appraisal of all employees in accordance with the process developed; 
- ▶ To continually develop all position descriptions in line with Council's organisational structure; 
- ▶ To investigate the implementation of competitive principles into the administrative, regulatory and technical services areas of Council operations; 
- ▶ To continue development of the human resource management policies including the staff handbook and induction book; 
- ▶ To implement and manage Risk Management policies and procedures; and 
- ▶ To ensure the ongoing operation of the safety committee and to continue to improve the safety culture, induction and training of all employees. 



**Regulatory Services**  
**Kellie Keating**  
**Planning and Building Officer**

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

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

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

### Legend



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In Progress

## Regulatory Services - Planning - Annual Aims 2011/12

- ▶ 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*; 
- ▶ Continue a review of the West Coast Planning Scheme that commenced operation in September 2002 and address any anomalies since the inception of the Scheme by way of amendments being endorsed by Council and approved by the Land Use Planning Review Panel; 
- ▶ To maintain efficient administrative systems for the issuing of planning documentation; and 
- ▶ Work closely with the other eight councils within our region in the development of the Regional Planning Initiative. 

## ▶ Regulatory Services – Building - Annual Aims 2011/12

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



**Town Maintenance & Civil works**  
**Robert Fee**  
**Manager Town Maintenance & Civil Works**

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

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

### **Legend**



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## Technical Services - Annual Aims 2011/12

**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 ensuring its relevance to services provided by Council; 
- ▶ Manage major projects and tasks for 2011-2012; 
- ▶ Investigate requests for work promptly and take follow-up action; 
- ▶ Complete Council's asset and preventative maintenance management system; 
- ▶ Update Council's maintenance procedures; and 
- ▶ Administer Council's internal and external contracts. 

## Technical Services – Swimming Pools - Annual Aims 2011/12

**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 Rosebery and Zeehan pools from early November 2011 until mid-March 2012; 
- ▶ To maintain the pool's infrastructure to a standard that will ensure protection of the community's assets; 
- ▶ Ensure that Pool Lifeguards are suitably trained; 
- ▶ Continue to monitor the operation of all pools; 
- ▶ Refurbish the Queenstown Pool; 
- ▶ Develop strategies to increase patronage 

## Town Maintenance & Civil Works – Parking – Annual Aims 2011/12

**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. Both townships have parking meters installed to ensure that Council is compensated for the cost of the provision of adequate parking and to ensure our customers – both West Coast residents and tourists – are provided with consistent and equitable access to parking facilities.

- ▶ 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 Councils parking requirements; and
- ▶ To collect fees for parking.



## Town Maintenance & Civil Works – Camping Grounds – Annual Aims 2011/12

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

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



## Town Maintenance & Civil Works – Waste Transfer, Landfill & Recycling – Annual Aims 2011/12

**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;
- ▶ Implement a more cost effective transfer of waste to the Zeehan Landfill site;
- ▶ Implement a new voluntary kerbside recycling scheme;
- ▶ Reduce the fire hazard of green and other dimensional domestic waste at the transfer stations; and
- ▶ Implement the new licence arrangements at the Zeehan landfill site.



## Town Maintenance & Civil Works – Bridges & Culverts – Annual Aims 2011/12

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

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

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



## Town Maintenance & Civil Works – Workshop – Annual Aims 2011/12

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

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

## Town Maintenance & Civil Works – State Emergency Service – Annual Aims 2011/12

**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; 
- ▶ Refurbish the SES buildings in Rosebery and Zeehan; 
- ▶ To be responsive to the emergency needs of the municipal area; and 
- ▶ To finalise the Emergency Management Plan for the West Coast. 

## Town Maintenance & Civil Works – Private Works – Annual Aims 2011/12

**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 and waste bin hire; 
- ▶ When opportunities arise for provision of private works to individuals and companies that Council be proactive in increasing its revenue streams; and 
- ▶ Increase the level and profitability of private works. 

## Town Maintenance & Civil Works – Kerb & Channel, Stormwater, Aerodromes & Cemeteries – Annual Aims 2011/12

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

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

## Town Maintenance & Civil Works – Parks, Buildings, Reserves & Recreation – Annual Aims 2011/12

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

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



## Town Maintenance & Civil Works – Roads, Signs, Lighting, Nature Strips & Footpaths – Annual Aims 2011/12

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

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



## Town Maintenance & Civil Works – Internal Plant – Annual Aims 2011/12

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

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







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

The Council in partnership with Cradle Coast Regional Natural Resource Management Committee funds a full-time Project Officer.

The Project Officer 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 Cost council and the Parks & Wildlife Service along with other key government agencies and local industries.

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

## Legend



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In Progress

## Natural Resource & Fire Management - Annual Aims 2010/11

- ▶ To undertake on-ground weed eradication and the development of an educational program for residents on weed and fire management;
- ▶ To update and implement the West Coast Weed and Fire Management Strategy; and
- ▶ To undertake student training and planting days to involve the West Coast Youth.





## Tourism & Community Liason

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

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

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

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

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

## Legend



Complete



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In Progress

## Tourism & Community Liaison - Annual Aims 2010/11

- ▶ 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; 
- ▶ To identify sources of funds for the further expansion of the centre. 



## Environmental Health & Animal control

### John Devlin

### Environmental Health Officer

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

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

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

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

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

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

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

## Legend



Complete



Continuous



In Progress

## Environmental Health - Annual Aims 2011/12

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



## Environmental Health - Dog Control - Annual Aims 2011/12

- ▶ 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*; 
- ▶ Monitor Cat Management Act. 

## Environmental Health – Report

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

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

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

- ▶ Issued Certificate of Authority to Authorised officer under Section 31
- ▶ Investigated occurrences of notifiable diseases as directed in accordance with Section 52, 2 cases notified.
- ▶ Developed and implemented a school immunization program for the municipal area.
- ▶ Monitored recreational water quality within the municipality area and provided the Director with a report of the findings

**(b) The resources allocated to public health included:**

- ▶ One Environmental Health Officer with administrative support

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

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

- ▶ Full Hepatitis B course to 31 year 7 students and commencement of HPV course for 18 female students
- ▶ Public immunisation awareness program

**Sampling regimes for the following:**

- ▶ 2 Public swimming pools on a monthly basis (during season) for disinfection qualities – 23 samples
- ▶ 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
- ▶ 70 premises inspected prior to the re-registration and licensing of operators with follow-up inspections as required

**Waste Management – provision of infrastructure for:**

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

**Control of Nuisances – by issue of abatement notices for:**

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

**(d) Completion of Strategies**

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

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

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

Submissions to the Director of Public Health

- ▶ Annual recreational water quality report





## Community Services

### Belinda Pampa

#### Manager Community Services

The Community Services area includes Family Support Services, West Coast Crisis Accommodation Service, Youth, Sport and Recreation, Community Housing and Community Advocacy.

These services:

- Provide access to a range of recreational 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; and
- Develop and foster a caring community.
- Empower consumers
- Focus on positive outcomes
- Understand and work with in the legislative requirements of the programs
- Confirm consumer rights
- Will 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

### Legend



Complete



Continuous



In Progress

## Community Services – Annual Aims 2011/12

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



## **SECTION 4**

### **FINANCIAL SERVICES**





# Financial Management

The financial report for the year ended 30 June 2012 is appended to this report.

The budgeted operating deficit of \$491k was nullified by a forward payment of the Federal Assistance Grant totaling \$975k leaving a further \$484k contribution towards an overall surplus of \$1.025k. The balance of the \$541k came from unbudgeted rates auction monies (being trust funds forfeited) coupled with increased user charges and monies from investing activities.

Operating expenses were very close to budget with only a \$67k over spend.

It is a good result that enables Council to fund its balance sheet for any over runs in capital expenditure for the ensuing year along with any operating losses and gives some security for the unexpected.

Included in the report is the Audit Report provided by the Tasmanian Audit Office with it's opinion on the financial operations of the Council for the 2011/12 fiscal year.

