



Waratah-Wynyard Council

2013/2014

ANNUAL REPORT



Acknowledgements:

Photos supplied by

Denis and Fay Hulme
Staff: Waratah-Wynyard Council

Front Cover:

Visiting Medical Students
Peter Cundall at the Wynyard Community Garden
Wynyard Wharf

Back Cover:

Baulds Creek, Deep Creek Road, Wynyard - Culvert
Bloomin' Tulips Festival
Wynyard Lions Club Convention

CONTENT

A BRIEF HISTORY.....	5
WARATAH-WYNYARD COUNCIL STRATEGIC PLAN 2009-2014	6
A WORD FROM THE MAYOR	7
MAYOR AND COUNCILLORS (THE COUNCIL)	8
COUNCILLORS' ATTENDANCE AT MEETINGS AND ALLOWANCES 2013/2014	12
ACTING GENERAL MANAGER'S MESSAGE.....	13
FINANCE AND PERFORMANCE STATISTICS 2013/2014	14
CAPITAL WORKS PROJECT SUMMARY	15
MANAGEMENT STRUCTURE	19
RESOURCE SHARING	23
STATUTORY REQUIREMENTS	25
LAND DONATED BY COUNCIL UNDER SECTION 177.....	26
CONTRACTS OVER \$100,000.....	27
CRADLE COAST AUTHORITY	28
TAS WATER.....	30
ANNUAL PLAN - PROGRAMS OVERVIEW	31
GOVERNANCE AND ADVOCACY.....	31
EXECUTIVE MANAGEMENT	32
STRATEGIC PROJECTS OFFICE (SPO)	33
CORPORATE GOVERNANCE	34
COMMUNICATIONS.....	35
EMERGENCY SERVICES	36
DEVELOPMENT SERVICES.....	37
BUILDING CONTROL	37
PUBLIC AND ENVIRONMENTAL HEALTH SERVICES	38
TOWN PLANNING	39
ENGINEERING SERVICES.....	40
ANIMAL CONTROL	40
CEMETERIES.....	40
CONTRACT WORKS	41
ENGINEERING SUPPORT SERVICES	41
HOUSEHOLD GARBAGE SERVICES	42
PARKS AND RESERVES	43
PUBLIC CONVENIENCES.....	43
PUBLIC HALLS	44
SPORTING FACILITIES.....	44
STORMWATER DRAINAGE	44
TRANSPORT SERVICES	45

FINANCIAL SERVICES.....	46
FINANCIAL MANAGEMENT.....	47
ORGANISATIONAL AND COMMUNITY DEVELOPMENT.....	48
CHILDREN'S SERVICES.....	48
COMMUNITY SERVICES	51
TOURISM	54
RISK AND HEALTH AND SAFETY	57
FINANCIAL REPORT 2014	1



*Chris Thorne, Mayor Robby Walsh, Michael (in front) and Leslie Dick
– Australia Day Smoking Ceremony*

A BRIEF HISTORY

In the beginning.....

Members of the Tommeginer aboriginal tribe lived on the Fossil Bluff coastline until early 1841. These people did not move far inland as the area was heavily timbered so their diet consisted mainly of seafood. The rock fish traps they used remain evident on the Fossil Bluff tidal foreshore today.

In 1798 George Bass and Matthew Flinders sailed their sloop “Norfolk” through Bass Strait, to discover that Van Diemen’s Land (later Tasmania) was not connected to New Holland (later Australia) and on this voyage they named the large promontory (170 metres) Table Cape, which has now become the local landmark.

The Cape had huge stringy-bark eucalyptus gum trees with base girths of up to 12 metres which have since been stripped and the beautiful red loam uncovered has been most suitable for the growing of potatoes, peas, onions and corn and the raising of sheep and cattle and more recently the cultivation of poppies, pyrethrum and tulips.

Henry Hellyer surveyed the area in 1827 and named the Inglis River after a Van Diemen's Land Company Director, John Inglis. This company was then a large landholder in the north-west corner of Tasmania.

In 1853 the first of several timber mills was constructed and trade with Victorian ports became buoyant during the Victorian gold rush and the area provided much needed timber and produce, exported from Wynyard on the Inglis River and Port Maldon on the Cam River.

In 1971, James “Philosopher” Smith discovered the Mount Bischoff ore body, some 50 kilometres south of Wynyard, where, by 1877, the mining town of Waratah had become established and it prospered from the riches of the largest tin mine in the southern hemisphere until the mine’s closure in 1947.

In 1993, the municipalities of Waratah and Wynyard were merged into the Waratah-Wynyard Council municipal area covering 3,532 square kilometres.

OUR COUNCIL VISION



Waratah-Wynyard municipality will continue to be a thriving and prosperous municipality, with opportunities for all.

OUR COUNCIL MISSION



Waratah-Wynyard Council will work to create an environment where its people can prosper and take advantage of the municipality's unique advantages to the benefit of the community.

OUR COUNCIL VALUES



Good Governance:

We will have open, accessible and accountable governance in touch with the existing and changing needs of our community.

Fairness and Responsiveness:

We will ensure that all people are treated with dignity, respect and fairness. Our staff is critical to the achievement of our goals and we are committed to their continuing development.

Service Excellence:

We are here to serve our community and will strive to meet its needs through the provision of service excellence based on a continuous improvement approach.

Communication and Engagement:

We will deliver accurate, timely and relevant information involving the open exchange of ideas and information with the community.

Environmental Sustainability:

We aspire to become environmentally sustainable and maximise opportunities for all people and future generations to enjoy social and physical well-being.

Leadership:

We will effectively advocate the needs and aspirations of the community.

A WORD FROM THE MAYOR

Hello and welcome everyone to the 2013/14 Waratah-Wynyard Annual Report.

As we all know there has been a State Government election, the lead up to which provided a great opportunity for us to lobby parties for election promises. As a result of this Councillors placed our municipal area to the forefront and showcased our beautiful part of Tasmania to the convoys of visiting aspiring politicians.

Many promises were made in regards to our pre-election submission projects which all look positive for the future.

There are also interesting times ahead for Local Government with the all-in, all out elections creating new Councils for four-year terms.

I wish to acknowledge the service and leadership provided to us by our former General Manager, Mr Greg Winton, who departed our organisation in May of this year. We are now under the leadership of Acting General Manager Mr John Martin.

The staunch commitment given by our dedicated staff to our ten Councillors and the community and public in general is testament to how well kept and maintained our municipal area is and I thank them for this. In particular, I would urge anyone who hasn't recently visited Waratah to do so. It is immaculate and a credit to all concerned.

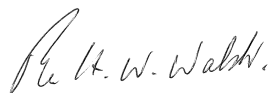
I look forward to a very positive future for Waratah-Wynyard with what I believe is an improvement in the economy and activity in general.

On a closing note, I wish to express my congratulations to Mr John Symonds, one of the stalwarts of our community, on him being recognised for his contributions to so many organisations through the award of Medal of the Order of Australia (OAM).

I attended John's investiture at Government House early in the year and witnessed our now late Governor, Sir Peter Underwood perform the presentation. What a moment it was to see John and his family together for this wonderful recognition of John's contributions to our community.

I was proud for John, that he is a member of our community and to be present on such an occasion.

Regards



Cr Robert (Robby) Walsh
MAYOR



MAYOR AND COUNCILLORS (The Council)

The Council is responsible for representing the Waratah-Wynyard community and for planning, development and management of the municipal area. It is expected to provide leadership, good local governance and act as a strong advocate for the Waratah-Wynyard community within the legislative framework established for local government in Tasmania.

The Council comprises ten (10) elected Councillors each of whom is elected for a four (4) year term. Elections were conducted by postal ballot every second year to elect five Councillors. The Mayor and Deputy Mayor are elected biennially by popular vote. The last Council election was held in October 2011. In 2014 all Councillors, including the Mayor and Deputy Mayor, will be elected for a four year term.

Mayor Robby Walsh



Mayor Robby Walsh was born, raised and has lived in the Wynyard area all his life. He and his wife Lyn have four grown children. Robby, now retired, was formerly employed by Forestry Tasmania for 24 years. He has also worked for the Justice Department of Community Corrections for three years.

Robby is a keen poultry fancier and his other recreational interests include tractor restoration and tractor pulling competitions and is also a competitive member of the Tasmanian Equine Endurance Riders Association. Robby recently finished in the top 20 place getters of the annual Tom Quilty, conducted over 160 kilometres, which is a national event. He is in his third year as Mayor of Waratah-Wynyard.

Deputy Mayor Alwyn Friedersdorff



Councillor Alwyn Friedersdorff was elected to Waratah-Wynyard Council in October 2002 and represents Council on a number of special committees. Alwyn was elected to the position of Deputy Mayor on the 18th March, 2011.

Alwyn is actively involved in community group life: as an advocate for Men's Sheds, is enthusiastic about art in the community, President of the Wynyard Senior Citizens and assists many groups and individuals.

She has a Graduate Certificate in Housing Management and Policy and Post Graduate in Business and Regional Development. She is Treasurer of the National Board of the Australian Local Government Women's Association, enjoys reading, walking, traveling, meeting new challenges and living here.

Councillor Maureen Bradley



Councillor Maureen Bradley was elected to Council in August 2013 following the resignation of a Clayton Hawkins.

Cr Bradley and her family have lived in the Sisters Beach community for 35 years.

She has been involved in the Sisters Beach Fire Service for 19 years and has attended bush and structure fires. She would like to see better mobile telephone coverage around Sisters Beach and other black spots areas around our community. She has been lobbying politicians for years and is very passionate about people's rights and their right to be heard, especially when it comes to their land.

Cr Bradley is very concerned in the rise in mental health issues, especially in school children and thinks we need to have more understanding towards these people and try to raise community awareness of their vulnerabilities.

She works in oral health services where we see a high percentage of decay in children's teeth. Education of proper oral hygiene is part of her department's policy.

Cr Bradley loves all outdoor activities and would like to see more family events, especially a safe bike track from Wynyard to Burnie.

Wynyard, Boat Harbour and Sisters Beach have become very popular areas for the tourists and believe locals should encourage their presence.

Councillor Gary Bramich



Councillor Gary Bramich joined Waratah-Wynyard Council as a result of the 1999 municipal election. Gary is a semi-retired transport contractor.

Gary currently represents Council on the Wynyard Wharf Special Committee and the Wynyard Community Centre/Railway Institute Hall Advisory Group.

Councillor Kevin Deakin



Councillor Kevin Deakin was elected to Council in 2011, after moving to Somerset in early 2010 to be closer to family. Kevin is a retired Police Detective Sergeant with over 25 years' experience mostly spent working in child protection, law and policy, firearms and officer safety and disaster management.

To assist him in his role as a Councillor, Kevin has attended many community events, forums, meetings, briefings and training to better understand the local government environment.

Kevin's focus is to simplify Council's strategic plan to ensure the community gets value for money and regularly challenges the cost and benefits of projects discussed. He is also keen to renovate and upgrade public toilets and provide extra toilets for disabled people. His latest interest is provision of integrated playground facilities suitable for both disabled and able children.

He is a member of: the Alternative Technology Association, Community Engagement Reference Group (NW Health) and SSAA Committee (Waratah). His hobbies include growing vegetables, using local parks and reading.

Councillor Colleen Dibley



Councillor Colleen Dibley was elected to Council in May 2008 to fill a casual vacancy. It is her second stint on the Waratah-Wynyard Council.

Her specific interests are land-use planning, community development and tourism. A librarian by profession, but a farmer at heart, Colleen and her husband Daryl have established a commercial chestnut orchard at Preolenna. Colleen lists her hobbies as observing the natural environment, reading and studying the political landscape of the state.

Councillor Mary Duniam



Councillor Mary Duniam was elected to Waratah-Wynyard Council in October 2005. She represents Council on the Resource Sharing Committee, Bloomin' Tulips Working Group, Fire Mitigation Working Group, and the Australia Day Committee.

Mary contributes to community as an active member of Waratah-Wynyard Community Safety Advisory Committee, Building Somerset's Future, Fairy Godmothers' Committee, Volunteering Tasmania, and past President of Rotary Club of Somerset.

Mary's qualifications include a Bachelor in Adult and Vocational Education (Hons), Diploma in Information Technology (Project Management), Diploma in Business (Administration), Graduate Certificate in Business and has completed a Graduate Certificate in Research. Mary is currently undertaking PhD studies within the Institute of Regional Development (UTAS) into local government's engagement with community organisations such as social enterprises in Tasmania.

Mary is passionate about building economic and social sustainability, making Waratah-Wynyard municipality, a great place to be.

Councillor Darren Fairbrother



Councillor Darren Fairbrother was first elected to Council in 1996 and has served on many Council committees since that time.

Currently chairperson of the Recreational Advisory Special Committee he has served a term as Council's Deputy Mayor.

Darren has a history of working with and contributing to local community through many organisations. He has been a strong advocate for community members at Council and has enjoyed being able to have the opportunity to use his abilities and knowledge to benefit others.

Darren's background, educational achievements and aspirations for the Council can be accessed at www.fairbrotherd.com.

Councillor David Moore



Councillor David Moore was a member of Wynyard Council from 1985 to 1993 and was elected to Waratah-Wynyard Council in 2000 until 2009 election and was re-elected to Council in 2011.

Now retired, David's career included experience as an Industrial Chemist and a self employed Service Station and Garden Centre Operator. He was on the Board of Management for Burnie TAFE College, a Past President of the Tasmanian Nurseryman's Association, long term member of the Wynyard Garden Club and has been a Justice of the Peace for 28 years.

His service club experience includes Wynyard and Emu Bay Apex Clubs and the Rotary Club of Somerset. David's past community involvement is extensive and includes Somerset Promotions Group, Somerset Traders, Cam-Somerset Neighbour Watch, Wynyard Tourism Association, Wynyard Tulip Festival and Wynyard Chamber of Commerce.

David lists his interests as family (three sons, four grandchildren), Tasmania, bushwalking, travel, food and wine, gardening and politics and is a late addict to lawn bowls.

Councillor St John (John) Smith



Councillor Smith was elected to Waratah-Wynyard Council at a by election in February 2010. He has resided at Flowerdale for 38 years with his wife Sylvia and seven children.

John has worked for 24 years in managerial, sales and marketing positions and for eleven years has been the owner of "Buckaneers for Seafood".

Outside of work his interests are small acre farming and breeding Murray Grey cattle.

COUNCILLORS' ATTENDANCE AT MEETINGS AND ALLOWANCES 2013/2014

In accordance with Annual Report requirements:

	Ordinary Meetings 2013/2014	Special Meetings 2013/2014	Workshops 2013/2014
Mayor Robert Walsh	10	4	38
Deputy Mayor Alwyn Friedersdorff	11	4	38
Cr Maureen Bradley	11	3	39
Cr Gary Bramich	11	4	40
Cr Kevin Deakin	12	4	31
Cr Colleen Dibley	12	3	38
Cr Mary Duniam	12	4	35
Cr Darren Fairbrother	12	3	36
Cr David Moore	10	4	32
Cr John Smith	12	4	36

Mayor, Deputy Mayor and Councillors' Allowances and Expenses

In accordance with section 72 (1)(cb) of the *Local Government Act 1993*, the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors were:

	Mayor	Deputy Mayor	Councillors	Total
Allowances and Expenses	\$47,846	\$29,681	\$114,220	\$191,747

ACTING GENERAL MANAGER'S MESSAGE

The 2013/14 annual report outlines extensively many positive works and services undertaken by Council during this past year. Whilst there have been many challenges, considerable progress on the sustainability of Council's assets and service levels has been made. The State and Federal elections have provided opportunities for future financial partnerships on a number of capital works projects for our community with respect to Somerset Village redevelopment (\$250,000) and Wynyard Recreation Ground (\$350,000).

Council has developed and facilitated additional community discussions and planning for the Wynyard foreshore, Waratah, Sisters Beach and the former Somerset Primary school site. Substantial Council resources were also directed towards finalising the interim planning scheme in conjunction with other North West Councils and the State Government through the Tasmanian Planning Commission.

Council's resource sharing arrangements continue to operate successfully, albeit with some changes at a senior level. Council has renewed its commitment to these cost-effective services with the Circular Head Council and continues to share services with both the Circular Head and Burnie Councils.

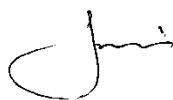
Council employees have made concerted efforts with many community groups and volunteers to maintain and improve community services throughout the municipal area. With an increasing emphasis on financial sustainability and asset management, service level standards and cost/benefit analysis are becoming an increasing focus for Council.