	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/12</u>	<u>Increase/Decrease</u>
Operating Income	9,243,338	10,436,713	11,395,104	958,391
Operating Expenditure	9,112,726	9,818,750	10,370,244	551,494
Surplus/Deficit	130,612	617,963	1,024,860	406,897
Cash	5,529,892	4,166,100	5,721,157	1,555,057
Receivables	371,073	613,884	393,719	(220,165)
Creditors at 30 June	814,719	951,251	874,379	(76,872)
Borrowings	1,500,000	1,392,219	1,276,727	(115,492)
Employee Provisions	547,702	530,681	652,812	122,131
Work in Progress	1,947,273	4,765,804	609,434	(4,156,370)

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

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

<b>Indicator</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Current Ratio:			
<u>Current Assets</u>	3.066:1	2.754:1	3.564:1
Current Liability			
Quick Asset Ratio:			
<u>Cash + Liquid Debtors</u>	2.856:1	2.511:1	3.360:1
Current Liabilities			

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

<b>Indicator</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Rate Coverage			
<u>(Rate Revenue)</u>	54.89%	52.59%	54.06%
(Operating Revenue)			
<u>(Rate Debtors O/S)</u>	4.63%	4.34%	4.31%
(Total Rates)			
<u>(Expenditure per Capital)</u>	1,888	2,034	2,217
(Operating Expenditure)			
<i>Population 4678</i>			
Grant Coverage			
<u>Grant Revenue</u>	30.4%	29.2%	32.3%
(Operating Revenue)			

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

<b>Organisation</b>	<b>Amount</b>
West Coast Heritage Ltd	\$4,451.03
Boy Scout Association	\$ 328.86
Zeehan Senior Citizens Inc.	\$ 416.36
Zeehan RSL Club	\$1,002.97
Zeehan Lions Club	\$ 309.89
Queenstown Rebekah Lodge	\$ 281.43
Rosebery Senior Citizens	\$ 402.64
Masonic Lodge	\$ 402.64

<b>ACTIVITY</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>FINANCE</b>			
Revenue per capita	1,967	2,214	2322
Total rate per capita	1,051	1,137	1255
Average residential rate	916	948	976
Year end rates outstanding	4.6%	4.3%	4.3%
<u>(Capital expenditure)</u>			
(Depreciation)	217.0%	317.1%	134.3%
<b>HUMAN RESOURCE</b>			
<b>MANAGEMENT</b>			
<b>(*per employee)</b>			
Average cost*	54,425	56,064	60,312
Average cost of training	728	661	851
Relative number of Employee	11.6	11.8	12.2
Staff turnover rate	17.9%	19.3%	8.3%
Average sick leave* (days)	4.6	6.3	9.9
Lost time due to injury (hptw)	0	0.7	0.07
<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	170	137	115

## Grants and Benefits

31/07/2011	Health West	300.00
31/07/2011	HealthWest Rural Primary Health Service	1,000.00
31/07/2011	Lions Club of Queenstown	600.00
31/07/2011	Lions Club of Zeehan	300.00
31/07/2011	Mt Lyell Strahan Picnic Committee	500.00
31/07/2011	Queenstown Anglers Club	200.00
31/07/2011	Queenstown Citizens - Lionel Turner Mem Plaque	200.00
31/07/2011	Queenstown Fire Brigade	250.00
31/07/2011	Queenstown Senior Citizens Club	1,000.00
31/07/2011	Queenstown Christmas Parade Committee	150.00
31/07/2011	Rosebery Development Assoc Inc	200.00
31/07/2011	Lions Club of Rosebery	300.00
31/07/2011	Rosebery RSL Women's Aux	1,000.00
31/07/2011	Rosebery Senior Citizens	1,000.00
31/07/2011	Rotary Club of Queenstown	150.00
31/07/2011	St Joseph's Parents & Friends Rosebery	100.00
31/07/2011	Strahan Fire Brigade	300.00
31/07/2011	Strahan Primary School Parents & Friends Assoc	100.00
31/07/2011	Strahan Rifle Club - West Dist Prize Shoot	700.00
31/07/2011	Tas Regional Arts - Workshop & Performance	500.00
31/07/2011	Tasmanian Classical Ballet	750.00
31/07/2011	Wee Georgie Wood Steam Railway Inc.	450.00
31/07/2011	Zeehan Gem & Mineral Fair Assoc Inc	500.00
31/07/2011	Mountain Heights School	225.00
31/07/2011	Rosebery District High School	225.00
31/07/2011	St Joseph's School Queenstown	75.00
31/07/2011	St Joseph's School Rosebery	75.00
31/07/2011	Strahan Primary School	75.00
31/07/2011	Zeehan Primary School	75.00
31/07/2011	Queenstown Under 13's Football	150.00
31/07/2011	Zeehan Under 13's Football	150.00
31/07/2011	Rosebery Under 13's Football	150.00
31/07/2011	Strahan - Under 13 Football Club	150.00
31/07/2011	Zeehan Senior Citizens	1,000.00
31/07/2011	Strahan Senior Citizens Club	1,000.00
31/07/2011	Zeehan Primary School P & F Assoc	100.00
31/07/2011	Rosebery District Scholl P & F Assoc	100.00

## Grants and Benefits continued

31/07/2011	Mountain Heights School P & F Assoc	100.00
31/07/2011	St Joseph's Parents & Friends Queenstown	100.00
31/07/2011	Lake Burbury King River Picnic Com	200.00
31/07/2011	Rosebery Athletic Club	500.00
31/07/2011	Strahan Christmas Decoration Committee	500.00
26/09/2011	West Coast Spinners , Weavers , Felt & Dyers	250.00
28/11/2011	ABC Giving Tree	250.00
9/02/2012	Fire Relief	2,500.00
27/03/2012	Windeward Bound Youth Leader Challenge	150.00
23/04/2012	Rosebery Toorak Football Club	1,277.50
	<b>TOTAL</b>	<b>19,927.50</b>

## 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 2011 to 30<sup>th</sup> June 2012.

<b>Contractor Name &amp; Address</b>	<b>Description of Contract</b>	<b>Value of Contract (excl. GST)</b>
VEC Civil Engineering Pty Ltd PO Box 812 ULVERSTONE TAS 7315	<b>TENDER T002/2011-2012: Manuka River Bridge, Harvey Street, Strahan</b>	\$235,166.40
Hardings Hotmix Pty Ltd PO Box 709 ULVERSTONE TAS 7315	<b>TENDER T003/2011-2012: Road Resealing Program 2011-2012</b>	\$280,627.22
Civilscape Contracting Tasmania PO Box 63 RIDGLEY TAS 7321	<b>TENDER T005/2011-2012: Construction of Cycleway/ Footpath Conlan Street, Queenstown</b>	\$518,320.00
WBF Contracting PO Box 314 QUEENSTOWN TAS 7467	<b>T008 2011-2012: Construction of Toilet Block Sticht Street, Queenstown</b>	\$102,410.00
Civilscape Contracting Tasmania PO Box 63 RIDGLEY TAS 7321	<b>TENDER T009/2011-2012: Reconstruction of McNamara Street, Queenstown</b>	\$177,793.00
Back in a Flash Construction 9 Pontifex Street STRAHAN TAS 7468	<b>TENDER T010/2011-2012 – Construction of Cycleway/ Footpath, Strahan</b>	\$503,470.00
Civilscape Contracting Tasmania PO Box 63 RIDGLEY TAS 7321	<b>TENDER T011 2011-2012: construction of Cycleway/ Footpath, Rosebery</b>	\$230,545.33

# Audit Statement and Financial Report Ending 30 June 2012



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

## Independent Auditor's Report

To the Councillors of West Coast Council

Financial Report for the Year Ended 30 June 2012

I have audited the accompanying financial report of West Coast Council (Council), which comprises the statement of financial position as at 30 June 2012, 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 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 2012 and financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

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

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and 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 the auditor's judgement,

...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*

including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the General 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 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, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

### **Tasmanian Audit Office**



E R De Santi  
**Deputy Auditor-General**  
**Delegate of the Auditor-General**

HOBART  
5 September 2012

...2 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
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## WEST COAST COUNCIL

### Financial Report

for the year ended 30/06/12

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 2012 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*.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
P A Lockwood	General Manager	

Dated at Queenstown this 13th day of August 2012.

**WEST COAST COUNCIL**  
*Notes to and forming part of the Financial Report*  
 30 June 2012

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Statement of Comprehensive Income  
for the year ended 30 June 2012

	Notes	Budget 2012 \$	Actual 2012 \$	Actual 2011 \$
<b>CONTINUING OPERATIONS</b>				
<b>INCOME</b>				
Rates and Charges		6,120,487	6,160,090	5,488,601
Operating Grants	3	1,773,127	2,782,703	2,358,774
User Charges including Reimbursements	4	961,569	1,129,948	916,394
Visitor Information Centre	5	283,465	205,409	243,018
Investment Income from Water Corporation	6	243,692	308,340	560,383
Interest	7	342,964	450,658	277,619
Rent		243,257	258,767	237,239
Other Revenue	8	24,081	99,189	354,685
<b>TOTAL INCOME</b>	2(a)	<b>9,810,762</b>	<b>11,395,104</b>	<b>10,436,713</b>
<b>EXPENSES</b>				
Employee Costs	9	3,940,807	3,618,737	3,195,651
Materials and Contracts	10	2,322,813	2,540,606	2,689,186
Depreciation and Amortisation	11	2,404,982	2,632,581	2,383,316
Rebate on Pensioner Rates and Charges/Rates Adj General		242,223	298,336	227,644
Fees, Levies, Subscriptions and Allowances		249,672	245,911	232,444
Contributions to Government		187,041	183,016	179,842
Insurances		132,532	128,825	127,147
Communications and Information Technology Expenses		181,236	129,289	117,998
Discount on Rates and Charges		135,892	167,503	132,792
Profit/Loss on Disposal of Non Financial Assets	12	-	15,685	118,293
Borrowing Costs		103,588	93,878	101,643
Other Expenses	13	400,559	315,877	312,794
<b>TOTAL EXPENSES</b>	2(a)	<b>10,301,345</b>	<b>10,370,244</b>	<b>9,818,750</b>
<b>SURPLUS/DEFICIT FROM CONTINUING OPERATIONS BEFORE:</b>		<b>(490,583)</b>	<b>1,024,860</b>	<b>617,963</b>
Capital Grants received specifically for new or upgraded assets	3	181,880	789,682	2,198,789
Land and Buildings transferred from Crown	17,18	-	97,000	163,000
Transfer of Westhaven Homes	17,18	-	340,000	-
Structures transferred from MAST	18	-	-	110,850
Adjustment for Valuation on Land and Buildings Purchased	17,18	-	-	226,664
Removal of Assets not Controlled	17,18	-	-	(142,387)
Mining Companies Contribution to Trial Harbour Road		-	-	250,000
<b>SURPLUS/DEFICIT FOR THE YEAR</b>		<b>(308,703)</b>	<b>2,251,542</b>	<b>3,424,879</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Increase in Fair Value - Water Corporation Investment	29,38	-	27,290	118,123
Increase in Fair Value - Non-Current Assets	29	-	(547,501)	6,599,075
		<b>-</b>	<b>(520,211)</b>	<b>6,717,198</b>
<b>COMPREHENSIVE RESULT</b>		<b>(308,703)</b>	<b>1,731,331</b>	<b>10,142,077</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.

**Statement of Financial Position  
as at 30 June 2012**

	Notes	Actual 2012 \$	Actual 2011 \$
<b>CURRENT ASSETS</b>			
Cash and Equivalents	14	5,721,157	4,166,100
Receivables	15	393,719	613,884
Other Assets	16	53,617	169,255
Inventories		34,860	42,150
<b>Total Current Assets</b>	2(b)	<b>6,203,353</b>	<b>4,991,389</b>
<b>NON-CURRENT ASSETS</b>			
Investment in Water Corporation	38	25,383,735	25,356,445
Land	17	4,862,093	5,468,050
Buildings	18	13,717,504	11,613,273
Roads and Bridges	19	52,001,197	48,681,440
Other Structures	20	819,295	792,501
Plant and Equipment	21	2,357,549	2,701,150
Furniture and Fittings	22	243,815	259,135
Work in Progress	23	609,434	4,765,804
Intangible	24	36,000	54,000
<b>Total Non-Current Assets</b>	2(b)	<b>100,030,622</b>	<b>99,691,798</b>
<b>TOTAL ASSETS</b>		<b>106,233,975</b>	<b>104,683,187</b>
<b>CURRENT LIABILITIES</b>			
Payables	25	874,379	951,251
Interest Bearing Liabilities	26	123,753	115,492
Provisions	27	478,598	408,113
Other Liabilities	28	264,003	337,521
<b>Total Current Liabilities</b>		<b>1,740,733</b>	<b>1,812,377</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	26	1,152,974	1,276,727
Provisions	27	124,651	86,963
Other Liabilities	28	11,416	6,960
<b>Total Non-Current Liabilities</b>		<b>1,289,041</b>	<b>1,370,650</b>
<b>TOTAL LIABILITIES</b>		<b>3,029,774</b>	<b>3,183,027</b>
<b>NET ASSETS</b>		<b>103,204,201</b>	<b>101,500,160</b>
<b>EQUITY</b>			
Accumulated Surplus		62,621,790	60,370,248
Reserves	29	40,582,411	41,129,912
<b>TOTAL EQUITY</b>		<b>103,204,201</b>	<b>101,500,160</b>

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

**Statement of Cash Flows  
 for the year ended 30 June 2012**

	Notes	Actual 2012 Inflows (Outflows)	Actual 2011 Inflows (Outflows)
<b>Cash Flows from Operating Activities</b>			
<b>Payments</b>			
Employee Costs		(3,652,706)	(3,420,044)
Materials and Contracts		(2,941,090)	(2,870,150)
Interest and Other Finance Costs		(95,878)	(103,588)
Other Expenses		(1,052,197)	(1,084,223)
		<b>(7,741,871)</b>	<b>(7,478,005)</b>
<b>Receipts</b>			
General Rates		5,752,099	5,205,675
Grants		3,792,295	4,667,308
Other Including Reimbursements and User Charges		2,209,541	1,823,042
Interest		447,736	332,117
		<b>12,201,671</b>	<b>12,028,142</b>
<b>Net Cash Inflow from Operating Activities</b>	32	<b>4,459,800</b>	<b>4,550,137</b>
<b>Cash Flows from Investing Activities</b>			
<b>Payments for</b>			
Land		-	(17,944)
Buildings		(828,764)	(1,115,702)
Road Pavements and Bridges		(1,651,148)	(985,449)
Other Structures		(38,660)	(183,276)
Plant and Equipment		(193,124)	(983,381)
Furniture and Fittings		(33,605)	(32,954)
Work in Progress		(486,183)	(3,299,689)
		<b>(3,231,484)</b>	<b>(6,618,395)</b>
<b>Proceeds from</b>			
Disposal of Assets		12,727	251,864
Investment in Water Corporation		429,506	560,383
		<b>442,233</b>	<b>812,247</b>
<b>Net Cash Flow (used in) Investing Activities</b>		<b>(2,789,251)</b>	<b>(5,806,148)</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from Borrowings		-	-
Repayment of Borrowings		(115,492)	(107,780)
<b>Net Cash Flow (used in) Financing Activities</b>		<b>(115,492)</b>	<b>(107,780)</b>
<b>Net Increase (decrease) in cash held</b>		<b>1,555,057</b>	<b>(1,363,791)</b>
<b>Cash at the beginning of the year</b>		<b>4,166,100</b>	<b>5,529,891</b>
<b>Cash at the end of the financial year</b>	32	<b>5,721,157</b>	<b>4,166,100</b>

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

**Statement of Changes in Equity  
 For the Year Ended 30 June 2012**

	Note	Accumulated Surplus	Asset Revaluation Reserve	Investment CMW Reserve	Total
2012					
Balance at beginning of the financial year	29	60,370,248	36,541,285	4,588,627	101,500,160
Comprehensive Result	29	2,251,542	(574,791)	27,290	1,704,041
Total Equity		<u>62,621,790</u>	<u>35,966,494</u>	<u>4,615,917</u>	<u>103,204,201</u>
2011					
Balance at beginning of the financial year	29	56,945,369	29,942,210	4,470,504	91,358,083
Comprehensive Result	29	3,424,879	6,599,075	118,123	10,142,077
Total Equity		<u>60,370,248</u>	<u>36,541,285</u>	<u>4,588,627</u>	<u>101,500,160</u>

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

## WEST COAST COUNCIL

*Notes to and forming part of the Financial Report  
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### 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 the peace, order and good governance of the municipal area;
  - to promote the social, economical and environmental viability and sustainability of the municipal area;
  - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
  - to improve the overall quality of life in the local community;
  - to promote appropriate business and employment opportunities;
  - to ensure that services and facilities provided by the Council are accessible and equitable;
  - to ensure the equitable imposition of rates and charges; and
  - to ensure transparency and accountability in Council decision making;

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### (a) BASIS OF ACCOUNTING

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

##### i) Accounting Standards

This general purpose financial report of the West Coast Council (the Council) consists of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. This general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Local Government Act 1993 (LGA 1993)* (as amended).