Recent decisions by other levels of government in terms of financial assistance to local government and cost shifting of services without adequate funding are accelerating pressure on Council's ability to maintain and improve service levels. As an example changes by the Federal Government to the financial assistance grants to Council means an estimated shortfall of \$389,000 (11.5%) over the next three years. A doubling of the Roads to Recovery Grant in 2015/2016 (\$391,000) will assist this short term loss.

Financial changes to federal grant prepayments, asset revaluation and accounting alterations, and income and expenditure fluctuations in various areas for the year have all contributed to an underlying deficit in the accompanying financial statement. Unpaid rates for forestry related properties have also tangibly contributed to this position but this should be rectified in 2014/15.

Despite the economic and social challenges confronting our community, Council is committed to providing effective and cost-efficient services to meet community requirements.

I take this opportunity to thank Councillors and Council employees for their enduring enthusiasm and emphasis on creating an environment for a prosperous and progressive organisation to benefit our community into the future.



John Martin
ACTING GENERAL MANAGER



FINANCE AND PERFORMANCE STATISTICS 2013/2014

Financial Indicator Comparisons		2013/14	2012/13	2011/12
Current Ratio	Current Assets Current Liabilities	3.23:1	3.88:1	3.78:1
Quick Asset Ratio	Cash + Liquid Debtors Current Liabilities	2.84:1	3.54:1	3.47:1
Rate Coverage Ratio	Rate Revenue Operating Revenue	67.04%	60.94%	55.46%
Outstanding Rate Debtors	Rate Debtors Rate Revenues	7.71%	5.35%	2.60%
Expenditure per Capita	Operating Expenditure Population	\$1,291.99	\$1,173.76	\$1,098.28
Operational Grant Coverage Ratio	Grant Revenue Operating Revenue	11.61%	21.04%	25.66%

Finance at a Glance

The following table 'Finance at a Glance' provides comparisons of this year's results with the previous years:

Finance at a Glance	2013/2014 \$	2012/2013 \$	Increase/ (Decrease)
Operational Income	14,340,510	14,969,620	(629,110)
Operational Expenditure	18,510,338	16,500,728	2,009,610
Net Increase from Underlying Surplus (/Deficit)	(4,169,828)	(1,531,108)	(2,638,720)
Rate Revenue	9,613,546	9,122,411	491,135
Government Grants	1,664,431	3,150,305	(1,485,874)
User Charges	1,665,112	1,705,861	(40,749)
Interest Income	337,935	439,249	(101,314)
Employee Costs	5,451,629	5,292,630	158,999
Borrowing Costs	0	1,392	(1,392)
Remissions and Discounts	553,203	531,668	21,535
Cash on Hand (incl. Investments)	5,343,456	7,388,884	(2,045,428)
Receivables (Current)	998,440	845,490	152,950
Payables	939,610	1,046,335	(106,725)
Outstanding Loans	16,650	22,050	(5,400)
Provisions	1,675,587	1,678,407	(2,820)








CAPITAL WORKS PROJECT SUMMARY

The summary below outlines the performance status for Council's budgeted capital works projects for the 2013/2014 financial year:

- Budgeted Projects completed
- Budgeted Projects still in progress at 30 June 2014
- Budgeted Projects deferred
- Budgeted Projects not proceeded with

Legend			
Completed 	In Progress 	Deferred 	Not Proceeded with 

GOVERNANCE

Waratah Wynyard Website Upgrade	
Somerset CBD Masterplan	
Energy and Sustainable resource initiatives	
Council Chambers Building Façade upgrade	
Audit of existing playgrounds	
Camp Creek - Initial consultation	
Service Level Document Creation	

CORPORATE SERVICES







Administration

Office Refurbishment	
Business Continuity Plan	

Emergency Services


Tradesman Trailer (Wynyard)	
Incident Lighting (Wynyard)	

Information Technology





Integration of Recfind to Mapinfo Software Purchase	
Wireless Network Upgrade	
Offsite Backup/Disaster Recovery	
Staff intranet	
IT Services Review WWC Share	
Somerset Public Wi Fi	

COMMUNITY SERVICES




Community Development

Purchase two Marquees for Event Support	
Community Store shelving/storage	

CHILDREN and YOUTH SERVICES

Water Tank	
Hot Water Urn System	
Replace Sink Wynyard After School Care	
Replace External Sliding Doors	

TOURISM

Interpretation - Walk of Wonder	
Waratah-Wynyard Tourism Marketing Strategy	
Tender Opportunities for Waratah Tourist Services	


DEVELOPMENT SERVICES

Town Planning

Completion of Interim Planning Scheme	
---------------------------------------	---

ENGINEERING SERVICES

Depot

Rural Crib Room	
Reverse Cameras	
Replace polycarbonate roofing depot shed	

Wynyard Office

Council Chambers external lighting
Council Chambers - replace roof apron flashing and air conditioner
Replace stair tread on fire escape Council offices

Plant

Mitsubishi p/n 1264
JCB Backhoe p/n 502
Pedestrian Roller
Stealth Rolla Mower p/n 1571
Slasher p/n 1553
Aerator/corer
Water cart tank
Small plant replacements 2013/14
Workshop oil heater
Fleet Replacements

Public conveniences

Cam River Reserve - refurbishment of existing toilet block

Roads

Rural Rd Pavement Renewal

Mt Hicks Road - Murchison Highway junction

Kerb and Channel

Renew old Style kerb and channel Inglis Street
Renew old Style kerb and channel Raglan Street
Renew Kerb 37 - 39 Inglis Street and remove tree
Renew kerb and channel Pelissier Street

Re-sheeting

Cemetery Road – Ch 00 to 344
Meunna Road – Ch 00 to 2008
Zig Zag Stage III – Ch 2461 to 5657
Zig Zag Stage II – Ch 1500 to 2461

Reseals – Rural

Broomhalls Road - Bass Highway Ch 0 to Ch 1086
Preolenna Road - Ten Foot Track to Zig Zag - Ch 15548 to 18706
Dobsons Lane – highway to end of seal - Ch 0 to Ch 50
Port Road - Moore Street to west inc, major repairs - Ch 2953 to Ch 3210
Preolenna Road - Morses Hill to Stockyards - Ch 25322 to Ch 27055
Deep Creek Road - 14mm seal to end of seal - Ch 3695 to Ch 5918
Deep Creek Road - Smarts Road to Mt Hicks - Ch 12265 to Ch 13564
Nunns Road - Mt Hicks Road east - Ch 4784 to Ch 7028

Reseals - Urban

Main Street/Smith Street - William to Hall Street, Waratah
Ritchie Street - Mount to Hall Street, Waratah
Sprent Street - Ritchie to 130m east, Waratah
Smith Street - Ritchie to Walker Street reserve, Waratah
Mount Road - Ritchie to Kayser Street, Waratah
English Street - Ritchie to Walker Street, Waratah
Ducanson Street - off Ritchie Street, Waratah
Ritchie Street - English to Sprent Street west, Waratah
Vincent Street - Smith to Hall Street, Waratah
Saunders Street - Park to Gibbons Streets, Wynyard
Falmouth Street - Bass Highway to Pelissier Street, Somerset
Brady Place, Somerset - full length
Old Cam Road - Pelissier Street to Cardigan Street, Somerset
Esplanade - Plummer Ct to Bells Parade, Somerset
Falmouth St - Esplanade to Highway, Somerset
Bells Parade - Falmouth Street to Corner No. 35, Somerset

Wharf Access Road, Wynyard	✓
Bells Parade - Falmouth Street to Esplanade, Somerset	✓
Footpaths	
Pedestrian Crossing Point Bass Highway, Somerset	⬇
Goldie Street CBD - Footpath Sealing and Mark Removal, Wynyard	✓
Renew Damaged Footpaths Wynyard	✓
Renew Damaged Footpaths Somerset	✓
Renew Damaged Footpaths Waratah	✓
Simpson Street, Somerset Paver Repairs	✓
Footpath Crossings for Prams and Mobility Scooters- Somerset, Yolla and Waratah	⬇
New - Medical Centre, Wynyard	✓
General	
Old Landfill Monitoring, Wynyard	⬇
Driveway Upgrade Where Arch Pipes Being Used - Stage 1	⬇
Coastal Weed Infestations at Wynyard and Somerset	⬇
Weed Infestation at Waratah	⬇
Tree Planting throughout the Municipality - Streets and Parks	⬇
Remove Waratah unit	✓
Terra Nova Drive. Wynyard - Upgrade	✓
Rural Road Culvert Replacements and Upgrades	✓
Upgrade Urban Footpath DDA compliant Ramps	✓
Goldie Street, Wynyard - Additional DDA parking space	⬇
Wragg Street, Somerset - furniture	✓
Renew crossover 33 Goldie Street, Wynyard	✓
Bridges	
Off Reservoir Drive - Camp Creek, Wynyard	✓
Baulds Creek - Deep Creek Road, Wynyard	✓
Nunns Road - Seabrook Creek Tributary	✓
Old Bass Highway - Port Creek, Wynyard	✓
Bridge Barrier upgrades	⬇
Park and Gardens	
Wynyard:	
- Wynyard Wharf - Concrete Seal	✗
- Wynyard Recreation Ground - Reinstate Settlement Base of Bike Track	✗
- Development Master Plan Wynyard Foreshore to Gutteridge Gardens	⬇
- Richard Gutteridge Gardens sound shell - fix rust and paint	✓
- River walk off Golf Links Road - replace timber staircase	✓
- Lowe Street - park bench seating x 2	✓
- Council Chambers - Gardens Upgrade	✓
- Poplar Tree Frederick Street - maintenance	✓
- Renewal of decayed sections of Inglis River Walking Track South Side	✓
- Saunders Street - Poplar Trees - Removal	✓
- Cemetery - Gardens upgrade	✓
- Wynyard Yacht Club Building - Crown approvals, site plans and concepts, stakeholder consultation	✗
Somerset:	
- Cam River Poplars – maintenance	✓
Boat Harbour Beach:	
- Port Road Walking Track Extension	⬇
- Development Plan - Implementation	⬇
- Parking Signage and Line marking	⬇
- Shade provision at Boat Harbour Beach and Emergency Parking	⬇
- Land Acquisition investigation at Boat Harbour for camping and SC campervans and SC caravans	⬇
- Boat Harbour Toilet and amenities power upgrade	⬇

Sisters Beach:

- Sisters Beach Public open space master plan
- Sisters Beach Jetty - install cross heads to piers
- Sisters Beach Jetty - design and install safety access ladder to jetty standard
- Sisters Beach Foreshore tree removal and erosion protection design



Waratah:

- Waratah Caravan Park Picnic Table Shelters



General

Rubbish Bin Replacements - Reserves



Rubbish Bin Replacements - Streets



Sporting Facilities

Wynyard:

- Frederick Street Reserve Improvements
- Frederick Street Reserve Cricket upgrade
- Extend wharf fence
- Wynyard Basketball stadium - kitchen upgrade



Somerset:

- Somerset Surf Club Rust Remedial Work on H Beams
- Somerset Basketball Centre Replace low level roofing and remove skylights and repair ceiling
- Langley Park Clubrooms new carpet upstairs
- Wynyard-Somerset Tennis court surfacing
- Clean up Somerset Surf Club Toilets



Yolla:

- Sporting Facilities - Yolla



Public halls

Asbestos Register and Remove Asbestos



Athenaeum Hall, Waratah - clean exterior



Waratah Post Office replace old guttering



Elizabeth Street, Somerset - line toilets - stainless steel



Spinner vents Stamper Mill Waratah



Decommission of Preolenna Hall



Drainage

Replace 15 Stormwater Manhole Lids with Terra Firma Lids, Wynyard



Replace 10 Stormwater Manhole Lids with Terra Firma Lids, Somerset



Replace 8 Grated Stormwater Pits - Wynyard



Replace 5 Grated Stormwater Pits - Somerset



Drainage Improvements – 237a Old Bass Highway, Wynyard



Replace Five Stormwater Grated Pits – Somerset



Cemetery - drainage improvements



Flood Studies – stormwater



Renew 15 Manhole lids Wynyard



Renew 10 Manhole lids Somerset



Renew 8 grated pits Wynyard



Renew 5 grated pits Somerset



16 - 18 Bridge Street, Sisters Beach - Drain upgrade



Irby Circus, Sisters Beach - drainage upgrade



Port Creek, Wynyard - drain maintenance



Falmouth Street, Somerset - upgrade main - Bells Parade to Beach



Bowick Street, Wynyard - upgrade and renewal



MANAGEMENT STRUCTURE

Senior Staff

During the year the Council's senior management structure was reviewed to reflect current needs and, in particular, the implications of resource sharing agreement between Waratah-Wynyard and Circular Head Councils.

The positions comprising Council's Executive Management Team and their incumbents at 30 June 2014 are as follows:

Position	Name
General Manager (to May 2014)	Greg Winton
Acting General Manager (from May 2014)	John Martin
Executive Manager Corporate Governance	Paul Smith
Executive Manager Development Services	Barry Magnus
Executive Manager Engineering Services	Daniel Summers
Acting Executive Manager Financial Services	Stephen Imms
Executive Manager Organisational and Community Development	Tracey Bradley

In accordance with Sections 72 (1(cd), 72(4) and 72(5) of the *Local Government Act 1993* Council is to include within its Annual Report a statement relating to the total annual remuneration paid to Council employees who hold positions designated by it as being senior positions. Total Annual remuneration includes the salary paid, contributions to superannuation, value of the use of any motor vehicle and any other allowances or benefits paid.

One position forms part of a resource sharing arrangement with Circular Head Council with Waratah-Wynyard Council responsible for funding 0.5 FTE.

The amounts below are based on full time equivalent positions and do not reflect any part-time arrangements in place.

Annual remuneration	No of Employees
\$240,000 — \$260,000	1 *
\$140,000 — \$160,000	1
\$120,000 — \$140,000	3
\$100,000 — \$120,000	1

- * As the General Manager ceased employment during the year, the amount includes salary and entitlements plus the salary and entitlements of an Acting General Manager for the remainder of the financial year.

Full Time Equivalent (FTE) by Department

Department	Number of Staff	FTE	Male	Female
Corporate Governance	8	6.43	4	4
Development Services	7	5.61	4	3
Engineering Services (Incl. cleaners)	15	8.59	10	5
- Works and Services Depot	32	32.0	31	1
Financial Services	9	7.05	3	6
Organisational and Community Development	7	5.42	3	4
- Childcare	20	13.79	1	19
- Tourism	9	3.17	0	9
Total	107	82.06	56	51

Average Age by Department (years)

Corporate Governance	57
Development Services	47
Engineering Services	49
- Works and Services Depot	46
Financial Services	45
Organisational and Community Development	49
- Childcare	39
- Tourism	45
Average Age Overall	50

Staff Tenure in Excess of 10 Years

Department	Number Of Staff	FTE	Male	Female
Corporate Governance	1	.33		1
Development Services	1	0.56		1
Engineering Services	2	2	2	
Works and Services Depot	6	6	6	
Financial Services	1	1	1	
Organisational and Community Services	3	3	2	1
- Childcare	5	3.78		5
- Tourism		0		
Total	19	16.67	11	8

Staff Tenure in Excess of 20 Years

Department	Number Of Staff	FTE	Male	Female
Corporate Governance	2	1.6	1	1
Development Services				
Engineering Services	1	1	1	
Works and Services Depot	9	9	9	
Financial Services	2	1.8		2
Organisational and Community Services				
Childcare				
Tourism				
Total	14	13.4	11	3

Resource Shared Positions

Staff	Waratah-Wynyard	Circular Head	Male	Female
Executive Manager Engineering Services	0.5	0.5	1	
Manager of Engineering and Projects	0.5	0.5	1	
Communications Officer	0.5	0.5	1	
Assets Coordinator	0.5	0.5	1	
Information Technology Officer	0.5	0.5	1	
Human Resources Coordinator	0.5	0.5		1
Occupational Health and Safety Officer	0.5	0.5	1	
Risk Management Coordinator	0.5	0.5	1	
Technical Officer Engineering and Projects	0.5	0.5	1	
Weeds Officer	0.5	0.5	1	
Technical Officer - Assets	0.8	0.2	1	
Plumbing and Compliance Officer	0.5	0.5	1	
Total	6.3	5.7	11	1

Staffing—Turnover

	01/07/12-30/06/13		01/07/13-30/06/14	
	No.	%	No.	%
No of FTE Resignations	4.93	6	4.88	6

RESOURCE SHARING

The Waratah-Wynyard Council and the Circular Head Council agreed to enter into a Resource Sharing Agreement in December 2008. The arrangement was extended in 2010 for three years until 2013, when it was again extended for a further five years. This further commitment recognises the benefits of continuing resource sharing for improved community service outcomes for both Councils.