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

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

Standard Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 9: Financial Instruments	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> <li>* simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;</li> <li>* removing the tainting rules associated with held-to-maturity assets;</li> <li>* simplifying the requirements for embedded derivatives;</li> <li>* removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;</li> <li>* allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and</li> <li>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:                             <ul style="list-style-type: none"> <li>a. the objective of the entity's business model for managing the financial assets; and</li> <li>b. the characteristics of the contractual cash flows.</li> </ul> </li> </ul>	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.
AASB 13: Fair Value Measurement	This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.	Applicable for annual reporting periods commencing on or after 1 January 2013.	No financial impact.
AASB 119: Employee Benefits	This Standard supersedes AASB 119 <i>Employee Benefits</i> , introducing a number of changes to accounting treatments. This Standard was issued in September 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.

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<p>AASB 128: Investments in Associates and Joint Ventures</p>	<p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments. This Standard was issued in August 2011.</p>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>Council has not yet determined the application or the potential impact of the Standard.</p>
<p>AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and int 10 &amp; 12]</p>	<p>[Modified by AASB 2010-7]</p>	<p>Applicable for annual reporting periods commencing on or after 1 July 2013.</p>	<p>Council has not yet determined the application or the potential impact of the Standard.</p>
<p>AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and int 2, 5, 10, 12, 19 &amp; 127]</p>	<p>This Standard makes consequential amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 9 in December 2010.</p>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>Council has not yet determined the application or the potential impact of the Standard.</p>
<p>AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 &amp; 1038 and Int 5, 9, 16 &amp; 17]</p>	<p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures.</p>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>Council has not yet determined the application or the potential impact of the Standard.</p>

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*Notes to and forming part of the Financial Report  
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<p>AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 &amp; 1038 and int 2, 4, 12, 13, 14, 17, 19, 131, 132]</p>	<p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>No financial impact.</p>
<p>AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 &amp; 1049]</p>	<p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).</p>	<p>Applicable for annual reporting periods commencing on or after 1 July 2013.</p>	<p>Council has not yet determined the application or the potential impact of the Standard.</p>
<p>AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 &amp; 2011-8 and int 14]</p>	<p>The Standard makes amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 119 Employee Benefits in September 2011.</p>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>Council has not yet determined the application or the potential impact of the Standard.</p>
<p>AASB 2012-1: Amendments to Australian Accounting Standards - Fair value measurement - arising from Reduced Disclosure Requirements [AASB 3,7,13 &amp; 140]</p>	<p>This Standard amends Reduced Disclosure Requirements arising from AASB13 Fair Value Measurement and consequential amendments implemented through AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB13.</p>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>Council has not yet determined the application or the potential impact of the Standard.</p>

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs). Some AIFRSs contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

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### ii) 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.

### iii) Basis of Preparation

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

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

In the application of Australian Accounting Standards, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

### iv) 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. These assumptions are disclosed in notes 17, 18, 19, 20, 21, 22 and 23.

#### Fair Value of Financial Assets and Liabilities

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

#### Defined benefit superannuation fund obligations

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

#### Employee entitlements

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

### v) Revenue Recognition

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

#### **Rates, grants and contributions**

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

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

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

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

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

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

#### **User charges**

User charges and fines are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

#### **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 Councils right to receive is established. Councils 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.

## (b) 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.

## (c) ASSETS

### i) 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).

### ii) 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.

### iv) 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.

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

- Any increase or decrease in the value of Land is determined using valuations supplied by the Office of the Valuer-General. Adjustments using adjustment factors are applied each two years until a complete revaluation. If there is material movement then the Adjustment Factors are applied annually. For the year ending 30 June 2009 a complete revaluation was done. Council did not value land existing under roads in accordance with the option available under AASB 1051. Moving forward Council intends to report land under roads for new roads at fair value or cost should the amount be determined as material.
- Any increase or decrease in the value of Buildings is determined using valuations supplied by the Office of the Valuer-General. Adjustments using adjustment factors are applied every second year until a complete revaluation is done. For the year ending 30 June 2009 a complete revaluation was done.
- An increase in the value of Roads was determined using information supplied by W E Enkelaar Pty Ltd for the year ending 30 June 2012. Road pavement valuations included earthworks, substructures, seals and kerbs relating to roads, footpaths and parking areas.
- An increase in the value of Bridges was determined using information supplied by AusSpan in their BMS Report June'12. 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 share of net assets of the Water Corporation.

## WEST COAST COUNCIL

Notes to and forming part of the Financial Report  
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### v) Depreciation and Amortisation of Non-Current Assets

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

The current schedule for rates of depreciation are:-

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

### vi) 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”.

### vii) 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.

### viii) 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 2012 using Councils percentage share of the Water Corporations net assets with the calculation shown in Note 38.

### (d) 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.

**i) Wages and Salaries**

Liabilities for wages and salaries are measured at their nominal amounts (current pay rates), regardless of whether or not they are expected to be settled within twelve months of the reporting date.

**ii) 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.

**iii) 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.

**iv) Long Service Leave**

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

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

The interest rate attaching, as at the reporting date, to the appropriate national government guaranteed securities will be used to discount estimated future cash flows. In addition an inflation rate of 2.00% has been utilised in the calculation of the net present value.

**v) 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.

**vi) 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.

**(e) 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.

**(f) 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.

**(g) 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)

**(h) ACCRUALS / PREPAYMENTS**

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

**(i) 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.

**(j) 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.

**WEST COAST COUNCIL**

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- 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).

**(k) COMPARATIVE TOTALS**

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

**(l) 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.

**(m) TAXATION**

Council is exempt from all forms of taxation except fringe benefits tax, payroll tax and the goods and services tax.

**i) 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.

**(n) STATEMENT OF COMPREHENSIVE INCOME – BUDGET AMOUNTS**

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

**WEST COAST COUNCIL**  
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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 AND BRIDGES	WATER	SEWERAGE	COMMUNITY AMENITIES	COMMUNITY SERVICES	CORPORATE SERVICES	OTHER-NON ATTRIBUTABLE	TOTAL
Expenses	2012	\$3,635,747	\$0	\$0	\$2,601,156	\$1,542,088	\$2,589,268	\$1,985	\$10,370,244
		35.06%	\$0	\$0	25.08%	14.87%	24.97%	0.02%	100.00%
	2011	\$3,133,259	\$0	\$0	\$2,592,695	\$1,378,439	\$2,697,135	\$159,609	\$9,961,137
		31.45%	0%	0%	26.03%	13.84%	27.08%	1.60%	100.00%
Revenues									
Grants		\$1,248,829	\$0	\$0	\$390,000	\$345,493	\$1,599,764	\$0	\$3,584,086
Rates		\$2,196,774	\$0	\$0	\$2,414,872	\$743,227	\$805,217	\$0	\$6,160,090
Other		\$161,719	\$0	\$0	\$645,254	\$648,561	\$976,890	\$445,186	\$2,877,610
Total	2012	\$3,607,322	\$0	\$0	\$3,450,126	\$1,737,281	\$3,381,871	\$445,186	\$12,621,786
		28.58%	\$0	\$0	27.33%	13.76%	26.79%	3.53%	100.00%
	2011	\$3,826,585	\$0	\$0	\$4,073,702	\$1,387,643	\$3,438,409	\$659,677	\$13,386,016
		28.59%	0%	0%	30.43%	10.37%	25.69%	4.93%	100.00%
Increase in Net Assets resulting from operations									
	2012	(\$28,425)	\$0	\$0	\$848,970	\$195,193	\$792,603	\$443,201	\$2,251,542
	2011	\$693,326	\$0	\$0	\$1,481,007	\$9,204	\$741,274	\$500,068	\$3,424,879
Assets (Note 2 (b))									
	2012	\$52,001,197	\$25,383,735		\$14,533,894	\$1,392,333	\$8,892,682	\$4,210,134	\$106,233,975
			WATER						
	2011	\$48,681,440	\$25,356,445		\$15,731,426	\$1,432,544	\$9,149,505	\$4,331,827	\$104,683,187

Note for 2011

Other Non - Attributable revenue includes \$500,514 being the transfer of property from MAST and Crown and the taking up as revenue of Land and Building purchased below valuation.

Other Non - Attributable expenses includes \$142,387 being the write off of land and building belonging to DIER held as a Council Asset that was transferred to Parks and Wildlife by Crown.

Note for 2012

Other Non - Attributable revenue includes \$97,000 being the transfer of property from Crown plus \$340,000 being the transfer of Westhaven Homes.

## WEST COAST COUNCIL

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

	2012	2011
	\$	\$
Current Assets	6,203,353	4,991,389
Non-current Assets	100,030,622	99,691,798
	106,233,975	104,683,187

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

### Roads and Bridges

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

### Community Amenities

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

### Community Services

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

### Corporate Services

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

### Other Non-Attributable

General services and activities not identifiable with the foregoing functions.

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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<b>3. GRANTS</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Grants were received in respect of the following:		
<u>Operating Grants</u>		
Landcare	21,000	30,000
Other Miscellaneous Small Grants	38,789	23,379
Community Services	305,300	303,664
Government Financial Assistance Grant	2,417,614	2,001,731
Total Operating Grants	<u>2,782,703</u>	<u>2,358,774</u>
<u>Capital Grants</u>		
Roads to Recovery	181,880	181,880
Other miscellaneous Small Grants	17,802	12,000
Rsebery Cycleway	60,000	-
Hunter Street, Queenstown Car Parking	-	100,000
Rosebery Recreation Ground Facility	-	102,000
Corrina Link Road	200,000	120,000
Roebery Sports Stadium	-	113,000
Iron Blow Lookout	-	160,000
Zeehan Spray Tunnel	-	60,000
Cycleways, Strahan Stage 1, Tullah	-	29,909
Strahan Cycleway Stage 2	330,000	170,000
Queenstown Cycleway	-	375,000
Strahan Skate Park	-	75,000
Strahan Esplanade Upgrade	-	600,000
Vedanta Community Grant	-	100,000
Total Capital Grants	<u>789,682</u>	<u>2,198,789</u>
Total Grants	<u>3,572,385</u>	<u>4,557,563</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:

	2012 \$	2011 \$
Landcare	21,000	-
Rosebery Recreation Ground Facility	-	75,978
Community Services	-	9,965
Other miscellaneous small grants - operating	20,404	4,915
Other miscellaneous small grants - capital	-	12,000
Hunter Street, Queenstown Car Parking	-	75,334
Queenstown Cycleway	-	237,403
Strahan Cycleway Stage 2	326,818	170,000
Rosebery Sports Stadium	-	12,807
Vedants Community Grant	-	11,636
Total	<u>368,222</u>	<u>610,038</u>

**WEST COAST COUNCIL**

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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:

	2012 \$	2011 \$
Cycleways, Strahan Stage 1, Tullah	-	101,251
Roads to Recovery	-	169,620
Contribution to New Chambers	4,800	295,200
Strahan Cycleway Stage 2	3,182	-
Rosebery Playground Construction	-	49,892
Community Services	-	24,620
Corinna Link Road	-	72,762
Iron Blow Lookout	-	23,342
Landcare	-	18,182
Total	<u>7,982</u>	<u>754,869</u>

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

	2012 \$	2011 \$
Total	<u>360,240</u>	<u>(144,831)</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.

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. On 11 May 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that, "to assist local councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012-13 works programs", it would bring forward for payment to all councils in June 2012, the first two instalments of the 2012-13 grant pool. Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. However, the above General Purpose and Roads Financial Assistance Grants for 2011-12 thus include an additional instalment over that received in 2010-11. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2011-12 by \$975,444 and 2010-11 by \$498,662. This has impacted the Statement of Comprehensive Income resulting in the Net surplus/(deficit) from continuing operations being higher in both years by these amounts. With fewer instalments due to be received in 2012-13, the reverse effect is expected to occur.

**WEST COAST COUNCIL**  
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	2012	2011
	\$	\$
<b>4. USER CHARGES INCLUDING REIMBURSEMENTS</b>		
User charges including reimbursements for the reporting period included:		
User charges including reimbursements	1,129,948	916,394
	<u>1,129,948</u>	<u>916,394</u>

	2012	2011
	\$	\$
<b>5. VISITOR INFORMATION AND BOOKING CENTRE</b>		
Visitor Information and Booking Centre revenue for the reporting period comprised:		
Visitor Information and Booking Centre - Retail	94,253	121,416
Visitor Information and Booking Centre - Commissions	111,156	121,602
	<u>205,409</u>	<u>243,018</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).

	2012	2011
	\$	\$
<b>6. INVESTMENT INCOME CRADLE MOUNTAIN WATER</b>		
Water & Sewerage Investment for the reporting period included:		
Quarterly Tax Instalments	158,434	346,366
Guarantee Fees	149,906	134,487
Interim Dividend	-	79,530
	<u>308,340</u>	<u>560,383</u>

	2012	2011
	\$	\$
<b>7. INTEREST</b>		
Interest on Financial Assets	244,008	251,267
Interest Reimbursement	199,467	-
Interest on Rate Debtors	7,172	26,335
Interest Other	11	17
	<u>450,658</u>	<u>277,619</u>

**WEST COAST COUNCIL**

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<b>8. OTHER REVENUE</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Other revenue for the reporting period included:		
Building and Construction Levy	180	176
Contributions, Subsidies and Reimbursements	45,631	49,651
Sundry Revenue	53,378	304,858
	<u>99,189</u>	<u>354,685</u>

Note:

2011 Sundry Revenue includes \$264,169 and for 2012 Sundry Revenue includes \$44,544 being unclaimed monies from the sale of properties to cover rates following the expiry of the claim period.

<b>9. EMPLOYEE COSTS</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Wages and Salaries	2,766,176	2,560,153
Superannuation	361,867	337,851
Annual, Sick and Long Service Leave	436,335	302,845
Workers Compensation, Insurance and Other Payroll On-Costs	280,084	219,195
Total Employee Costs	<u>3,844,462</u>	<u>3,420,044</u>
Less Capitalised Employee Costs	(225,725)	(224,393)
Total Employee Costs Expensed	<u>3,618,737</u>	<u>3,195,651</u>

<b>10. MATERIALS AND CONTRACTS</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Materials and Consumables	1,413,155	1,255,822
Power and Phone Charges	440,810	403,278
External Contracts	686,641	1,030,086
	<u>2,540,606</u>	<u>2,689,186</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	2012	2011
	\$	\$
<b>11. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation expense for the reporting period was charged in respect of:		
Buildings	366,136	325,202
Bridges	206,108	236,813
Other Structures	49,558	32,257
Plant and Equipment	488,110	474,360
Furniture and Fittings	45,233	53,426
Road and Pavements	1,459,436	1,215,961
Amortisation of Leased Equipment	-	27,297
Amortisation of Municipal Property Valuation	18,000	18,000
	<u>2,632,581</u>	<u>2,383,316</u>
	2012	2011
	\$	\$
<b>12. LOSS ON SALE OF NON - FINANCIAL ASSETS</b>		
Proceeds from Sales	12,727	228,967
Less Carrying Amount of Assets Sold	(28,412)	(347,260)
Loss on Sale of Non - Financial Assets	<u>(15,685)</u>	<u>(118,293)</u>
	2012	2011
	\$	\$
<b>13. OTHER EXPENSES</b>		
Other expenses for the reporting period included:		
External Audit Remuneration (Tasmanian Audit Office)	28,002	34,745
Legal and Debt Collection	82,735	68,831
Gifts and Donations	19,928	14,400
Election and Civic Function Expenses	19,144	7,829
Water and Sewerage Rates	74,845	67,684
Other Sundry Expenses	91,223	119,305
	<u>315,877</u>	<u>312,794</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	2012	2011
	\$	\$
<b>14. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	211,179	81,369
Cash on Hand	1,360	1,360
Term Deposits	5,508,618	4,083,371
	<u>5,721,157</u>	<u>4,166,100</u>

The credit card facility was \$14,000 with an unused balance of \$9,039.33 as at 30 June 2012.  
The credit card facility was \$13,000 with an unused balance of \$12,313.90 as at 30 June 2011.  
There has been no overdraft facility for either year.