Resource sharing is a continuing process. The approach taken has been to focus financial resources to establish a stronger skills and knowledge base, maintain and improve service levels at acceptable standards, meet statutory responsibilities, address business risks and plan for the future.

An independent review of the impacts of Resource Sharing on Staff and Councillors was undertaken by the UTAS Institute for Regional Development prior to the last extension of the agreement and may be accessed via the Council website. The major benefits of Resource Sharing have been identified as the attraction of specialist staff, improved professional development and greater opportunities to utilise and share skills and knowledge.

There have been some significant changes in personnel that are resource shared over the past 12 months. Towards the end of 2013 the Waratah-Wynyard Council required a full time General Manager to focus on the development of their new Strategic Plan, while the Circular Head Council appointed a temporary General Manager internally.

The Executive Manager Financial Services position ceased to be resource shared and the Special Projects Office was disbanded resulting in the loss of the Manager role. The Strategic Facilities Designer role continues at Circular Head Council and is engaged on a fee for service basis by Waratah-Wynyard Council, highlighting the evolving nature of the resource sharing arrangements.

As at June 2014, the following roles were subject to a formal shared arrangement:

- | | |
|--|--|
| ➤ Executive Manager Engineering Services | ➤ Manager of Engineering and Projects |
| ➤ Technical Officer – Assets | ➤ Technical Officer Engineering and Projects |
| ➤ Assets Coordinator | ➤ Communications Officer |
| ➤ Risk Management Coordinator | ➤ Human Resources Coordinator |
| ➤ Workplace Health and Safety Officer | ➤ Information Technology Coordinator |
| ➤ Weeds Officer | ➤ Plumbing and Compliance Officer |

In addition to these formal arrangements, cooperative and collaborative arrangements have developed between Councillors, managers and staff of the two Councils across a range of areas. The 2013/14 year has seen significant progress made across a range of resources shared functions that will continue to drive change in the two organisations in the immediate future.

The investment in strategic asset management is maturing rapidly, and generating significant benefits in documenting the existence, function and condition of the Council's physical assets. The provision of five year asset renewal plans has greatly improved the budget process over the past two years and creates the platform for longer term financial planning.

The next phase of strategic asset management is the consideration of the service capability of these assets and their conversion into service level standards. While Circular Head is well advanced in this area, Waratah-Wynyard is just beginning this journey. However, both Councils will benefit from the inherent service review and continuous improvement philosophy that underpins this work.

Both Councils have recently developed 5 year financial planning models with the assistance of KPMG, based on high level financial data and broad assumptions. These have been beneficial in establishing baseline expenditure profiles to inform asset renewal. However, the improvement in the asset management data now requires more detailed financial modelling and better integration of operational and capital expenditures.

The Councils will be working on improving their long term financial models to provide more accurate forward forecasting of operational expenditure by function/activity with a view to preparing three to five year rolling budget forecasts of both operational and capital expenditure that can be extended to a more robust and reliable 10 year long term financial plan. This will be consistent with the recent changes to the Local Government Act that now require Councils to adopt 10 year long term financial plans.

In the 2013/14 financial year Council has also seen the initiation of a business continuity planning project across the two Councils. A joint consultant has worked with staff from both Councils in developing a Business Continuity Plan that identifies potential threats to the organisation and their impacts to business operations. It provides the capacity for an effective response that safeguards service delivery of critical services, the interests of key stakeholders, reputation and value creating activities.

A successful submission was made to Skillsfund for \$112,000 for training and development funds during 2014. A joint submission with NDA will provide staff formal qualifications in management and project management and develop skills in time management, conflict resolution and mediation, professional business writing and a range of office business software. Another joint submission with MGET Training will provide \$64,000 funding for further training in change management, leadership development and team building. These two programs will be delivered across the two Councils in 2014/15 and will be supported by internal training funds and future funding submissions.

Preliminary work has been undertaken in preparation for an Information Technology Service Review to be conducted across both Councils in 2014/15. The review will assess current and future needs in relation to hardware and software platforms that will assist the two Councils to maximise the benefits of resource sharing and the NBN capability.

During 2013/14 a number of formal and informal resource sharing arrangements have developed in Regulatory Services in response to changing legislative requirements and movements of staff. A shared Plumbing Compliance Officer has been appointed to address legislative monitoring requirements and planning and environmental health staff have worked across both Councils when vacancies have occurred.



Wynyard Landcare members removing sea spurge

Legislative and Policy Framework

The Local Government Act 1993 provides that specific items are to be recorded with the Council's Annual Report.

"Section 77 - Grants and benefits - the details of any grant made or benefit provided are to be included in the annual report of the Council."

COMMUNITY ASSISTANCE GRANTS - ROUND ONE AND TWO		\$
Australian Breastfeeding Association—Wynyard Group		400
Boat Harbour Beach Fire Brigade		517
Boat Harbour Beach Surf Life Saving Club		2,000
Burnie Coastal Art Group (BCAG)		1000
Central Wynyard Neighbourhood Watch		200
Inglis Pony Club		500
Lions Club of Wynyard Christmas Parade		1500
Myalla Cricket Club		2000
Northern Tasmanian Driving Society		350
Rotary Club of Wynyard		2000
Sisters Beach Community Association		2000
Somerset Arts Festival		1981
Somerset Christmas Pageant Committee		750
Somerset Primary School		50

COMMUNITY ASSISTANCE GRANTS - ROUND ONE AND TWO		\$
Somerset Rotary Club		1000
The Sovereign Military Order of the Knights Templar Tasmania		2000
University of Tasmania—Science Award		500
Women of the World		100
Wynyard Ambulance—Booklets		242
Wynyard BMX Park		2000
Wynyard Bowls Club		2000
Wynyard Camera Club		655
Wynyard Football Club		2000
Wynyard Garden Club Inc		700
Wynyard High School		35
Wynyard Historical Society		500
Wynyard Ladies Probus Club		200
Wynyard Landcare Group		2000
Wynyard Municipal Concert Band Inc		3000
Wynyard RSL Sub Branch Inc		600
Wynyard High School—Home Help Program		1976
Wynyard Senior Citizens Club		2000
Wynyard Softball Club		500
Yolla District High School		1966
Yolla District High School		50
Yolla Memorial Hall Committee		2000
Total Community Support Grants		\$41,272

LAND DONATED BY COUNCIL UNDER SECTION 177

Council did not donate any land under the provisions of Section 177 of the *Local Government Act 1993* during the year.

CONTRACTS OVER \$100,000

Description of Contract	Period of Contract	Contract Value (ex GST)	Contractor	Address of Contractor
Provision of Bitumen Surfacing Services (No. 688 in three parts)		Total = \$561,411		
Spray Sealing	23/9/2014 –	\$379,441	Venarchie Contracting Pty Ltd	11 Cavalry Road Mowbray 7248
Supply of Asphalt Batching Plant	31/3/2014	\$51,650	Roadways Pty Ltd	PO Box 303 Glenorchy 7010
Asphalt Works		\$130,320	Downer Group	44 Gleadow Street Invermay 7248
Bridge Replacements - 466 Reservoir Drive and Seabrook Creek Tributary – Design and Construct (No. 691 in two parts)	17/12/2013 – 30/4/2014	Total = \$193,772	BridgePro Engineering	PO Box 3253 Ulverstone 7315
Bridge Replacement		\$118,536		
Bridge Widening		\$75,236		
Provision of Guardrail Design and Installation (No. 692)	23/5/2014 – 30/6/2014	\$179,142.92	Protector Rail	PO Box 303 Glenorchy 7010



It goes without saying that the year of 2013-14 was a landmark for the Cradle Coast Authority in a number of ways, but particularly with the departure of its Executive Chairman Roger Jaensch.

Being given the privilege of filling his shoes in a temporary way has helped me to fully appreciate the unique nature of the Authority and the challenges faced in trying to manage such a diverse and divergent range of stakeholders and interest groups.

The Authority has continued its role as the 'go-to' place for regional activities and is in regular contact with a wide array of local, state and national organisations from government, private and not-for-profits.

Among the highlights of the 2013-14 year would be –

- The Ministerial sign-off on Interim Planning Schemes for the nine Councils of the Cradle Coast region marking the penultimate stage of the Regional Planning Initiative and a major

achievement in the long and detailed project to reform land use planning;

- The establishment of the Regional Training Alliance which has attracted \$424,000 from Skills Tasmania to provide training in Competitive Systems and Practices to employees from a variety of businesses and increase the sustainability of these operations;
- The completion of the Visitor Services Review which has the potential to create a much improved experience for visitors to the region and generate savings and efficiencies for the Councils of Cradle Coast;
- The delivery of practical climate change scenario tools and information for the agricultural sector by Cradle Coast NRM.

The Authority played an active role in lobbying for a number of projects and policies in both the Federal and State election campaigns, working with its Councils to present a list of priorities to major parties.

This has led to follow-up with the new Governments in both Canberra and Hobart to see commitments to the region honoured and ongoing projects maintained. It has been a challenging year for the tourism unit with a forecast of a major cut in funding for its operations, but the team has worked hard with the Cradle Coast Tourism Executive to continue to develop and improve the industry in the region, which was highlighted in a number of successes at the State tourism awards.

Cradle Coast Natural Resource Management has also faced its share of uncertainty with the transition to its new five-year program, again with reduced funding. The NRM management, staff and committee have worked diligently to find new ways to make the greatest impact on the diverse landscape of the region despite these restrictions.

As well as changes in personnel, the Authority's physical shift to its new regional headquarters has proved to be well received from both a staff and stakeholder perspective. The new Spring Street premises has provided a new level of engagement with old and new, with the greatly increased capacity for meetings, training and less formal gatherings in-house. The physical improvements to a heritage listed building and energy efficiency measures undertaken as part of the renovations have also generated significant savings, and been a regular talking point for visitors.

Former Executive Chairman Roger Jaensch has laid a significant foundation for a regional organisation which can continue to make a major impact in Tasmania for the Cradle Coast region. As the baton passes to a new leadership structure the challenge will be to build on that foundation, remain adaptable and innovative and to continue to work for the region.

The contribution to the region of the late Mayor Darryl Gerrity must also be recognised, in his own colourful and unique manner. His passion for his municipality and the Cradle Coast region will be hard to match, and during his time as Chief Representative he played a key role in advancing the interests of the Authority and its member Councils.

Luke Sayer
Chief Executive Officer (Acting)



The TasWater Board and Management have had a successful first year in delivering essential water and sewerage services to the Tasmanian community, in effectively transitioning to one state-wide provider under a new management and operating model.

TasWater's inaugural Chairman, Miles Hampton, advised of the first year operating performance as:

- an after tax profit of \$27 million which was \$2 million above budget;
- spent \$76 million on water and sewerage infrastructure improvements; and
- together with the reforms of the previous year has delivered savings of \$5 million this year which is expected to grow to \$7 million next year.

Mr Hampton said the positive results have laid a very firm foundation and set TasWater up for a strong future with a commitment to making a positive difference through a sustainable pricing model, improved health and environmental standards and ongoing economic investment.

The merger of the four former corporations into TasWater required the use of

specialised expert services to ensure a quick and cost-effective restructure process, minimising uncertainty for employees and ensuring ongoing service provision for the community. The cost of consultants to support the restructure, being approximately \$600,000 will deliver an outstanding payback over the next ten years.

In its first year TasWater has incurred a total expenditure on external advice of \$4.3 million which is less than 2% of our total expenditure for the year. TasWater is now set up to deliver \$100 million in capital works each year and current approved projects will positively impact on more than 50 communities across the State.

Mr Hampton said TasWater has also achieved a 37% improvement in its safety performance with a group of highly capable, enthusiastic and dedicated employees who have the skills, the plan and the commitment to make the next 12 months another success for TasWater in delivering essential services. The challenge now is to build on these strong beginnings and to continue to deliver for its employees, its customers and the community.

ANNUAL PLAN - PROGRAMS OVERVIEW

GOVERNANCE AND ADVOCACY



Waratah-Wynyard Council's role is to provide leadership and good local governance and to act as a strong advocate for the community. Council is required to operate within the legislative framework established for local government in Tasmania.

Electoral arrangements for Local Government have been reviewed and the Council election due in October 2013 was deferred until October 2014. At that time an 'all in-all out' arrangement will occur in which all Councillors, including the Mayor and Deputy Mayor will be elected, by popular vote, for four year terms.

The Council has conducted 12 ordinary meetings for the year, with the Annual General Meeting integrated with the December Ordinary meeting of Council and held at the Civic Office. Four special meetings of Council were conducted.

The 2013 Customer Service Awards were presented at Council's Annual General Meeting.



Our Creations Little Shop of Shops, Wynyard

The sponsors and recipients were as follows:

Sponsor	Award	Recipient
The Advocate	Customer Service Excellence Award	Wendy Richards
Burnie Airport Corporation	Small Business Award	Our Creations Little Shop of Shops, Wynyard
Corinna Wilderness	Reward a Volunteer Excellence Award	Judy Peck

Governance and Advocacy arrangements saw 40 group discussions held with Councillors in the financial year to assist in developing policies and procedures, to consider specific issues and to develop the Annual Plan and Budget.



*Mayor Robby Walsh and Andy Jackman
part-owner of Red Cow Dairies*

Council further committed to its regional cooperation in this period, determining to renew its five year agreement in a Resource Sharing Arrangement with Circular Head Council. However, significant changes have occurred at the senior leadership level with the shared General Manager being discontinued in December 2013. This change was made to ensure the General Manager took a leading role in strategic planning and organisational priorities being rolled out at Waratah-Wynyard Council. This included ongoing organisational reviews and organisational development programs.

EXECUTIVE MANAGEMENT

The General Manager, along with support staff, manages Council's activities in accordance with legislation, Council policy, strategic direction and specific decisions. This includes responsibility for direction and management of personnel, resources and assets to achieve optimum use of public monies and the most effective use of business assets and human resources.

The General Manager is responsible to ensure the provision of professional advice is available to support Council in its strategic and policy-making roles. Assistance is also provided to support representation and advocacy functions in regional, State and National forums.

With the support of the Senior Management Team (SMT), the General Manager ensured the operations of Council were undertaken in accordance with legislative requirements and Council policies. This work included furthering professional development recognition of Council staff and chairing of the Safety group, leadership of the resource sharing arrangements with Circular Head Council and the facilitation of continued discussions with both Burnie City Council and Circular Head Council to explore shared services.

Activities included further implementation of Council's funded Strategic Action Plans, the pursuance of economic development and expansion opportunities and site visits to several small to medium enterprises in the municipal area with Councillors.

The General Manager also advocated Council's interest in the state and regional arena on Local Government reform, ongoing water reform and regional development.

Former General Manager Greg Winton did not seek reappointment to the role in April 2014. Acting General Manager John Martin was appointed to the role in May 2014.

STRATEGIC PROJECTS OFFICE (SPO)

Waratah-Wynyard Council (WWC) and Circular Head Council operated a joint Strategic Projects Office (SPO) tasked with progressing projects identified from the Council's Five Year Strategic Plans. Projects were delivered through consultation, design and project management, managing for value and according to Council's Budget commitments.

Key Focus Areas for WWC in 2013/2014 included the delivery of the Draft Somerset Village Development Plan and the Draft Sisters Beach Open Space Plan.

The Objective of the Somerset Village Development Plan is to provide a staged framework for the future development and enhancement of the Somerset Village. The plan is intended to take into account the needs and aspirations of the Somerset community, while taking a strategic approach to developing the commercial landscape.

The Objective of the *Sisters Beach Open Space Plan* is to provide a framework for public infrastructure improvements at Sisters Beach, to identify actions that will enhance the unique landscape and to improve amenity provision for locals and visitors. The plan intends to identify cost effective measures for improvements that build on existing community infrastructure to ensure proposals acknowledge and enhance the significant and unique natural values of the area and result in open space.

Community consultation occurred on both of these documents with community feedback currently being evaluated for amendments to these plans as required. Due to considerable public commentary and possible amendments it is anticipated the Sisters Beach Plan will be re-advertised for further public consultation with the Sisters Beach community.

The SPO also attracted private clients that sought to employ the skill base that is comprised within the SPO.

The operations of the Special Projects Office were wound down during the course of the year. Council has moved its focus towards the upcoming 10 year Strategic Planning process and aims to increase the utilisation of existing staff in strategic planning analysis, stakeholder engagement and in the subsequent delivery of projects through cross functional teams. This shift is occurring to provide broader experience and skills development for staff to create a greater organisational capacity in modern community engagement practices towards better community outcomes.



Citizenship Ceremony – Mayor Robby Walsh and Mr Bernard Davis

The Corporate Governance team provides professional advice and support in strategy and policy making, the development of corporate standards and systems and the monitoring of corporate performance and compliance. This work includes the provision of information and support to Councillors, the preparation of corporate documents, the development and maintenance of registers, management of Council's information records and the development and implementation of the corporate image and communications strategy.

The 2013/14 financial year saw a significant restructuring of the Corporate Governance unit with a number of staff departures creating an opportunity to rethink how we do business. There is now a clearer distinction between staff engaged in medium to long term activities such as strategic planning, policy development and corporate procedures and standards and those engaged in the delivery of day to day services to elected members, management and staff.

Also this financial year, the Corporate Governance team prepared the 2012/13 Annual Report and coordinated the Annual General Meeting of Council as part of an annual Civic Celebration in December 2013. This activity, in addition to others such as the facilitation of Citizenship Ceremonies, Australia Day and ANZAC Day activities, provided the opportunity to further promote Council's role in the community.

The coordination of the 2014/15 Annual Budget and preparation of the Annual Plan and efficient and effective resourcing of Council's formal meeting and discussion schedule for the year further demonstrated the Corporate Governance team's role in establishing and maintaining corporate standards across the organisation.

The Corporate Governance team has begun the collection of demographic, social and economic data in preparation for the development of the Corporate Strategic Plan, which is expected to commence following the Council elections in October 2014.

The implementation of an improved electronic information management system continues to roll out and significant progress has been made in 2013/14 in engaging with users, which is helping ensure records management is taking place at source. Progress has also been made in reducing the volume of hard copy storage on site by disposing of unnecessary files, increased off-site storage and continuing digitization of records. Integration of the information management into routine business processes is continuing in the development of service standards and the application of the system in customer request management.

COMMUNICATIONS

Council continued its commitment to improved communications in the 2013/2014 financial year. The review and upgrade of Council's website has been undertaken and work is continuing in reviewing the needs of staff in development of a Staff Intranet. Software platforms that enable better functionality and interaction with users are being investigated to ensure that on-line forms, applications and requests work seamlessly with the EDMS. Improvements in this area will be translated to the Councillor Intranet, which still provides timely and effective access for Councillors to corporate information.

Social media activities through the use of Facebook, Twitter, Flickr and YouTube, continues to play an increasing role in our communication channels with the public. However, traditional communication activities such as advertising, mail outs, media releases, radio interviews and public meetings still play a critical role in our engagement with the community.

Significant community engagement was undertaken in relation to the Somerset Village Development Plan and the Sisters Beach Open Space Plan and evidences an increasing emphasis on effective communication, consultation and participation.

Council continues a proactive approach to lifting its profile in the Waratah-Wynyard community by engaging directly with the Advocate and other media outlets to help ensure its programs are communicated to a wide section of the community. The corporate website has been redesigned to improve navigation and give the community a sense of ownership of this space. Commitments have been made to providing public Wi-Fi services in Wynyard and Somerset and are well underway. Improvements to facilities at Waratah are being planned to provide better internet communication between Council facilities, which will also provide community access to Wi-Fi services in the near future.

We have continued with the successful Waratah-Wynyard Photography Competition, which had a focus on people's interaction with the natural and built environment of Waratah-Wynyard.

EMERGENCY SERVICES



Council, in accordance with its statutory obligations, continues to maintain an efficient emergency management capability covering the whole municipal area.

The 2014 emergency management training exercise involved the development of a Community Education and Awareness program in relation to bushfire safety at Sisters Beach. The program will be run in liaison with the TasFire Services Community Engagement Group in the new year.

Council has a responsibility under the *Emergency Services Act 1976* to prepare an emergency management plan for the municipal area, which was reviewed and submitted for approval during the year. Council maintains a capability to implement the plan when required and has trained and committed volunteer emergency service units at Wynyard and Waratah under the direction of a local coordinator based at Wynyard. The Waratah unit specialises in road accident rescue operation to provide this capability for the elevated southern part of the municipal area that can be inaccessible from the coast under wintry conditions.

As part of its ongoing commitment to the provision of emergency services, Council funded a tradesman's trailer for the secure transport and in field storage of essential emergency management equipment and a range of operational equipment such as incident lighting and safety ropes during the 2013/2014 financial year. Council also fulfilled its obligations by providing administrative and financial support for volunteer emergency service units at Wynyard and Waratah and the continual investigation of opportunities to work collaboratively with other Councils in the delivery of emergency management services.

Ensuring the effective management, administration and governance of Council, the Corporate Governance unit continues to maintain and develop the standards in which Council operates. Using this knowledge and experience, the Corporate Governance team is now well resourced and experienced to help drive the Strategic Plan and will play a significant role in helping to coordinate both internal and external engagement process.



*Mayor Robby Walsh and Minister for Planning Bryan Green MHA
Signing of Interim Planning Scheme*

BUILDING CONTROL

As a result of changes within the building industry following the commencement of the *Building Act 2000*, private practitioners now provide all building survey services in the municipal area and Council acts only as a permit authority under the legislation.

Council is only responsible for issuing permits to conduct building work and has adjusted its permit fees structure to ensure that this does not create a disincentive to residents undertaking minor building works.

Council's statutory obligations under the building legislation have been discharged and it has continued to process building permits as expeditiously as possible.

A total of 166 building approvals were granted for projects with a total value of \$21 million.

Except where approvals from other Statutory Agencies were required, all building permits applied for over this period that were accompanied by full

documentation were issued within an average of 4.8 days of lodgement of the application.

Building Control has continued to review legislation to ensure compliance with current building legislation and has commenced plumbing audits as required by the state legislation and incorporation of amendments within Building Legislation which came into effect from November 2012.

Building Officers are also currently reviewing processes of recording information with the longer term goal of bringing the system, including processing and issuing of work into electronic format. As this system is developed simple fact sheets will be developed to assist applicants prepare and lodge documents, request information and provide the required reports to State and Federal departments.

PUBLIC AND ENVIRONMENTAL HEALTH SERVICES

Council has a responsibility to encourage and support a healthy lifestyle for the local community and where possible try to ensure that environmental health risks are minimised or non-existent.

The *Local Government Act 1993*, *Public Health Act 1997* and the *Food Act 2003* outline the primary roles and responsibilities of Council in relation to public health within the municipal area.

Council seeks to maintain optimal levels of environmental and public health by on-going monitoring, inspection, education and, where necessary by applying relevant legislation or corrective measures by mutual consent or enforcement of legislation.

These activities are applied to ensure that food offered for sale maintains safe standards, potable water supplies are safe for human consumption and to encourage vaccination of children and adults against preventable diseases.

To help ensure the safety of the public is considered during social gatherings and public events, Place of Assembly licences are issued and some 39 buildings were licenced for the financial year.

Water quality is monitored through the registration and sampling of Private Water suppliers. There are approximately 30 private water suppliers in the municipal area. Sampling and analysis of recreational waters was conducted during the swimming season.

Regulated systems such as commercial air cooling towers are registered and inspected to ensure compliance with the legionella control guidelines. There are currently six such systems registered. To help prevent the spread of disease, notifiable diseases are investigated when requested by the Department of Health and Human Services. Seven requests were received and investigated during the year.

Public Health Risk Activity, such as tattooing and ear/body piercing, is also annually inspected and registered and there were four such businesses registered last year.

The licensing, registration and inspection of food businesses continues as a core activity. Council currently has approximately 114 registered food businesses.

Council runs a school vaccination program and a staff vaccination program to help protect the community against some preventable diseases, such as hepatitis, whooping cough, tetanus, chicken pox, etc. Approximately 264 school students and 50 staff were vaccinated during the year.

TOWN PLANNING

The *Local Government Act 1993* and the *Land Use Planning and Approvals Act 1993* outline the main roles of Council in relation to its town planning responsibilities whilst the *Waratah-Wynyard Interim Planning Scheme 2013*, certified by the Planning Minister on the 16 October 2013 and commenced on the 19 October 2013, provides the direction for the Council and the community for development within the municipal area.

The town planning function is responsible for identifying and planning for the community's needs and the sustainable use of the area's resources by providing a framework, which will permit development in accordance with the principles of the State's Resource Management and Planning System.

Council is responsible for discharging a wide range of planning related regulatory functions including strategic land use planning, development control and legislative enforcement.

Specifically, Council receives and determines applications for development or land use in accordance with a performance-based planning scheme and the *Land Use and Planning Approvals Act 1993*.

It also undertakes an educative role; informing the community about legislation and the State Policies that define and protect principles of 'sustainable development'.

During the year, apart from continuing to process planning applications and requests for information in an efficient and timely manner, the Council maintained a review of actual development approval timeframes to identify process change that potentially could reduce future approval timeframes.

It also continued to ensure decision-making is consistent with State Policies and progressed the ongoing review and updating of the Planning Scheme in accordance with the Regional Planning Initiative.

Of the 174 permit applications submitted to Council, 128 were approved under delegation and 9 were approved by Council. There was one application refused and applicants withdrew a total of seven applications. At 30th June 2014 there were 24 applications pending a decision.

There were 5 applications assessed with no permit required. In addition to these, a further 30 developments were assessed as no permit required during pre-lodgment.

There were 27 subdivision applications submitted of which 14 were approved under delegation and three were approved by Council. Two applications were withdrawn; one was refused by Council. There were 10 applications pending at the 30th June 2014.

During the year there were two planning appeal lodged against Council's determination. One of these appeals was found in Council's favour, with the second appeal yet to be heard.



Bowick Street, Wynyard

ANIMAL CONTROL

Council undertakes a number of animal management programs which include animal nuisance complaints, stock on roads, stray dogs and dog attacks. An Animal Control Officer is contracted by Council as a resource shared role with Circular Head Council. The Animal Control Officer undertakes patrols around the municipal area, responds to animal complaints and promotes responsible dog ownership to the wider community.

Council has statutory and legislative requirements under the *Dog Control Act 2000* to ensure that all dogs are registered and managed in a responsible manner. A part of the management of dogs is to include restricted, prohibited and dog exercise beaches across Waratah-Wynyard, which is to ensure a safe environment for dogs, families and wildlife. The designated dog beaches were included in a new informative brochure available to members of the public through Council's website or at the Council Chambers.

As a result of Council's ongoing Animal Control Program:

- 2081 dogs were registered with Council, up from 1929 dogs for the previous year;
- Council contractor's impounded 99 dogs down from 105 for the previous year;
- 21 infringement notices were issued, up from 8 for the previous year for dog-related issues; and
- From the dogs impounded, 63 were reclaimed.

CEMETERIES

Council's Works and Services staff maintain cemeteries in Wynyard, Somerset, Flowerdale, Yolla, Mount Hicks and Waratah. During the year Yolla High school students in conjunction with Council provided assistance in the maintenance of the cemeteries in Yolla, Mount Hicks and Somerset.

The total interments for the year in all six cemeteries under Council ownership were 38 burials and 12 ashes urns were placed in the niche wall at the Wynyard Lawn Cemetery. Records of all burials including historical burials are maintained at the Council Offices.

Council's Parks and Reserves team also undertook a restoration of the gardens at the new lawn cemetery (South of Gibbons Street) in Wynyard during the year. Undesirable plants were removed and replaced with species similar to existing plants in the area. This has given the area a peaceful atmosphere and made the entire cemetery more aesthetically pleasing.

CONTRACT WORKS

Upon request and by agreement, the Council undertakes construction or maintenance works for private purposes, utilising Council owned or leased assets and labour hire. These contract works include a cost recovery for all overhead and material expenses, and are undertaken in the best interests of the overall community.

Over the 2013/2014 financial year Council completed 44 private works jobs with a total value of \$52,000, down from a total of 47 such projects in the previous year. Some of the contract works undertaken this year included grading or sealing of private roads and driveways, mowing or slashing and hire of equipment.

ENGINEERING SUPPORT SERVICES

Council's Engineering Services department used the projections forecast in previously completed Asset Management plans to update a draft 5 year capital works program for the period 2014-2019. The focus of the draft 5 year capital works program is upon renewal of existing assets to ensure the sustainability of Council's service provision, now and into the future. The draft five year works program also shows the estimated cost of other strategic projects and master plan projects and provides Council forward projection to consider the likelihood of its ability to fund and in what timeframe.

Throughout the year engineering design and project management services have been utilised to deliver upon adopted projects with the 2013/14 capital works and operational works budgets.

To ensure that the operational and capital programs are effective various levels of inspections, planned and/or in response to customer request are undertaken and appropriate action taken in line with legislative and appropriate level of service requirements.

During the year, Council coordinated implementation of operational and capital works programs, continued the improvement plan for its adopted Asset Management Plans and developed and implemented operational policies including service level agreements for Council's infrastructure assets.

It also commenced work towards transparent, accountable and evidence based service level delivery and long term strategic asset planning. The benefit of this work is that it will provide Council and the community with an open and transparent picture of the services provided by Council and how affordable they are going into the future based upon the changing needs and demographics of the community. The service level approach will be guided by Council's development of a long term financial plan and strategic plan and will encompass already completed work on Asset Management plans and draft 5 year capital works programs.

HOUSEHOLD GARBAGE SERVICES

Council provides a service to minimise and dispose of household waste in a manner which is environmentally responsible and cost effective. It utilises contractors to operate a weekly collection of household refuse from dwellings in Wynyard, Somerset, Boat Harbour Beach and Sisters Beach. In Waratah a fortnightly collection is made. All material collected is disposed of at the Port Latta Landfill site. Council utilises contractors to operate a fortnightly collection of comingled recyclables from dwellings in Wynyard, Somerset, Boat Harbour Beach and Sisters Beach.

One of Council's roles is to facilitate the community's recyclable and refuse disposal in a manner which is environmentally responsible and cost effective. The management of recyclable and refuse disposal involves the operation of transfer stations at Wynyard and Waratah.

The Wynyard Waste Transfer Station is operated on a contract basis and waste is transported to the Port Latta landfill site for disposal. The waste from the Waratah operation is disposed of at an approved refuse disposal site. The operation of the Wynyard Transfer Station is by contract. The site contractor works with Council towards the minimisation of waste to landfill with a strong focus on recycling and waste diversion programs. Council is a member of the Cradle Coast Waste Management Group which has as a strategic goal for the period 2012-2017 diversion of waste from landfill of 50% for the whole of the Cradle Coast Region.

The waste delivered to the Port Latta landfill site for Waratah-Wynyard is on an overall downward trend, albeit only marginal, with the tonnages for waste transfer and household waste combined being approximately 5,857 tonnes, about 440 tonnes less than the previous financial year (a 7% reduction for the year).

From 2011/12 Council has issued rateable properties with 10 vouchers for use at the Wynyard Transfer Station as an offset benefit against the Waste utility charge.

WASTE TRANSFER STATION VOUCHERS		
	2012/2013	2013/2014
No of sheets issued with rates notices	7,143	7,218
= No of individual Vouchers	71,430	72,180
Additional number of sheets issued – Housing Tenants / supplementary rate notices	333	100
= No of Individual Vouchers	3,300	1,000
Number of redeemed Vouchers	27,156	27,279

PARKS AND RESERVES

During the 2013/2014 financial year Council's Works and Services Department undertook various operational and capital works projects to beautify our parks and reserves throughout the municipal area. In the Department, Council liaises with various contractors, community groups and schools to ensure the reserves are maintained to a suitable standard and to encourage a high level of community involvement and interest in these areas.

Under a Memorandum of Understanding with Youth and Family Focus Inc, a program named "Work for the Dole" was completed involving vegetation maintenance for walking tracks around the Inglis River and at Boat Harbour and Table Cape. Unfortunately the federal funding provided to Youth and Family Focus Inc. necessary to facilitate this program was lost and the work discontinued.

Under another Memorandum of Understanding, Council worked together with Wynyard Landcare Group Inc to agree a basis for the improvement of environmental outcomes for the benefit of the overall community. The MOU ensures that both Council and Wynyard Landcare work together to achieve a mutual goal of conserving biodiversity and rehabilitating degraded land in nature reserves in various parts of the municipal area. The reserves covered in the MOU include French's Road Nature Reserve, Doctor's Rocks Coastal Reserve, Inglis River Riparian Reserve and the foreshore in the Wynyard area. Sea Spurge removal by this group was also facilitated by Council during the year.

Some of the major works undertaken by Council staff this year included the preservation of large trees on Cam River Reserve and Lowe Street reserve, renewal of timber walking track infrastructure on the Inglis River walking track, stage 1 of the Council chambers garden upgrade, commencement of a Sisters Beach open space master plan and ongoing improvements to established parks and garden areas.