	2012	2011
	\$	\$
<b>15. RECEIVABLES</b>		
<u>Current Assets</u>		
Rates Receivable	265,413	238,424
Other Debtors	75,792	271,335
GST Receivable	52,998	112,678
Less Provision for Impairment	(484)	(8,553)
	<u>393,719</u>	<u>613,884</u>

	2012	2011
	\$	\$
<b>16. OTHER ASSETS</b>		
<u>Current Assets</u>		
Prepayments	6,233	3,627
Accrued Revenue	47,384	165,628
	<u>53,617</u>	<u>169,255</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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<b>17. LAND</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Opening Balance - At Fair Value	5,468,050	5,678,500
Revaluation Adjustment - Equity	(935,957)	(269,150)
Revaluation Adjustment - Revenue	-	45,205
Removal of Assets not Controlled	-	(91,800)
Additions	-	20,295
Transfers from Crown	80,000	85,000
Transfers of Westhaven Homes	250,000	-
Closing Balance - At Valuation	<u>4,862,093</u>	<u>5,468,050</u>

For 2011 the removal of assets not controlled relates to property transferred to Parks and Wildlife by Crown that was previously occupied by Council that would normally be transferred to Council

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	2012	2011
	\$	\$
<b>18. BUILDINGS</b>		
Opening Balance - At Fair Value	12,213,549	11,626,484
Revaluation Adjustment - Equity	-	(985,932)
Revaluation Adjustment - Revenue	-	181,459
Additions	2,354,342	1,256,888
Transfers from Crown	17,000	78,000
Transfer from MAST	-	110,850
Transfer of Westhaven Homes	90,000	-
Disposals	(13,000)	-
Removal of Assets not Controlled	-	(54,200)
Transfers from Plant and Equipment - Skate Park Components	39,580	-
Closing Balance - At Valuation	<u>14,701,471</u>	<u>12,213,549</u>
Opening Balance - Accumulated Depreciation	(600,276)	(300,119)
Removal of Assets not Controlled	-	3,613
Transfers from Plant and Equipment - Skate Park Components	(18,855)	0
Disposals	1,300	-
Depreciation Expense	(366,136)	(325,202)
Revaluation Adjustment - Equity	-	21,432
Closing Balance - Accumulated Depreciation	<u>(983,967)</u>	<u>(600,276)</u>
Closing Written Down Value	<u>13,717,504</u>	<u>11,613,273</u>

For 2011 the removal of assets not controlled relates to property transferred to Parks and Wildlife by Crown that was previously occupied by Council that would normally be transferred to Council.

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	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>19. ROADS AND BRIDGES</b>		
<b>ROADS</b>		
Opening Balance - At Fair Value	75,219,645	62,897,108
Additions	4,374,516	535,807
Revaluation Adjustment	38,729	11,786,730
Closing Balance - At Valuation	<u>79,632,890</u>	<u>75,219,645</u>
Opening Balance - Accumulated Depreciation	(32,288,771)	(27,249,037)
Depreciation Expense	(1,459,436)	(1,215,961)
Revaluation Adjustment	339,168	(3,823,773)
Closing Balance - Accumulated Depreciation	<u>(33,409,039)</u>	<u>(32,288,771)</u>
Roads - Closing Written Down Value	<u>46,223,851</u>	<u>42,930,874</u>
<b>BRIDGES</b>		
Opening Balance - At Fair Value	10,066,949	9,847,541
Additions	290,826	581,676
Revaluation Adjustment	(191,315)	(115,388)
Disposals	(117,405)	(246,880)
Closing Balance - At Valuation	<u>10,049,055</u>	<u>10,066,949</u>
Opening Balance - Accumulated Depreciation	(4,316,383)	(4,292,150)
Revaluation Adjustment	133,377	(31,828)
Disposals	117,405	244,408
Depreciation Expense	(206,108)	(236,813)
Closing Balance - Accumulated Depreciation	<u>(4,271,709)</u>	<u>(4,316,383)</u>
Bridges - Closing Written Down Value	<u>5,777,346</u>	<u>5,750,566</u>
Roads & Bridges - Closing Written Down Value	<u>52,001,197</u>	<u>48,681,440</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	2012	2011
	\$	\$
<b>20. OTHER STRUCTURES</b>		
Opening Balance - At Fair Value	904,494	448,709
Additions	35,145	438,377
Revaluation Adjustment	41,207	17,408
Closing Balance - At Fair Value	<u>980,846</u>	<u>904,494</u>
Opening Balance - Accumulated Depreciation	(111,993)	(79,313)
Depreciation Expense	(49,558)	(32,257)
Revaluation Adjustment	-	(423)
Closing Balance - Accumulated Depreciation	<u>(161,551)</u>	<u>(111,993)</u>
Closing Written Down Value	<u>819,295</u>	<u>792,501</u>
	2012	2011
	\$	\$
<b>21. PLANT AND EQUIPMENT</b>		
Opening Balance - At Cost	4,594,668	4,502,138
Additions	181,309	913,965
Disposals	(29,710)	(821,435)
Transfer to Buildings - Skate Park Components	(39,580)	-
Closing Balance - At Cost	<u>4,706,687</u>	<u>4,594,668</u>
Opening Balance - Accumulated Depreciation	(1,893,518)	(1,995,422)
Disposals	13,635	576,264
Transfer to Buildings - Skate Park Components	18,855	-
Depreciation Expense	(488,110)	(474,360)
Closing Balance - Accumulated Depreciation	<u>(2,349,138)</u>	<u>(1,893,518)</u>
Closing Written Down Value	<u>2,357,549</u>	<u>2,701,150</u>

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>22. FURNITURE AND FITTINGS</b>		
Opening Balance - At Cost	503,279	476,078
Additions	30,550	29,958
Disposals	(5,074)	(2,757)
Closing Balance - At Cost	<u>528,755</u>	<u>503,279</u>
Opening Balance - Accumulated Amortisation	(244,144)	(193,142)
Depreciation Expense	(45,233)	(53,426)
Disposals	4,437	2,424
Closing Balance - Accumulated Depreciation	<u>(284,940)</u>	<u>(244,144)</u>
Closing Written Down Value	<u>243,815</u>	<u>259,135</u>

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	2012	2011
	\$	\$
<b>23. WORK IN PROGRESS</b>		
Opening Balance - At Cost	4,765,804	1,947,273
Rosebery Football Ground Facilities	-	26,022
Queenstown Urban Renewal Orr Street	-	1,148,281
Hunter Street Parking	-	24,666
Rosebery Sports Stadium	-	100,193
Tullah Gateway	-	1,951
Footpath West Victoria Street, Tullah	-	56,670
Harvey Street Bridge	-	17,743
Strahan Esplanade Toilets	-	44,118
Conlan Street Kerbing	-	10,350
Zeehan Football Clubrooms	-	98,996
Zeehan Swimming Pool	-	27,403
Queenstown Swimming Pool	289,744	-
Strahan Esplanade	-	959,904
Bowes Street	34,632	-
Granville Harbour Toilets	4,015	-
Strahan Cycleway (Stage 2)	3,182	-
Queenstown Cycleway	-	137,597
Affordable Housing	-	514,823
Corinna Link Road	-	284,082
Tullah Playground	43,212	-
Hedley Faul Park Toilets	941	-
Rosebery Cycleway	90,177	-
Transfer to Other Asset Classes	(4,622,273)	(634,268)
Closing Balance - At Cost	<u>609,434</u>	<u>4,765,804</u>