PUBLIC CONVENIENCES

During the year Council began planning and design towards an upgrade of the Cam River reserve toilets. The upgrade will aesthetically enhance the building as well as provide two unisex DDA compliant cubicles to replace the outdated and heavily degraded existing facility.

Council also lined the Elizabeth Street, Somerset public toilets cubicles with stainless steel, a technique that is a low cost method of reducing cleaning time and damage or its likelihood through vandalism. Council's current strategy is to continue to undertake similar works in a number of other public toilets each year to help minimise the costs of repair work in the event of damage through vandalism.

PUBLIC HALLS

One of Council's statutory obligations is to prevent the exposure of the public and staff to asbestos in all of the buildings it owns. During the year, Council officers continued works on an asbestos register to meet this obligation and have developed a regular program of inspections of all buildings containing asbestos to manage the risk to the public.

General operational and repair works were carried out on the various public halls in the municipal area along with more substantial works to buildings in Waratah, being the Post office, Stamper Mill and Athenaeum Hall.

SPORTING FACILITIES

Council's public sporting grounds and facilities are available to the public for use in private functions, sporting events and training grounds subject to approved conditions and fee payments.

During the financial year, 596 applications were received for the use of Council reserves across Somerset and Wynyard. The most frequently used facilities were:

- Wynyard Recreation Ground – 26% (of all bookings)
- Frederick Street Reserve – 25%
- Langley Park – 16%
- Wynyard Showground – 15%

The capital works program included an upgrade to the Frederick Street reserve to allow for Competition cricket to be facilitated. There was also a contribution from Council of \$30,000 towards upgrading of the Somerset Tennis Courts, the replacement of skylights, ceiling and roof repairs to the Somerset Indoor Recreation Centre and a complete upgrade of the kitchen facilities at the Wynyard Indoor Recreation Centre.

STORMWATER DRAINAGE

Council maintains piped drainage networks in the Wynyard, Somerset, Sisters Beach, Boat Harbour and Waratah areas, with over 3400 connections across the municipal area.

Council undertook two major capital upgrades of stormwater mains that had issues of capacity and wear and tear. The first of which was in Falmouth Street Somerset. In the past the section of main from Bass Highway to the beach been a choke point for stormwater draining from the urban area of Somerset and out to sea. Council upgraded the size of this pipe to ensure that a fit for purpose stormwater pipe was in service that met the service delivery objectives.

The second major upgrade project was undertaken in Bowick Street Wynyard. Council upgraded the pipe size slightly in this area to meet service delivery objectives but the main driver for the works was that the existing pipe had started to fail underground resulting in a dangerous high maintenance footpath above.

There was also \$100,000 spent toward drainage upgrades to Sisters Beach in Irby Circus and Bridge Street as well as ongoing replacement of defective pit grates, manhole lids and maintenance of the Port Creek, Wynyard drain from Mount Hicks Road to the ocean outfall.

TRANSPORT SERVICES

Transport Services is Council's major infrastructure category and requires continuing attention to meet the needs of the community. This is achieved through regular inspection programs, routine maintenance and attention to requests from the general public.

During the year, Council officers undertook capital works on various footpaths, roads and other transport services, some of the major jobs being the replacement of a bridge off Reservoir Drive, Camp Creek, widening of the Nunns Road bridge over Seabrook Creek to allow heavy vehicles to drive over safely, upgrading of the Deep Creek Road, Baulds Creek culvert to overcome flooding issues and upgrade to several existing bridges with crash compliant guard rail barrier protection.

Council carried out its ongoing reseal and resheeting applications for sealed roads and unsealed roads respectively. These are important works to ensure that the roads do not deteriorate and become very expensive to repair.

There were upgrades to the Jenner Street, Dodgin Street intersection to install DDA compliant pedestrian ramps. These works are part of ongoing upgrades to ensure that Council's footpath network provides for the needs of all users within the community.

Various kerb and channel and footpath replacement works were undertaken in Wynyard and Somerset, specifically in Inglis Street and Raglan Street. The works were identified for repair through Council's footpath and kerb and channel inspection program which prioritises projects based on risk management and safety strategies.



Landscape Redevelopment –Council Offices - Wynyard

Financial Services provides accounting services, financial management services, information technology hardware, software and user support, reception and customer service for the organisation.

Finance staff have coordinated and supported the development of 2014/15 Budget Estimates, Capital Works Program and the setting and collection of rates and other revenue. Maintenance of Council's financial accounts supports the management of receipt and payment of accounts, the generation of monthly financial reporting and compliance with applicable Australian Accounting Standards.

The 2013/14 Annual Financial Statements were prepared by 14 August 2014.

Customer service remains a high priority with both front counter reception and cashier functions responsible for a large proportion of Council's initial point of contact with residents and customers.

This includes first point of call for phone calls, referral to appropriate officers, rating enquiries, dog registrations and the responsibility for booking Council's halls, parks and recreational facilities.

People that registered their dogs at the Council Chamber for the 2014/2015 year were supplied with "Pooch Pouchs" and dog "tidy bags".

Information services have begun the replacement of Council's internal back up system with an offsite backup and disaster recovery system, which will allow not only the daily back up of database but be available in case of emergency as a fall back setup in case of major damage to the main servers at the Council Chambers.

Public Wi Fi was setup during the year in Civic Park, Wynyard and is now available to the public using the park.

FINANCIAL MANAGEMENT

The Statement of Comprehensive Income shows a result of \$5.3 million profit. This figure includes nonrecurring one-off items such as capital grants, revaluation of assets, fair value adjustments to assets, and non-monetary contributions.

Council's Total Income for the year was \$14.5 million which was down dramatically from last years \$16.8 million'. This was primarily a result of the federal government not advancing grant funding of \$1.45 million as they have done in previous years. The importance of rate revenue to the Council and community can be seen as 67% of this income was from rate receipts and 12% from operational grant revenues.

Total Expenditure amounted to \$18.5 million. The major components of this figure are employee costs \$5.5 million and materials and contracts \$6.1 million, and where possible, local people, contractors and suppliers are used to provide a wide range of services to the community.

The Total Assets of Council have increased to \$184 million. Infrastructure assets i.e. property, plant and equipment, totalling \$133.5 million is the main component. The other major asset of note is Council's share of Tas Water at \$43.1 million.

Council has liabilities of \$2.6 million which area made up primarily of payments owed to creditors and, provisions for employee entitlements and gravel pit rehabilitation. Council has no interest bearing loan liabilities.

Council's cash balance has reduced from \$7.4 million to \$5.3 million. The main reason for this large reduction was the decision by the federal government to not make the advance payment of \$1.45 million in grants as it has done in previous years. It is essential for Council to retain reasonable levels of cash to be used as working capital which reduces its reliance or need for the use of overdrafts or borrowings. This cash balance is required to meet Council's future obligations to replace the \$133.5 million of assets mentioned above and also to cover the provisions of \$1.7 million as they fall due.

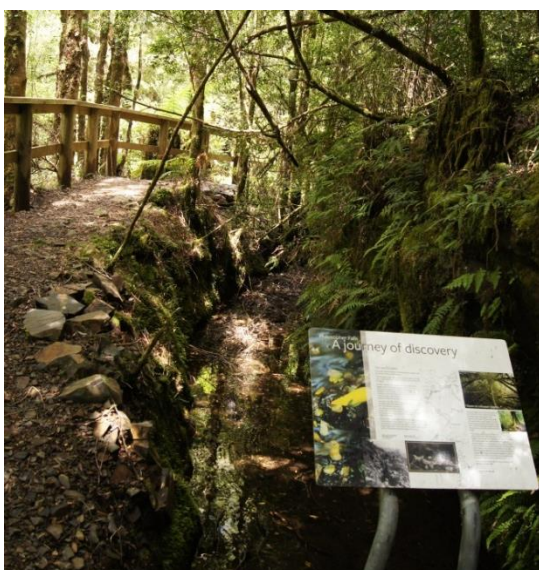


Jeannie-Maree Jones, Charlotte Fielding and Jane Bennett - Woolworths Australia Day Ambassador

The Organisational and Community Development area provides professional corporate support services in the organisation through occupational health and safety, risk management, and contemporary human resources practices.

Organisational and Community Development also facilitates a diverse range of community development activities that build community capacity and contribute to community wellbeing.

Key programs include youth services, recreation, community events, the arts and cultural activities, tourism and children's services programs.



Signage at Philosophers Falls, Waratah

CHILDREN'S SERVICES

National Simultaneous Story Time

National Simultaneous Story Time is an important annual campaign that aims to encourage more young children to read and enjoy books.

Every year a picture book, written and illustrated by an Australian author and illustrator is read simultaneously in libraries, schools, pre-schools, childcare centres and many other places around the country.

The educators and children from the toddler and pre-school rooms attended the library to participate and enjoyed "Too many elephants in the house", written by Ursula Joyner.

The aim for the children was to promote the value of reading and literacy, the value and fun of books and to promote an Australian writer, story time activities and opportunities to involve parents, grandparents to participate and enjoy community activities.



Food Allergy Week

During May, Food Allergy week was celebrated with families at the centre. Michelle Smith, one of the parents, volunteered to support the event by painting one finger nail on each child's hand. Painting one nail was to symbolize that one in 10 babies born in Australia today will develop a food allergy.

Educators talked to the children about being allergy aware and displays informed families on how to minimise the risk of a reaction, to know what to do if a reaction happens, and to understand and support family, friends and colleagues living with food allergies.



ANZAC Day

During April the children and educators from the Holiday program met with Trevor Duniam from the Wynyard RSL Club. Trevor spent the morning talking to the children and showing them through the memorabilia room at the RSL Club in Wynyard.

Later in the day the children visited the cenotaph and left flowers.

Lobster Ponds and Red Cow Dairies

On preparing the April/May holiday program the children requested a visit to our local attractions to support their community. The aim of the visits was for the children to gain knowledge of the dairy industry and local lobsters within their local community.



NAIDOC Week

NAIDOC is a celebration of Aboriginal and Torres Strait Islander cultures and an opportunity to recognise the contributions of Indigenous Australians in various fields.

Children's Services celebrated NAIDOC week by having a local Aboriginal artist Leah Willoughby visit in the toddler and pre-school rooms. Leah read an Aboriginal story using props and puppets to engage the children and later in the morning Leah worked with the children producing some wonderful art work. Leah also went to the holiday program and spent time with the older children again producing some wonderful art work and educating the children about Aboriginal culture.

A parent and grandparent of our centre also visited the pre-school room and talked to the children about Aboriginal artwork and helped the children create boomerang paintings.



Warawyn Early Learning Waratah

The Waratah Early Years program commenced from the new venue on the 20 November 2013.

The new venue in the 'principal's residence' had to be redeveloped to meet the current standards for childcare under the *Child Care Act 2001*. The children attending on the first day had a ceremonial cutting of the ribbon and were thrilled with the new space.

The Waratah Early Years program 'Warawyn', was officially opened on the 25 February 2014 by then Deputy Premier, Bryan Green. The Mayor introduced the Deputy Premier and a plaque was unveiled commemorating the opening of the program. Families and local community members attended the opening as did representatives from the Education Department and Council.

Puddle Duck Play Centre

The official celebration of the contribution of Puddle Duck Play Centre and the commencement of the new operators, Coastal Family Daycare was held on 28 November 2013. Staff, parents and committee members attended to celebrate the dedication of the community based committee and families that have supported Puddle Duck over the many years of its operations.

Cr. Colleen Dibley delivered a thankyou speech to those in attendance and passed on Council's appreciation for the work done to ensure the program continued.

Coastal Family Daycare is now operating the program and will continue the valuable work of this service to the Somerset community.

Australian Children's Education and Care Quality Authority (ACECQA)

The Chairperson of the National ACECQA Board, Rachel Hunter and National Education Leader, Rhonda Livingstone visited Warawyn Early Learning in May.

There are two services in the northwest which hosted visits from representatives from ACECQA and this was an opportunity to showcase Waratah-Wynyard Council's quality early years' service.





'Bloomin' Tulips Festival 2013

The festivities commenced with the Mayoral Ball. This year the ball was held at the Elliott Hall on 13 September 2013 with the Elliott Hall Old Time Dancers coordinating the event. The event was well attended with the Hall Committee doing a great job.

The Cocktail Party was held on the 4 October 2013 at the Tulip Farm with the Richie Benaud Allstars playing. Numbers were down a little on previous years however those who attended enjoyed the delicious food and great entertainment.

On Festival day Richard Gutteridge Gardens came alive with the sounds of music, the smell of fresh local produce, and thousands of people enjoying the 2013 Bloomin' Tulips Festival atmosphere.

The Steam Carousel made a welcomed return to this year's Festival and was enjoyed by young and old. There were a record number of stall holders this year, more volunteers and great local entertainers.

The feedback has been very positive from the general public, stall holders and volunteers.



Australia Day



Riley Elson, Luke Breaden, Ethan Price, Ethan Hawkins



Approximately 300 people attended the Aussie Breakfast and Award presentations in Gutteridge Gardens on Australia Day. The warm weather and friendly atmosphere of the gardens welcomed those who attended. The 'gold coin' donation pancakes stand raised just under \$300 which was donated to the Wynyard Lions Club.

There were a total of 12 nominations for Australia Day awards received across all categories.

Citizen of the Year was awarded to two nominees, Jeannie Jones and Charlotte Fielding. Matthew Phillips received the Young Citizen award and the Lions Club of Wynyard received the Community Event of the Year award for the Wynyard Christmas Parade.

Jane Bennett from Ashgrove Cheese and Telstra Businesswoman of the year was the Woolworths Ambassador and guest speaker on Australia Day and delivered an address based around her experiences in the local area.

Riley Elson, Luke Breaden, Ethan Price and Ethan Hawkins were nominated for the Young Citizen of the Year Award Junior and received a certificate of recognition of their success in a National Schools Short Film Competition. The title of their film was "Visiting Grandpa".

Bill French Memorial Scholarship

Each year Council presents the Bill French Memorial Scholarship to a student from the municipal area to assist in undertaking formal tertiary studies. This year the presentation was made at the UTAS Cradle Coast Scholarship presentation ceremony. The Scholarship recipient was Lee Mason.

Youth Week

The National Youth Week event for 2014 was titled "SK8 and Create" and was held on Sunday 6 April 2014. The Wynyard event was conducted on an ideal day, weather wise.

The local event was very well attended with approximately 120 young people and over 30 adults attending as participants and spectators. This large scale skate competition is designed to attract skate boarding, scooting and BMX riders. Live music was provided by local band “Beside Dawn”.

Healthy Communities Program

There have been a number of initiatives over the past year to continue to promote Waratah-Wynyard as Healthy Communities. These included:

- New signage erected adjacent to the outdoor exercise equipment in Somerset and Wynyard. The signage (incorporating colour photographs) provides clear instructions on the best and safest use of the equipment.
- A two day accredited Tai Chi course was offered in Wynyard over Easter attracting 25 participants. Dr Paul Lam from Sydney delivered the course. The Tasmanian Community Fund provided a \$3,700 grant towards the cost of the course with participants meeting the balance. Tai Chi for Arthritis courses are offered on a weekly basis in Myalla and Wynyard by volunteer Council instructors.



- The Wynyard Community Garden provided a focal point for workshops and over the past year has seen several activities from poly tunnel construction, gardening for all seasons and also an appearance by Peter Cundall during veteran’s week in October which attracted 100 people. 25 volunteers are registered with Council and contribute to the garden through maintenance, gardening, art and educational activities.

Walking Wynyard

The feature walk around the Inglis River circuit, starting and finishing in Richard Gutteridge Gardens, was held in November. The walk enjoyed resurgence in popularity attracting 170 people not only from the local area but also along the coast. A later starting time on a Sunday afternoon proved to be more convenient for most people.

A lucky draw for 10 gift vouchers was held after the walk along with a long table afternoon tea of healthy snacks. Three short guided walks were offered in the second week of term one school holidays.



These included:

- Waratah area to Philosopher, Waratah, and Wandle River waterfalls walk;
- Boat Harbour Beach to Sisters Beach via the coastal reserve and Postman's Track; and
- Rocky Cape to Sisters Beach (on a very wet day) via the inland route.

Try-Skills - Waratah-Wynyard - Junior Development Project

Following the success of the program over the last eleven years, Waratah-Wynyard Council offered TRY SKILL 12 in the Term One school holidays. Keith Price was engaged as the project officer to coordinate, promote and deliver the program. Thirteen activities were offered this year including "Make it for Market" offered by Artscape Wynyard which was extremely popular. Participants were able to work on an idea and make items for sale at the *Made With Love* market.

The aim of this project is to encourage Grade 5, 6 and 7 students to get involved with clubs in Waratah-Wynyard, students from all schools are invited to attend. Following the successful introduction of a number of arts, cultural and other community groups over the past few years the project is now known as the Waratah-Wynyard Junior Development Project.

An afternoon tea was held at the Wynyard Bowls Club on the final Friday afternoon. The social gathering provided an opportunity for the different clubs and volunteers involved in the 2014 program to share experiences gained working in a junior program. All participants, parents and clubs were invited to attend and in all about 100 people were present.

TOURISM



Tourism highlights included:

- Launching the municipal area's tourism visitor website visitwaratahwynyard.com.au;
- Installation of interpretive signage at the Tarkine Interpretation Centre detailing Waratah's mining history and pioneering stories;
- Hosting the Wynyard Local Tourism Association Planning Workshop with Cradle Coast Authority and Tourism Tasmania;
- Strong promotion of Waratah-Wynyard in the Cradle Coast Autumn/Winter and Spring/Summer campaigns;
- Establishment of the *Tourism News* eNewsletter detailing monthly tourism activities of Council; and
- Commencing the Invitation for Expressions of Interest: Table Cape Lighthouse Tours 2014.

Wonders of Wynyard (WOW)

Affectionately known by locals as 'WOW', the Wonders of Wynyard Information and Exhibition Centre remains a significant regional tourism attraction for the municipal area. Home to The Ransley Veteran Ford Collection, Wonders of Wynyard Art Gallery and the Wynyard Visitor Information Centre, WOW offers something for visitors and locals alike.

Highlights for WOW this year include:

- The Velocette Motorcycle Rally showcased over 60 Velocette motor cycles at WOW bringing approximately 160 people to the onsite visit;
- Visits from over 27 bus groups including those from cruise ships; and
- WOW Staff completed the Cradle Coast Authority's 'Welcoming Chinese Visitors Workshop' to effectively host the growing Chinese visitor market.

Ransley Veteran Ford Collection

As Australia's largest collection of veteran Ford vehicles in a permanent exhibition, the display attracted just over 3,700 visitors in financial year 2013/14.

Council again partnered with one of the collection's proud sponsors, Shannons Car Insurance, to raise awareness of this unique and nostalgic motoring experience. Centre staff and volunteers attended the Shannons Car and Bike Expo, Rosny Park, and Shannons Charity Fun Run, Campbell Town, showcasing select vintage cars and motoring pieces to Tasmania's car enthusiasts.

Wonders of Wynyard Art Gallery

The ever changing exhibitions on display at the Wonders of Wynyard Art Gallery are a fabulous way for the community to get to know their local artists. Council staff provides over 100 hours of assistance to artists and community groups each year to develop a professional showcase of their work in the gallery.

There's something new to discover each month with the year's exhibits including:

- Ruth Stendrup: *Bird's Eye View*;
- Ken Harris: *Oils from the Shed*;
- Max Cowin: *Tasmanian Inspirations*;
- Linley Roberts-Thomson: *Pastel Presentation*;
- Wynyard Camera Club: *Tassie's Best*;
- Burnie Embroidery Guild: *Stitching for Pleasure*;
- Wynyard Cottage Patchwork: *Piecing Friendships*;
- Virginia Saward: *Fury and Serenity*;
- Burnie Regional Museum: *Winter's Collection*; and
- Waratah-Wynyard Photography Competition: *Faces of Waratah-Wynyard: People, Pride and Passion*.

Wynyard Visitor Information Centre

In the financial year 2013-14 the WOW welcomed over 32,000 visitors.

The WOW staff and volunteers' commitment to a high standard of service, product knowledge and booking services continued with the Wynyard Visitor Centre showcasing over 278 tourism attractions and businesses in the Centre's professional brochure display facilities. WOW staff and volunteer training initiatives, including familiarisation tours, a WOW Industry Expo and industry hosted volunteer meetings and invest in the continuous improvement of WOW's customer service experience.

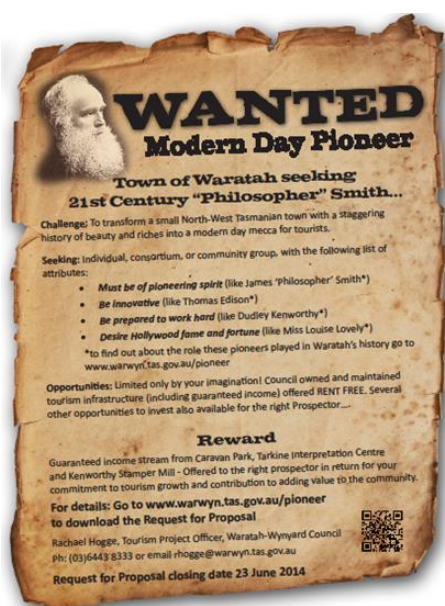
The Centre continues to achieve accreditation with the Tourism Industry Council Tasmania (TICT) and the Tasmanian Visitor Network (TVIN).

Our Community's volunteers

Most would agree that the best way to learn about an area is through a local. Visitors to Waratah-Wynyard can be sure of a friendly and warm welcome with over 40 enthusiastic and knowledgeable volunteers at the Wonders of Wynyard. Council recognises the important role volunteers play and are critical to the operation of the Centre collectively donating over 5,700 hours a year.

Highlights from the WOW Volunteer Program include:

- WOW's 'Priscilla Queen of Wynyard' winning 'Most Unique Float' in the Lions Christmas Parade on Christmas Eve 2013;
- The Stanley Volunteer Familiarisation Tour;
- Seven industry operators hosted onsite volunteer meetings increasing volunteers' local product knowledge and industry engagement; and
- Volunteer Christmas Dinner at Harvest and Cater, Boat Harbour.



Wanted: Modern Day Pioneer

As a strategy identified in Council's Tourism Development Plan to attract new tourism investment and business opportunities, officers developed a *Request For Proposal* for the independent operation of the Waratah Caravan and Camping Ground, Athenaeum Hall (home to the Tarkine Interpretation Centre) and the Kenworthy Stamper Mill.

The proposal and the tagline: '*Wanted: Modern Day Pioneer*' generated a significant amount of enquiry and media exposure for Waratah. The *Request for Proposal* remains open to applications.

Insurances

In 2013/2014, along with Circular Head and Burnie City Council, Waratah-Wynyard Council appointed Jardine Lloyd Thompson as its Insurance Broker and since that time have enjoyed the benefits of that change and having its property and contents insured through the JMAPP Trust Fund which has seen a surplus rebate of over \$2,300 on insurance premiums from the Trust Fund.

Risk Management Audits

Following the last Audit in 2013 where Council received a very pleasing result of 93%, MAV Insurances, the Public Liability and Professional Liability Insurers, are no longer conducting bi-annual risk audits, but will have their Risk Managers visit the Council to provide assistance with an identified risk management process.

Business Continuity Planning

There has been an ever increasing push by the Tasmanian Audit Office and also Council's property insurers for Council to have a Business Continuity Plan. On this basis and as a good governance strategy, Council undertook a joint project with Burnie City Council and Circular Head Council to engage consultants to develop a Business Continuity Plan for each individual Council. The plan has been completed in draft form and will be tested and implemented during late 2014.

This project is another example that demonstrates the ongoing commitment of Council to working in partnership with other Councils to deliver better services to the community.

Workplace Health and Safety (WHS)

2013/2014 has been a year of significant improvement in many areas of Workplace Health and Safety. Safety Management Plans have been developed putting in place systems that create a culture of safe work practices, that not only ensures Council is compliant, but more importantly, allows Council workers to work in a safe environment.

Council Managers and Coordinators have been very supportive and accepting of the new WHS laws and the highlights of the year include:

- Council developing and implementing a safety management plan;
- The development of an asbestos register which details the known location of asbestos in all Council owned buildings. The register complements Council's overall asbestos management plan;
- Council's work team conducting risk assessments and creating individual Safe Work Method Statements and traffic/pedestrian management plans for those locations; and
- The introduction of a Workplace Health and Wellbeing program, with many activities designed to provide employees with guidance and support in improving the way in which they manage their health and wellbeing.



FINANCIAL REPORT 2014

**Statement of Comprehensive Income
For the Year Ended 30 June 2014**

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
Income				
Recurrent Income				
Rates and charges	3	9,613,546	9,542,533	9,122,411
User Charges	4	1,665,112	1,807,179	1,705,861
Interest		337,935	376,300	439,249
Reimbursements/contributions		474,749	450,123	510,126
Grants	5	1,664,431	3,268,857	3,150,305
Distributions from Water Corporation	6	584,737	578,054	41,668
		14,340,510	16,023,046	14,969,620
Capital Income				
Capital Grants	5	395,440	395,441	930,218
Donated Assets		93,000	-	1,340,998
Recognition of assets	1(e),17	407,732	-	-
Gain/(Loss) on disposal of assets	7	(730,597)	(95,000)	(456,978)
Total Income		14,506,085	16,323,487	16,783,858
Expenses				
Employee costs	8	5,451,629	5,341,486	5,292,630
Materials and contracts	9	6,077,204	5,694,264	6,073,081
Depreciation and amortisation	10	4,080,093	3,871,552	3,963,705
State levies		427,496	406,778	397,265
Borrowing costs	11	-	-	1,392
Remissions and discounts	1(s) i	553,203	558,158	531,668
De-recognition of assets	1(e),17	1,669,215	-	-
Other expenses	12	251,498	258,350	240,987
Total Expenses		18,510,338	16,130,588	16,500,728
Surplus/(Deficit)		(4,004,253)	192,899	283,130
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment/(decrement)	17	6,223,044	-	-
		2,218,791	192,899	283,130
Items that may be reclassified subsequently to surplus or deficit				
Financial Assets available for sale reserve				
- Fair value adjustment on available for sale assets	32	3,099,658	-	533,247
Comprehensive Result		5,318,449	192,899	816,377

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position
As at 30 June 2014

	Note	Actual 2014 \$	Actual 2013 \$
Current Assets			
Cash and cash equivalents	13	5,343,456	7,388,884
Receivables	14	998,440	845,490
Inventories	15	110,546	142,232
Land held for resale	1(e)	465,000	465,000
Other	16	282,816	203,203
Total Current Assets		7,200,258	9,044,809
Non Current Assets			
Property, plant and equipment	17	133,539,063	129,499,436
Intangible assets	18	128,349	216,046
Receivables	19	7,269	10,802
Investment in Water Corporation	32	43,162,274	40,062,616
Total Non Current Assets		176,836,955	169,788,900
TOTAL ASSETS		184,037,213	178,833,709
Current Liabilities			
Payables	20	939,610	1,046,335
Financial Liabilities	21	5,400	5,400
Provisions	22	1,285,912	1,277,193
Total Current Liabilities		2,230,922	2,328,928
Non Current Liabilities			
Financial Liabilities	23	11,250	16,650
Provisions	24	389,675	401,214
Total Non Current Liabilities		400,925	417,864
TOTAL LIABILITIES		2,631,847	2,746,792
NET ASSETS		181,405,366	176,086,917
Equity			
Accumulated Surplus		120,048,720	124,054,689
Reserves	25	61,356,646	52,032,228
TOTAL EQUITY		181,405,366	176,086,917

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity
For year ended 30 June 2014**

	Total		Accumulated Surplus		Reserves	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Balance at beginning of the year	176,086,917	175,270,540	124,054,689	124,199,022	52,032,228	51,071,518
Comprehensive Result	2,218,791	816,377	(4,004,253)	283,130	6,223,044	533,247
Transfer to Reserves	3,099,658	-	(1,716)	(427,463)	3,101,374	427,463
Transfer from Reserves	-	-	-	-	-	-
Balance at end of the year	181,405,366	176,086,917	120,048,720	124,054,689	61,356,646	52,032,228

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows
For year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Cash Used			
Employee Costs		(5,440,374)	(5,097,163)
Materials and Contracts		(7,041,289)	(7,270,528)
State levies		(427,496)	(397,265)
Finance costs		-	(1,397)
Other expenses		(251,498)	(240,987)
		(13,160,657)	(13,007,340)
Cash Received			
Rates		8,807,752	8,326,072
User charges		1,818,798	1,707,976
Interest		306,056	418,070
Reimbursement of expenses		474,749	510,126
Government grants		1,664,431	3,150,305
GST recovered from ATO		776,725	808,913
		13,848,511	14,921,462
Net Cash provided by (used in) operating activities	26	687,854	1,914,122
Cash flows from investing activities			
Cash Used			
Payments for Property, Plant and Equipment		(3,871,439)	(3,781,613)
		(3,871,439)	(3,781,613)
Cash Received			
Investment revenue from Water Corporation		584,737	41,668
Proceeds from Sale of Property, Plant and Equipment		163,380	261,150
Capital grants		395,440	930,218
		1,143,557	1,233,036
Net cash provided by (used in) investing activities		(2,727,882)	(2,548,577)
Cash flows from financing activities			
Financial liabilities		(5,400)	(42,492)
Net cash (used in) financing activities		(5,400)	(42,492)
Net Increase in Cash Held		(2,045,428)	(676,947)
Cash at beginning of year		7,388,884	8,065,831
Cash at end of year	13	5,343,456	7,388,884

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	7
2.	FUNCTIONS/ACTIVITIES OF COUNCIL.....	19
3.	RATES AND CHARGES	21
4.	USER CHARGES	21
5.	GRANTS	21
6.	DISTRIBUTIONS FROM WATER CORPORATION.....	22
7.	GAIN/(LOSS) ON DISPOSAL OF ASSETS.....	22
8.	EMPLOYEE COSTS.....	22
9.	MATERIALS AND CONTRACTS.....	23
10.	DEPRECIATION AND AMORTISATION	23
11.	BORROWING COSTS	23
12.	OTHER EXPENSES	23
13.	CURRENT ASSETS – CASH AND CASH EQUIVALENTS.....	23
14.	CURRENT ASSETS - RECEIVABLES	24
15.	CURRENT ASSETS - INVENTORIES	24
16.	CURRENT ASSETS - OTHER	24
17.	NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT	24
18.	NON CURRENT ASSETS – INTANGIBLE ASSETS	27
19.	NON CURRENT ASSETS – RECEIVABLES	27
20.	CURRENT LIABILITIES - PAYABLES.....	27
21.	CURRENT LIABILITIES – FINANCIAL LIABILITIES	28
22.	CURRENT LIABILITIES - PROVISIONS.....	28
23.	NON CURRENT LIABILITIES – FINANCIAL LIABILITIES	28
24.	NON CURRENT LIABILITES - PROVISIONS.....	28
25.	RESERVES	29
26.	RECONCILIATION OF SURPLUS/(DEFICIT) FOR YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES.....	30
27.	CONTINGENT ASSETS AND LIABILITIES	30
28.	COMMITMENTS FOR EXPENDITURE	31
29.	SUPERANNUATION	31
30.	RELATED PARTY DISCLOSURE	33
31.	FINANCIAL INSTRUMENTS.....	33
32.	INVESTMENT IN WATER CORPORATION	40
33.	SIGNIFICANT BUSINESS ACTIVITIES.....	41
34.	MANAGEMENT INDICATORS	43
35.	FAIR VALUE MEASUREMENTS.....	45

INTRODUCTION

- a** The Waratah Wynyard Council was established on 2 April 1993 and is a body corporate with perpetual succession and a common seal.

The Council's Main Office is located at 21 Saunders St, Wynyard.

- b** The functions of the Council include:

- provide for health, safety and welfare of the community;
- to represent and promote the interests of the community;
- to provide peace, order and good government in the municipality;
- to promote the social, economic 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 of people 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.

Basis of Reporting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(e), 1(k), 1(l), and 1(p).

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

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

Judgements and Assumptions

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

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

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

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 1(k).

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 29.

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 discussed in note 1(e) and in note 17.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in Cradle Mountain Water are discussed in note 1(i) and in note 32.

(b) Change in Accounting Policies

AASB 13 Fair Value Measurement

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

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

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period (refer note 35), except for financial instruments, of which the fair value disclosures are required under AASB 7: Financial Instruments, Disclosures.

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

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously calculated/measured by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

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

(c) Pending Accounting Policies

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

- (i) AASB 9 Financial Instruments and the relevant amending standards (effective from 1 January 2017)
AASB 9 is one of a series of amendments that are expected to replace AASB 139 Financial Instruments: Recognition and Measurement. The main impact of the standard is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four categories of financial assets in AASB 139 will be replaced with two measurement categories: fair value and amortised cost.

Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments.

Fair value is to be used for all other financial assets. Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or an irrevocable election has been made to present in other comprehensive income changes in the fair value of an equity instrument not held for trading.

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

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

- (ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and the relevant amending standards (effective from 1 January 2014)
This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation.