**WEST COAST COUNCIL**  
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	2012 \$	2011 \$
<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)	(163,782)
Amortisation Expense	-	(27,297)
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	(131,000)	(113,000)
Amortisation Expense	(18,000)	(18,000)
Closing Balance - Accumulated Amortisation	<u>(149,000)</u>	<u>(131,000)</u>
Closing Written Down Value	<u>36,000</u>	<u>54,000</u>
	<b>2012</b>	<b>2011</b>
<b>25. PAYABLES</b>	<b>\$</b>	<b>\$</b>
Accrued Salaries and On-Costs	156,780	119,830
Trade Creditors	694,185	806,006
Loan Interest Accrual	23,414	25,415
	<u>874,379</u>	<u>951,251</u>

**WEST COAST COUNCIL**  
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	2012 \$	2011 \$
<b>26. INTEREST BEARING LIABILITIES</b>		
<u>Current Liability</u>		
Loans	123,753	115,492
	<u>123,753</u>	<u>115,492</u>
<u>Non-Current Liability</u>		
Loans	1,152,974	1,276,727
	<u>1,152,974</u>	<u>1,276,727</u>
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>27. PROVISIONS</b>		
<u>Current Liability</u>		
Annual Leave	266,449	218,311
Sick Leave Provision	67,971	65,373
Long Service Leave	144,178	124,429
Total Current Liabilities	<u>478,598</u>	<u>408,113</u>
<u>Non-Current Liability</u>		
Long Service Leave	124,651	86,963
Total Non-Current Liabilities	<u>124,651</u>	<u>86,963</u>
Total Employee Provisions	<u>603,249</u>	<u>495,076</u>
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>28. OTHER LIABILITIES</b>		
<u>Current Liability</u>		
Employee Benefits (Oncosts)	38,147	28,645
Trust Funds	52,943	39,296
S137 Surplus Proceeds On Sale of Properties	66,998	111,542
Bonds	105,915	158,038
	<u>264,003</u>	<u>337,521</u>
<u>Non-Current Liability</u>		
Employee Benefits (Oncosts)	11,416	6,960
	<u>11,416</u>	<u>6,960</u>

**29. RESERVES**

	Opening Balance	Transfers to Reserve	Transfers from Reserve	Closing Balance
<b>Asset Revaluation Reserve - Land</b>				
2011/2012	5,091,530	-	(935,957)	4,155,573
2010/2011	5,360,680	-	(269,150)	5,091,530
<b>Asset Revaluation Reserve - Buildings</b>				
2011/2012	6,461,587	-	-	6,461,587
2010/2011	7,426,087	-	(964,500)	6,461,587
<b>Asset Revaluation Reserve - Bridges</b>				
2011/2012	3,726,193	-	(57,938)	3,668,255
2010/2011	3,873,409	-	(147,216)	3,726,193
<b>Asset Revaluation Reserve - Other Structures</b>				
2011/2012	71,138	41,207	-	112,345
2010/2011	54,153	16,985	-	71,138
<b>Asset Revaluation Reserve - Roads</b>				
2011/2012	21,190,837	377,897	-	21,568,734
2010/2011	13,227,881	7,962,956	-	21,190,837
<b>Fair Value Reserve - Investment CMW</b>				
2011/2012	4,588,627	27,290	-	4,615,917
2010/2011	4,470,504	118,123	-	4,588,627
<b>Total Reserves</b>				
2011/2012	41,129,912	446,394	(993,895)	40,582,411
2010/2011	34,412,714	8,098,064	(1,380,866)	41,129,912

**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, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119, Council does not use defined benefit accounting for these contributions.

At the present time Council contributes 12.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2011. The review disclosed that at that time the net market value of assets available for funding member benefits was \$57,588,247, the value of vested benefits was \$52,794,839, the surplus was \$4,793,408 and the value of total accrued benefits was \$57,330,437. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	0% p.a. for 2011/12 and 7.0% p.a. thereafter
Salary Inflation	4.0% pa
Price Inflation	n/a

The actuarial review concluded that:

1. The value of assets of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2011.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2011.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2014.

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

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2014 and is expected to be completed late in 2014 or early in 2015.

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

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

During the reporting period the amount of contributions paid to defined benefits schemes was \$6,738 (2010-11, \$6,912), and the amount paid to accumulation schemes was \$351,558 (2010-11, \$329,205).

**WEST COAST COUNCIL***Notes to and forming part of the Financial Report  
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	2012 \$	2011 \$
<b>32. RECONCILIATION OF SURPLUS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Change in Net Assets for the Period	<u>2,251,542</u>	<u>3,424,879</u>
<u>Non Operating Investing Activities</u>		
Investment in Water Corporation	(308,340)	(560,383)
<u>Items not involving cash</u>		
Depreciation and Amortisation Expenses	2,632,581	2,383,316
Land and Buildings Transferred From Crown (Notes 17,18)	(97,000)	(163,000)
Structures transferred from Westhaven Homes (Notes 17,18)	(340,000)	-
Structures transferred from MAST (Notes 17,18)	-	(110,850)
Adjustment for Valuation on Land and Buildings Purchased	-	(226,664)
Removal of Assets not Controlled (Note 17,18)	-	142,387
<u>Investing Activity</u>		
Loss on disposal of Fixed Assets	15,685	118,293
<u>Change in Operating Assets &amp; Liabilities</u>		
Increase (Decrease) in Receivables	220,166	(242,811)
Increase (Decrease) in Other Assets	122,928	(64,751)
Increase (Decrease) in Creditors	(76,973)	136,532
Increase (Decrease) in Other Liabilities	(83,020)	(269,790)
(Increase) Decrease in Provisions	122,231	(17,021)
Net Cash Used in Operating Activities	<u>4,459,800</u>	<u>4,550,137</u>
<b><u>CASH BALANCE AS PER CASH FLOW STATEMENT</u></b>		
Cash (Note 14)	5,721,157	4,166,100
Total	<u>5,721,157</u>	<u>4,166,100</u>

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<b>33. RELATED PARTY DISCLOSURE</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Allowances and Reimbursements</b>		
Councillor Allowances & Reimbursements	124,503	114,094
	<u>124,503</u>	<u>114,094</u>

**(b) Register of Interests - 20011/12**

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

<u>Councillor &amp; Position</u>	<u>Expiry</u>	
Cr Darryl Gerrity (Mayor)	Oct 2015	No interest declared
Cr Peter Reid (Deputy Mayor)	Oct 2013	No interest declared
Cr Alwyn Medwin	Oct 2015	No interest declared
Cr Lyn O'Grady	Oct 2015	No interest declared
Cr Samantha Eley	Oct 2015	No interest declared
Cr Phillip Vickers	Oct 2013	No interest declared
Cr Shane Pitt	Oct 2013	No interest declared
Cr Robyn Gerrity	Oct 2013	No interest declared
Cr Allen Rose	Oct 2013	No interest declared

**34. EMPLOYEE NUMBERS**

	<b>2012</b>	<b>2011</b>
Full time	56.0	53.0
Part time	2.0	2.0
Casual	2.0	2.0
Total Employees (full time equivalents)	<u>60.0</u>	<u>57.0</u>

**35. SUBSEQUENT EVENTS**

There were no substantial subsequent events affecting this report.

**36. CONTINGENCY**

There are no contingencies to report.