However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. Council has undertaken an assessment and no material changes to the composition of Council's accounts are anticipated from the application of the new standard.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules. As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

- (iii) AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014)
This standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of Council.

- (iv) AASB 1031 Materiality (effective from 1 January 2014)
The objective of this standard is to make cross-references to other standards and the Framework for the Preparation and Presentation of Financial Statements (as identified in AASB 1048 Interpretation of Standards) that contain guidance on materiality.
- (v) AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets (effective from 1 January 2014)
This standard amends the disclosure requirements of AASB 136. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The adoption of this standard will not impact Council's accounting policies but may result in changes to information disclosed in the financial statements.
- (vi) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part A - Conceptual Framework effective from 20 December 2013; Part B - Materiality effective from 1 January 2014; Part C - Financial Instruments effective from 1 January 2015)
Part A of this standard updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of AASB CF 2013-1 in December 2013.

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

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

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

(c) **Revenue Recognition**

Rates, grants and contributions

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

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. A provision for impairment on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 9. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants.

Non-monetary contributions

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

User fees and fines

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

Sale of property, plant and equipment, infrastructure

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

Rent

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

Interest

Interest is recognised progressively as it is earned.

Distributions

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

(d) Expense Recognition

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

Employee benefits

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

Depreciation and amortisation of property, plant and equipment, infrastructure and intangibles

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life

Artworks and Land are not depreciated.

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

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

	2014	2013
Buildings	10 to 100 years	10 to 100 years
Land Improvements	4 to 150 years	4 to 150 years
Plant	3 to 15 years	5 to 150 years
Motor Vehicles	2 to 5 years	2 years
Office Equipment and Furniture	2 to 20 years	3 to 5 years
Stormwater/Drainage Systems	80 years	50 to 80 years
Roads	10 to 100 years	10 to 150 years
Bridges and Culverts	20 to 80 years	20 to 65 years

Repairs and maintenance

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

Finance costs

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

No borrowing costs were capitalised during the period, (2013/14, \$0).

Finance costs include interest on bank overdrafts and interest on borrowings.

(e) Recognition and measurement of Property Plant and Equipment

Acquisition and Recognition

The cost method of accounting is used for the initial recording of all acquisition of assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition including architectural fees and engineering design fees and all other costs incurred in getting the assets ready for use.

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

Non-Current Assets constructed by Council

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

Such assets are recognised as "Work in Progress" until they become available for service.

Recognition and De-recognition of Assets

Council is continually checking and updating its asset data base and makes adjustments to improve the accuracy of the data and any changes are shown in the Statement of Comprehensive Income.

Capitalisation of Expenditure

Expenditure is capitalised where the life of the future benefit can be accurately estimated and where the expenditure is above the following limits:

	\$		\$
Land	0	Plant and Equipment	1,000
Buildings	1,000	Bridges	1,000
Land Improvements	1,000	Drainage Assets	2,000
Furniture and Fittings	1,000	Roads	5,000

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

Depreciation of Non-Current Assets

All duly recognised non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential in those assets. Land is not a depreciable asset.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period as noted in 1 (d).

Impairment of Assets

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

Land held for resale

Land held for resale is valued at the lower of the carrying amount and fair value less costs to sell. It comprises residential blocks of land in Wynyard and Sisters Beach that is surplus to Council's requirements and is expected to be sold in the next accounting period.

Intangible Assets

Council recognises intangible assets at cost in accordance with AASB138 and amortises them systematically over their useful lives in a manner which reflects the consumption of the service potential in those assets.

Revaluation

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

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

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account at cost and subsequently revalued on a fair value basis. Council does not recognise land under roads that it controlled prior to that period.

(f) Investment Property

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

(g) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of four months or less, net of outstanding bank overdrafts. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

Cash and short term deposits are carried at face value of the amounts deposited. The carrying amounts of cash and short term deposits approximate net fair value. Interest revenue is accrued at the market or contracted rates and is receivable on maturity.

(h) Inventories

Inventories represent materials and store items intended for use by the Council. They are stated at the lower of cost and current replacement value. Costs have been assigned to inventory quantities on hand at balance date on the basis of average cost.

(i) Investments in water corporation

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date based on Final Treasurer's Allocation Order in 2011. Council has an ownership interest of 2.81% in the corporation. Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 32).

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

(j) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 20).

(k) Employee benefits

Wages and Salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Short term obligations

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

Other long term employee benefit obligations

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

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

Personal Leave

No amount is shown for non-vested personal leave as experience indicates that, on average, personal leave taken for each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods.

Sick Leave

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This includes all annual leave and unconditional long service leave entitlements.

Superannuation

Superannuation payments made on behalf of employees, are the statutory contributions required by law plus amounts that have been agreed to as part of The Enterprise Bargaining Agreement. Further details of the payments can be seen in Note 29.

(l) Financial Liabilities

Financial Liabilities loans are carried in the Statement of Financial Position at their principal amount. Interest expense is accrued at the contracted rate and included in "Creditors".

(m) Allocation between current and non-current

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

(n) Taxation

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

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

(o) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar.

(p) Significant Business Activities

Under section 84(2)(da) of the *Local Government Act 1993*, Council is required to report operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by it.

Council has determined, based upon materiality, that Transport Infrastructure, Drainage and Parks and Recreation Facilities as defined in Note 2(c) are considered Council's significant business activities.

(q) Provision for Gravel Pit Rehabilitation

Provision has been made for Gravel Pit rehabilitation and restoration on an incremental basis during the course of the life of the Pit (Refer to Note 24). Amounts are allocated to the provision based on the amount of gravel (in cubic metres) extracted from the Council's gravel pits at a rate of \$3 per cubic metre.

(r) Joint Ventures

Council had no interest in joint ventures at the reporting date.

(s) Receivables

Settlement Terms

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

I. Rate Debtors

Either by 2 equal instalments or alternatively by the 31 August which provides a discount of 5%, or payment in full 6 weeks after the discount date. The discount provided is shown as an expense of the Council in its Statement of Comprehensive Income. Should amounts remain unpaid outside of the adopted payment options, Council will instigate collection proceedings in accordance with provisions of the *Local Government Act 1993 (as amended)*.

II. Sundry Debtors

Within 30 days of issue of the account. Should amounts remain unpaid beyond 30 days Council instigates collection proceedings in accordance with provisions of the *Local Government Act 1993 (as amended)*.

(t) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed by the creditor. Trade accounts payable are normally settled within 30 days.

(u) Comparative Information

Where necessary comparative figures have been amended to conform with changes in presentation in the current year.

(v) Budget

The estimated revenue and expense amounts in the Statement of Comprehensive Income represent amended budget figures and are not subject to audit.

WARATAH-WYNYARD COUNCIL

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

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

2014 ACTUAL	CORPORATE SERVICES	TRANSPORT	DEVELOPMENT SERVICES	PARKS AND RECREATION	COMM SERVICES	FIRE LEVY	WASTE MGT	DRAINAGE SERVICES	OTHER - NOT ATTRIBUTABLE	TOTAL
EXPENSES \$	3,225,681	5,288,927	958,215	3,278,126	2,316,034	349,098	1,736,962	944,126	413,169	18,510,338
%	17.4	28.6	5.2	17.7	12.5	1.9	9.4	5.1	2.2	100.0
REVENUES \$										
GRANTS	0	1,062,912	0	0	117,805	0	0	0	879,154	2,059,871
OTHER	1,061,209	407,911	185,692	112,043	983,779	360,369	1,690,001	701,844	6,943,365	12,446,214
TOTAL	1,061,209	1,470,823	185,692	112,043	1,101,584	360,369	1,690,001	701,844	7,822,519	14,506,085
%	7.3	10.1	1.3	0.8	7.6	2.5	11.7	4.8	53.9	100.0
SURPLUS/(DEFICIT) FOR YEAR										(4,004,253)
ASSETS (Note 2(b))	57,481,329	69,292,092	0	28,913,757	2,582,753	0	0	25,476,838	290,444	184,037,213
2014 BUDGET	CORPORATE SERVICES	TRANSPORT	DEVELOPMENT SERVICES	PARKS AND RECREATION	COMM SERVICES	FIRE LEVY	WASTE MGT	DRAINAGE SERVICES	OTHER - NOT ATTRIBUTABLE	TOTAL
EXPENSES \$	2,782,015	4,899,796	827,787	1,902,741	2,359,924	341,778	1,772,636	811,461	432,450	16,130,588
%	17.2	30.4	5.1	11.8	14.6	2.1	11.0	5.0	2.7	100.0
REVENUES \$										
GRANTS	0	1,723,601	0		65,372	0	0	0	1,875,325	3,664,298
OTHER	1,654,172	5,053	260,223	114,670	1,018,964	359,274	1,625,396	698,965	6,922,472	12,659,189
TOTAL	1,654,172	1,728,654	260,223	114,670	1,084,336	359,274	1,625,396	698,965	8,797,797	16,323,487
%	10.1	10.6	1.6	0.7	6.6	2.2	10.0	4.3	53.9	100.0
SURPLUS/(DEFICIT) FOR YEAR										192,899
2013 ACTUAL	CORPORATE SERVICES	TRANSPORT	DEVELOPMENT SERVICES	PARKS AND RECREATION	COMM SERVICES	FIRE LEVY	WASTE MGT	DRAINAGE SERVICES	OTHER - NOT ATTRIBUTABLE	TOTAL
EXPENSES \$	3,120,564	4,730,350	882,527	1,943,483	2,543,459	334,010	1,777,417	756,736	412,181	16,500,728
%	18.9	28.7	5.3	11.8	15.4	2.0	10.8	4.6	2.5	100.0
REVENUES \$										
GRANTS	16,000	2,058,316	0	100,000	97,889	0	14,432	0	1,793,887	4,080,523
OTHER	817,402	401,805	227,345	98,280	1,012,028	359,724	1,512,580	1,424,975	6,849,197	12,703,335
TOTAL	833,402	2,460,121	227,345	198,280	1,109,917	359,724	1,527,012	1,424,975	8,643,083	16,783,858
%	5.0	14.7	1.4	1.2	6.6	2.1	9.1	8.5	51.5	100.0
SURPLUS/(DEFICIT) FOR YEAR										283,130
ASSETS (Note 2(b))	56,333,697	63,675,028	861	30,372,587	2,605,149	0	0	25,545,421	300,966	178,833,709

- 2(b)** Total assets shown in Note 2(a) are reconciled with the amounts shown for assets in the statement of financial position as follows:-

	2014 \$	2013 \$
Current Assets	7,200,258	9,044,809
Non-Current Assets	176,836,955	169,788,900
	189,037,213	178,833,709

2(c) Component Functions/Activities

The activities relating to the Local Government's components reported at 2(a) are as follows:-

Transport

Construction and maintenance of roads, footpaths, bridges and traffic signs. It also covers gravel pits and municipal car parks.

Development Services

Administration of various by-laws, health and building regulation and town planning and development services.

Parks and Recreation

Operation and maintenance of halls, recreation centres and various reserves.

Community Services

Operation of various children and youth services, state emergency services and public conveniences.

Waste Management

Operation of Wynyard Waste Transfer Station and rubbish collection services.

Drainage Services

Construction and maintenance of Council's Drainage Works.

Corporate Services

Operation and maintenance of Council Chambers, administration offices and depots. Items previously classified as Business Undertakings - operation of self-funded activities including the Waratah Post Office, rental of Council owned property at commercial rates and subdivision and sale of Council land – have been reclassified as Corporate Service activities. Animal control and cemeteries.

Fire Levy

Collected on behalf of the State Government for statewide fire services.

Other - Not Attributable

This grouping recognises revenue and expenditure items which do not fall into any of the above functions/activities.

	Actual 2014 \$	Actual 2013 \$
3. RATES AND CHARGES		
General rate	6,943,365	6,849,196
Waste service charges	1,621,913	1,441,562
Fire levies	346,424	346,053
Stormwater service charges	701,844	485,600
Total Rates and Charges	9,613,546	9,122,411
4. USER CHARGES		
Childcare	832,435	857,171
Building and Development	129,344	158,006
Property Certificates	102,175	71,974
Other	601,158	618,710
Total User Charges	1,665,112	1,705,861
5. GRANTS		
Grants were received in respect of the following:		
Grants - Operating Roads		
State Government Road Grants	570,135	1,140,042
State Government Bridge Funding	44,703	82,070
Heavy Vehicle Funding	52,634	45,322
	667,472	1,267,434
Community Services		
Children Services	108,330	67,552
Other	9,475	21,432
	117,805	88,984
Grants to Council as a Whole		
Tax Sharing Grants	879,154	1,793,887
Total Operating Grant Revenue	1,664,431	3,150,305
Grants - Capital Community Services		
Jetties and Boat Ramps	0	100,000
Other	0	39,336
	0	139,336
Roads		
Roads to Recovery	395,440	790,882
	395,440	790,882
Total Capital Grant Revenue	395,440	930,218
Capital Grants	395,440	930,218
Operating Grants	1,664,431	3,150,305
Total Grants Revenues	2,059,871	4,080,523

Government funds received in relation to pensioner rates of \$511,088 (2013:\$497,210) were treated as rate revenue in the Statement of Comprehensive Income.

Grants recognised as revenue during the reporting period which were obtained on the condition that they be applied in a specified manner but had yet to be totally expended in that manner as at the report date were \$0 (2013:\$0).

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. In 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that, "to assist local Councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their next year works programs", it would bring forward for payment to all Councils in June 2012, the first two instalments of the 2012-13 grant pool. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The Commonwealth Government as part of the 2014-15 Budget decided to cease the early payment of these grant funds this has resulted in a reduction of grant income in the 2013-14 of \$1,531,525

	Actual 2014 \$	Actual 2013 \$
6. DISTRIBUTIONS FROM WATER CORPORATION		
Dividend revenue received	370,364	9,110
Tax equivalent received	142,485	22,929
Guarantee fee received	71,888	9,629
Total distributions from water corporation	584,737	41,668

7. GAIN / (LOSS) ON DISPOSAL OF ASSETS

Disposal of assets in the ordinary course of business have given rise to the following losses

Proceeds of sale	163,380	261,150
Less: Written down value of assets disposed	(893,977)	(718,128)
Net Gain/(Loss) on disposal	(730,597)	(456,978)

The majority of this loss (\$540,063) was the write off of Drainage and Road assets upon replacement.

8. EMPLOYEE COSTS

Wages, Salaries and Allowances	4,428,410	3,933,967
Workers Compensation	163,167	206,700
Superannuation Expenses	495,966	466,119
Annual, Sick and Long Service Leave	614,193	706,314
Other Employee Expenses	202,587	312,277
Total Direct Employee Costs	5,904,323	5,625,377
Less Amounts Capitalised	452,694	332,747
Net Employee Costs	5,451,629	5,292,630

	Actual 2014 \$	Actual 2013 \$
9. MATERIALS AND CONTRACTS		
Contractors	2,890,099	3,032,774
Waste Disposal	484,739	489,521
Insurance	308,608	334,217
Fuel	284,197	287,280
Electricity	395,265	391,210
Water and Sewerage	150,172	141,508
Other Materials and Services	1,564,124	1,396,571
Total Materials and Contracts	6,077,204	6,073,081
10. DEPRECIATION AND AMORTISATION		
Land Improvements	272,397	237,193
Buildings	321,015	343,067
Furniture and Fittings	85,692	75,667
Plant and Equipment	268,105	265,364
Roads	2,053,923	2,044,797
Bridges	356,459	354,816
Drainage Works	621,174	556,155
Intangible Assets	101,328	86,646
	4,080,093	3,963,705
11. BORROWING COSTS		
Interest - Borrowings	0	1,392
12. OTHER EXPENSES		
Audit Services - External Audit	25,108	22,980
- Other Audit Services	750	750
Community Assistance Grants	33,893	30,473
Councillor's Allowances (refer to note 30)	191,747	186,784
	251,498	240,987
13. CURRENT ASSETS – CASH AND CASH EQUIVALENTS		
Cash	2,470	2,470
Trading Account	318,623	465,989
Road Accident - Trust Account	9,831	8,984
Short Term Deposits	5,012,532	6,911,441
	5,343,456	7,388,884

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. This includes coverage of future commitments for infrastructure renewals, liabilities and reserve funds. Council has a policy of holding the value of the previous years' general rate as a cash reserve.

Council has a corporate credit card facility with a limit of \$50,000. The balance is paid in full on a monthly basis.

Actual 2014 \$	Actual 2013 \$
----------------------	----------------------

Financing Arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

Available at reporting date – Bank Overdraft	250,000	250,000
--	---------	---------

14. CURRENT ASSETS - RECEIVABLES

Rates and Charges	741,091	488,499
Other Debtors	257,349	356,991
	998,440	845,490

Council had \$303,640 in rates received in advance for 2014/15 (2013/14 \$265,434).