**WEST COAST COUNCIL**

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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	
	2012 \$	2011 \$	2012 \$	2011 \$
<b>Revenue</b>				
Rates	2,196,774	1,949,983	1,104,715	1,053,823
User Charges	161,719	15,040	367,029	186,403
Grants	1,248,829	1,861,562	-	-
<b>Total Revenue</b>	<b>3,607,322</b>	<b>3,826,585</b>	<b>1,471,744</b>	<b>1,240,226</b>
<b>Expenditure</b>				
<b>Direct</b>				
Employee Costs	959,606	759,382	334,308	271,960
Materials and Contracts	488,421	377,954	318,386	341,224
Interest	62,585	67,762	-	-
Utilities	242,502	221,829	242	211
<b>Indirect</b>				
Engineering & Administration	55,191	52,770	27,595	26,385
<b>Total Expenses</b>	<b>1,808,305</b>	<b>1,479,697</b>	<b>680,531</b>	<b>639,780</b>
<b>Notional cost of free services received</b>				
<b>Capital costs</b>				
Depreciation and amortisation	1,882,633	1,653,562	158,693	132,167
Opportunity cost of capital	4,468,134	3,977,059	97,741	99,764
<b>Total Capital Costs</b>	<b>6,350,767</b>	<b>5,630,621</b>	<b>256,434</b>	<b>231,931</b>
<b>Competitive neutrality adjustments</b>				
Rates and land tax	-	-	2,451	2,452
Loan guarantee fees	5,467	6,248	-	-
	<b>5,467</b>	<b>6,248</b>	<b>2,451</b>	<b>2,452</b>
<b>Calculated Surplus/(Deficit)</b>	<b>(89,082)</b>	<b>687,078</b>	<b>630,069</b>	<b>465,827</b>
<b>Tax Equivalent Rate</b>	<b>30.00%</b>	<b>30.00%</b>	<b>30.00%</b>	<b>30.00%</b>
<b>Taxation equivalent</b>	<b>(26,725)</b>	<b>206,124</b>	<b>189,021</b>	<b>139,748</b>
<b>Competitive neutrality Costs</b>	<b>(21,258)</b>	<b>212,372</b>	<b>191,472</b>	<b>142,200</b>

## WEST COAST COUNCIL

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### 38. INVESTMENT IN WATER CORPORATION

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

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

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

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

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

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

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

Council's share of the Corporation's net assets at 30 June 2012 is \$25,383,735.

	30 June 2012	30 June 2011
Brought Forward Balance	25,356,445	25,238,322
Change in fair value of investment	27,290	118,123
<b>Total investment in water corporation</b>	<b>\$25,383,735</b>	<b>\$25,356,445</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 3<sup>rd</sup> February 2012 and the Council achieved an overall score of 80%. Council remains strongly committed to further 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 and demonstrated that it has embedded risk management across the organisation as a whole.

##### *Credit Risk*

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

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

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

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

##### *Rates Debtors*

Rates and charges were required to be paid in full by 26 August, 2011 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 2012		30 June 2011	
	Gross	Impairment	Gross	Impairment
Not past due	35,114		195,493	
Past due 0-30 days	5,073		15,176	
Past due 31-60 days	1,709		3,084	
Past due 61-90 days	3,501		3,583	
More than 90 days	30,395	484	53,999	3,038
Total trade receivables	75,792		271,335	
Rates receivables	265,413	-	238,424	5,515
Total receivables	341,205	484	\$509,759	\$8,553

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

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

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

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

### Liquidity Risk

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

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

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

The current annual payment of loans by Council equated to 2.62 % of the revenue (net of grants) of the preceding financial year.

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***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 2012</b>				
Payables	874,379	-	-	874,379
Other liabilities	742,601	136,067	-	878,668
Financial liabilities	211,370	1,056,849	422,740	1,690,959
<b>Total</b>	<b>1,828,350</b>	<b>1,192,916</b>	<b>422,740</b>	<b>3,444,006</b>
<b>30 June 2011</b>				
Payables	951,251	-	-	951,251
Other liabilities	745,634	93,923	-	839,557
Financial liabilities	211,370	1,056,849	634,110	1,902,329
<b>Total</b>	<b>\$1,908,255</b>	<b>\$1,150,772</b>	<b>\$634,110</b>	<b>\$3,693,137</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.

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.

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

	30 June 2012	30 June 2011
<i>Financial assets</i>		
Investment in Water Corporation	25,383,735	25,356,445
Cash at bank and on hand	212,539	82,729
Cash management account	5,508,618	4,083,371
Other financial assets	447,336	783,139
<b>Total</b>	<b>\$31,552,228</b>	<b>\$30,305,684</b>
<i>Financial liabilities</i>		
	Fixed Interest Rate	Fixed Interest Rate
Interest Bearing Liabilities	1,276,727	1,392,219
<b>Total</b>	<b>1,276,727</b>	<b>1,392,219</b>
<b>Net Total</b>	<b>\$30,275,501</b>	<b>\$28,913,465</b>

*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 2011.

At 30 June 2012, if interest rates had moved, as illustrated in tables below, profit and equity would have been affected as follows:

	Profit or Loss		Equity	
	2011/12	2010/11	2011/12	2010/11
+1% (100 basis points)	\$57,212	\$ 41,661	\$57,212	\$ 41,661
-.5% (50 basis points)	\$(28,606)	\$(20,831)	\$(28,606)	\$(20,831)

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

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

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

Fair Values	30 June 2012		30 June 2011	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<i>Financial assets</i>				
Cash and cash equivalents				
Investment in Water Corporation	25,383,735	25,383,735	25,356,445	25,356,445
Cash at bank and on hand	5,721,157	5,721,157	4,166,100	4,166,100
Receivables	393,719	393,719	613,884	613,884
Other financial assets	53,617	53,617	169,255	169,255
	<b>31,552,228</b>	<b>31,552,228</b>	<b>30,305,684</b>	<b>30,305,684</b>
<i>Financial liabilities</i>				
Payables	874,379	874,379	951,251	951,251
Interest bearing liabilities	1,276,727	1,415,461	1,392,219	1,449,819
Other liabilities	878,668	878,668	839,557	839,557
	<b>3,029,774</b>	<b>3,168,508</b>	<b>3,183,027</b>	<b>3,240,627</b>
<b>Net financial assets</b>	<b>\$28,522,454</b>	<b>\$28,383,720</b>	<b>\$27,122,657</b>	<b>\$27,065,057</b>

**WEST COAST COUNCIL**  
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Carrying amounts classified as:	30 June 2012	30 June 2011
<i>Financial assets</i>		
Available for sale	25,383,735	25,356,445
Loans and receivables	447,336	783,139
Cash and cash equivalents	5,721,157	4,166,100
	<b>31,552,228</b>	<b>30,305,684</b>
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	3,029,774	3,183,027
<b>Net financial assets / (liabilities)</b>	<b>\$28,522,454</b>	<b>\$27,122,657</b>

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

***Ownership Interest in Cradle Mountain Water***

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

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

***Fair value hierarchy***

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

The different levels have been defined as follows:

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

30 June 2012	Level 1	Level 2	Level 3	Total
Available for sale financial assets	-	-	\$25,383,735	\$25,383,735
<b>Total</b>	<b>-</b>	<b>-</b>	<b>\$25,383,735</b>	<b>\$25,383,735</b>

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

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

	30 June 2012
Brought Forward Balance	25,356,445
Gains (losses) recognized in comprehensive income statement:	27,290
<b>Closing Balance</b>	<b>\$25,383,735</b>



Queenstown Memorial Hall



Strahan Esplanade



Zeehan Skate Park



Tullah Hall



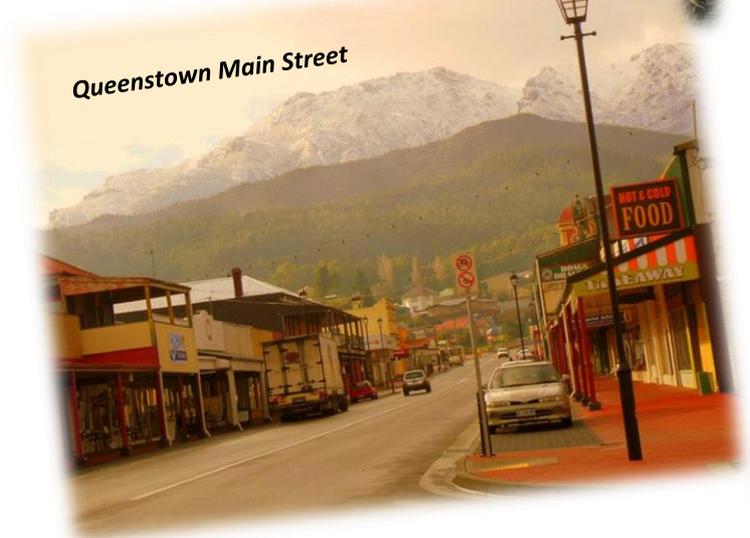
Strahan Toilets



Rosebery Path Cycleway



Rosebery Skate Park



Queenstown Main Street



Tullah Playground