15. CURRENT ASSETS - INVENTORIES

Stores and Material	95,154	121,705
Post Office Stock	4,325	4,473
Wonders of Wynyard	11,067	16,054
	110,546	142,232

16. CURRENT ASSETS - OTHER

Accrued Income	171,974	95,088
Prepayments	105,842	103,115
Security Deposits	5,000	5,000
	282,816	203,203

17. NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Land

At Fair Value	19,263,486	19,869,486
	19,263,486	19,869,486

The Council valuation was carried out by the Valuer General, as at 30 June 2011 – based on current market value.

Land Improvements

At Cost	7,878,562	7,672,145
Less Accumulated Depreciation	(2,427,036)	(2,154,639)
Work in Progress	6,062	0
	5,457,588	5,517,506

	Actual 2014 \$	Actual 2013 \$
Buildings		
At Fair Value	13,065,735	13,727,242
Less Accumulated Depreciation	(922,489)	(679,305)
Work in Progress	5,283	0
	12,148,529	13,047,937

The Council valuation was carried out by the Valuer General, as at 30 June 2011 – based on current market value.

Furniture and Fittings

At Cost	1,190,139	1,154,216
Less Accumulated Depreciation	(1,009,750)	(924,058)
Work in Progress	1,581	0
	181,970	230,158

Plant and Equipment

At Cost	4,599,436	4,458,185
Less Accumulated Depreciation	(2,022,597)	(1,986,298)
	2,576,839	2,471,887

Roads

At Fair Value	112,124,101	101,242,417
Less Accumulated Depreciation	(57,357,724)	(50,377,343)
Work in progress	300,123	0
	55,066,500	50,865,074

The Council valuation was carried out by Council's Engineer, as at 30 June 2014 - based on depreciated replacement cost

Bridges

At Fair Value	24,424,876	22,132,044
Less Accumulated Depreciation	(11,195,552)	(10,178,148)
Work in progress	139,189	0
	13,368,513	11,953,896

The Council valuation was carried out by Auspan, as at 30 June 2014 – based on depreciated replacement cost.

Drainage Assets

At Fair Value	44,563,416	44,561,595
Less Accumulated Depreciation	(19,429,010)	(19,060,714)
Work in progress	341,232	42,611
	25,475,638	25,543,492

The Council valuation was carried out by Council's Engineer as at 30 June 2012 – based on depreciated replacement cost.

TOTAL PROPERTY PLANT AND EQUIPMENT	133,539,063	129,499,436
---	--------------------	--------------------

	Actual 2014 \$	Actual 2013 \$
Reconciliations:		
Land		
Carrying amount at beginning of year	19,869,486	19,934,486
Donated asset	8,000	0
Disposals	0	(65,000)
Derecognition of assets	(614,000)	0
Carrying amount at end of year	19,263,486	19,869,486
Land Improvements		
Carrying amount at beginning of year	5,517,506	4,891,246
Additions	212,479	980,847
Disposals	0	(117,394)
Depreciation	(272,397)	(237,193)
Carrying amount at end of year	5,457,588	5,517,506
Buildings		
Carrying amount at beginning of year	13,047,937	13,383,585
Additions	251,492	129,069
Donated assets	85,000	0
Derecognition of assets	(794,495)	0
Disposals	(120,390)	(121,650)
Depreciation	(321,015)	(343,067)
Carrying amount at end of year	12,148,529	13,047,937
Furniture and Fittings		
Carrying amount at beginning of year	230,158	197,458
Additions	37,504	115,564
Disposals	0	(7,197)
Depreciation	(85,692)	(75,667)
Carrying amount at end of year	181,970	230,158
Plant and Equipment		
Carrying amount at beginning of year	2,471,887	2,305,691
Additions	606,581	634,156
Disposals	(233,524)	(202,596)
Depreciation	(268,105)	(265,364)
Carrying amount at end of year	2,576,839	2,471,887
Roads		
Carrying amount at beginning of year	50,865,074	51,297,361
Additions	1,429,838	1,766,525
Disposals	(195,785)	(154,015)
Depreciation	(2,053,923)	(2,044,797)
Recognition of assets	10,472	0
Revaluation	5,010,824	0
Carrying amount at end of year	55,066,500	50,865,074
Bridges		
Carrying amount at beginning of year	11,953,896	12,137,456
Additions	422,318	171,256
Depreciation	(356,459)	(354,816)
Recognition of assets	397,260	0
Derecognition of assets	(260,722)	0
Revaluation	1,212,220	0
Carrying amount at end of year	13,368,513	11,953,896

	Actual 2014 \$	Actual 2013 \$
Drainage		
Carrying amount at beginning of year	25,543,492	24,849,811
Additions	897,598	1,300,110
Disposals	(344,278)	(50,274)
Depreciation	(621,174)	(556,155)
Carrying amount at end of year	25,475,638	25,543,492

Summary of Recognised and Derecognised Assets:

Recognition of Assets

Bridge Substructure – Philosopher Falls	366,770	0
Other	40,962	0
	407,732	0

Derecognition of Assets

Boat Harbour Surf Club – Land	(575,000)	0
Boat Harbour Surf Club – Buildings	(160,131)	0
Somerset Recreation Ground Building Only	(101,501)	0
Wynyard Recreation Ground Clubrooms	(330,166)	0
Wynyard Wharf Building Only	(101,989)	0
Bridge Superstructures – Riverwalk	(250,248)	0
Other	(150,180)	0
	(1,669,215)	0

18. NON CURRENT ASSETS – INTANGIBLE ASSETS

At Cost	512,757	502,616
Less Accumulated Amortisation	(387,899)	(286,570)
Work in progress	3,491	0
	128,349	216,046
Reconciliation		
Carrying amount at beginning of year	216,046	277,612
Additions	13,630	25,080
Amortisation	(101,327)	(86,646)
Carrying amount at end of year	128,349	216,046

19. NON CURRENT ASSETS – RECEIVABLES

Debtors - Long Term	7,269	10,802
---------------------	--------------	---------------

20. CURRENT LIABILITIES - PAYABLES

Trade and Other Payables		
Trade Creditors	810,015	858,121
Total Trade and Other Payables	810,015	858,121
Trust Funds and Deposits	129,595	188,214
Total Payables	939,610	1,046,335

	Actual 2014 \$	Actual 2013 \$
21. CURRENT LIABILITIES – Financial LIABILITIES		
Secured Loans	5,400	5,400
22. CURRENT LIABILITIES - PROVISIONS		
Provisions for Annual Leave	524,211	516,263
Provision for Long Service Leave	554,818	567,477
Employee benefits - On-costs	165,637	163,531
Provision for Banked Employee Time	27,116	20,986
Purchased Leave	14,130	8,936
	1,285,912	1,277,193
23. NON CURRENT LIABILITIES – Financial LIABILITIES		
Secured Loans	11,250	16,650
Security for Borrowings		
The loans are secured over the general rates of the Council.		
24. NON CURRENT LIABILITIES – PROVISIONS		
Provision for Long Service Leave	189,320	206,979
Employee benefits - on-costs	19,348	21,153
Provision for Gravel Pit Rehabilitation	181,007	173,082
	389,675	401,214
<i>Movement in Provision for Gravel Pit Rehabilitation</i>		
Opening balance	173,082	156,865
Contributions received	7,925	16,217
Rehabilitation Works	0	0
	181,007	173,082
The present values of employee entitlements not expected to be settled within twelve months of balance date have been calculated using the following weighted averages:		
Assumed rate of increase in wage and salary rates		4.10%
Discount rate		2.455%
Settlement term (years)		10
Number of employees at year end		79

25. RESERVES

	Actual 2014 \$	Actual 2013 \$
Composition:		
Asset Acquisition	154,018	154,018
Public Open Space	139,453	137,737
Bridge Replacement Reserve	696,000	696,000
Asset Revaluation	56,507,879	50,284,835
Financial Assets available for Sale Reserve	3,859,296	759,638
	61,356,646	52,032,228
Movements:		
Asset Acquisition		
Balance at the beginning of the financial year	154,018	148,555
Amount transferred from accumulated surplus	0	5,463
Amount transferred to accumulated surplus	0	0
Balance at the end of the financial year	154,018	154,018
Public Open Space		
Balance at the beginning of the financial year	137,737	111,737
Amount transferred from accumulated surplus	1,716	26,000
Amount transferred to accumulated surplus	0	0
Balance at the end of the financial year	139,453	137,737
Bridge Replacement Reserve		
Balance at the beginning of the financial year	696,000	300,000
Amount transferred from accumulated surplus	0	396,000
Amount transferred to accumulated surplus	0	0
Balance at the end of the financial year	696,000	696,000
Asset Revaluation - Council		
Balance at the beginning of the financial year	50,284,835	50,284,835
Revaluation Assets	6,223,044	0
Balance at the end of the financial year	56,507,879	50,284,835
Financial Assets available for Sale Reserve		
Balance at the beginning of the financial year	759,638	226,391
Fair Value Adjustment	3,099,658	533,247
Balance at the end of the financial year	3,859,296	759,638

Nature and Purpose of Reserves:

Asset Acquisition Reserve

The amount standing to the credit of the Asset Acquisition Reserve resulted from prior period allocation of accumulated surplus for the purpose of identifying the surplus set aside for specific works to be conducted in future years. The reserve will be released to accumulated surplus when the specific works are undertaken. The balance in this account at 30 June 2014 represents amounts to be spent on specific works to be undertaken in the community.

Public Open Space Reserve

The amount standing to the credit of the Public Open Space Reserve resulted from prior period allocation of accumulated surplus for the purpose of identifying the surplus set aside for public open space works to be conducted in future years. The reserve will be released to accumulated surplus when the specific works are undertaken.

Bridge Replacement Reserve

The amount standing to the credit of the Bridge Replacement Reserve resulted from prior period allocation of accumulated surplus for the purpose of identifying the surplus set aside for replacement of bridges to be conducted in future years. The reserve will be released to accumulated surplus when the specific works are undertaken.

Asset Revaluation Reserves

This amount standing to the credit of the Asset Revaluation Reserve resulted from periodic revaluation of Assets.

Financial Assets available for Sale Reserve

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

	Actual 2014 \$	Actual 2013 \$
26. RECONCILIATION OF SURPLUS/(DEFICIT) FOR YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for Year	(4,004,253)	283,130
<i>Items not involving Cash</i>		
Depreciation expense	4,080,093	3,963,705
Donated assets	(93,000)	(1,340,998)
Recognition of assets	(407,732)	0
Derecognition of assets	1,669,215	0
	5,248,576	2,622,707
<i>Change in Operating Assets and Liabilities</i>		
Receivables and other Assets	(227,158)	(283,735)
Payables	(122,672)	(377,624)
Provisions	11,255	191,676
Inventories	31,686	(7,124)
	(306,889)	(476,807)
<i>Investing Activity</i>		
Loss/(Profit) on disposal of Non-Current Assets	730,597	456,978
Distributions from Water Corporation	(584,737)	(41,668)
Capital Grants	(395,440)	(930,218)
	(249,580)	(514,908)
Cash flows from Operating Activities	687,854	1,914,122

27. CONTINGENT ASSETS and LIABILITIES

Council holds bank guarantees for the following:

Building frontage, landscaping/subdivision	23,287	162,403
--	--------	---------

These guarantees have not been recognised as assets as it is uncertain, and unlikely, that Council will require these funds.

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

	Actual 2014 \$	Actual 2013 \$
28. COMMITMENTS FOR EXPENDITURE		
(a) <u>Capital Commitments</u>		
Not later than one year	41,643	0
(b) <u>Finance Lease Commitments</u>		
Council held no finance lease commitments as at 30 June 2014.		
(c) <u>Operating Lease Commitments</u>		
Commitments under non-cancellable operating leases at the reporting date are payable as follows:-		
Not later than one year	18,599	19,422
Later than one year and not later than five years	28,389	16,651
Council leases equipment under non-cancellable operating leases. Leases generally provide Council with a right of renewal. Lease payments do not include any contingent rentals.		
(d) <u>Operating Expense Commitments</u>		
Not later than one year	1,082,683	1,036,300
Council's commitments for expenditure are predominately based around environmental services such as waste management and contract street sweeping /spraying and slashing.		

29. SUPERANNUATION

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), which is a sub fund of the Quadrant Superannuation Scheme (the Scheme). The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2014 the Council contributed 10.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

The actuarial review concluded that:

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.

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

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

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

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

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

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

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

The Fund is a defined benefit Fund.

The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.

As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2011. Favourable investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2014.

The amount of contributions paid to Quadrant during the reporting period was \$357,819 (\$348,827 in 2013).

Council also contributes to a number of other superannuation funds for its employees. None of these funds has a defined benefits superannuation plan and therefore Council is not responsible for any deficiencies that may occur, Council contributions paid to 22 other funds was \$138,066 (\$117,293 in 2013).

30. RELATED PARTY DISCLOSURE

	2014 \$	2013 \$
a) Allowances	191,747	186,784

b) Register of Interests –

Interests of Councillors notified to the General Manager in respect of any body or organisation with which the Council has significant financial dealings:

Cr. Robert Walsh (Mayor)	No Interest Declared
Cr. Alwyn Friedersdorff (Deputy Mayor)	No Interest Declared
Cr. Gary Bramich	No Interest Declared
Cr. Mary Duniam	No Interest Declared
Cr. Maureen Bradley	No Interest Declared
Cr. Darren Fairbrother	No Interest Declared
Cr. Colleen Dibley	No Interest Declared
Cr. John Smith	No Interest Declared
Cr. David Moore	No Interest Declared
Cr. Kevin Deakin	No Interest Declared

31. FINANCIAL INSTRUMENTS

Financial instruments	Note	Accounting policy	Terms and conditions
Financial assets			
Cash and cash equivalents	9	Cash on hand, at bank and in cash management accounts are valued at face value. Interest is recognised as it accrues. Investments are held to maximise interest returns of surplus cash.	The weighted average interest rate return on operating accounts at 30 June 2014 was 1.5% (2.25% in 2012/2013). The weighted average interest rate return on term deposit investments at 30 June 2014 was 3.58% (4.17% in 2012/2013).
Receivables	10	An impairment loss is not recognised on rates receivable. An allowance for impaired debts is recognised on other debtors when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	Unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. General debtors are unsecured and arrears do not attract interest.
Financial liabilities			
Trade and other payables	16	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	17	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt.	Borrowings are secured by way of mortgages over the general rates of the Council.

Financial instruments	Note	Accounting policy	Terms and conditions
Bank Overdraft		Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates. The interest rate at balance date was 9.48%

(a) Financial Risk Management 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
Market Risk

The General Manager has overall responsibility for the establishment and oversight of Council's risk management framework. Risk management policies are established to identify and analyse risks that Council may be exposed to, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Council has continued to develop its risk management framework within the organisation and 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, cash and investments.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses, represents the Council's maximum exposure to credit risk without taking account of any collateral or other security. Reference should be made to Notes 13, 14 and 19 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 the Council are required to settle their accounts within specified terms (as detailed in Note 1 (s)).

Impairment Losses

The following table provides an ageing of the Council's trade and rate receivables (excluding non-current receivables) at the reporting date:

<i>Trade receivables</i>	30 June 2014		30 June 2013	
	Gross	Impairment	Gross	Impairment
Not past due	202,977	0	309,666	0
Past due 0-30 days	15,145	0	16,082	0
Past due 31-60 days	4,961	0	775	0
Past due 61-90 days	9,483	0	8,427	0
More than 90 days	24,784	0	22,041	0
Total trade receivables	257,350	0	356,991	0
Rates receivable	741,091	0	488,499	0
Total receivables	998,441	\$0	845,490	\$0

An allowance for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No allowance for impairment in respect of trade receivables has been recognised at 30 June 2014.

All rates receivable are in excess of 90 days. No 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.

Liquidity risk

Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. Council manages this risk by cash forecasting to maintain adequate liquidity levels and cash holdings. Council also has an unused overdraft facility.

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 required to service the total borrowings would exceed 30% of its revenue of the preceding financial year; and
- Grants made to a Council for specific purposes are to be excluded in calculating 30% of the revenue of the Council.

The current annual payments of loans by Council equate to 0.0004% of the revenue of the preceding financial year (2013 – 0.003%).

Maturity analysis for 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 estimated interest payments, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

	Less than 1 year	1-5 years	More than 5 years	Total Contractual cash flows	Carrying amount
30 June 2014					
Payables	939,610	-	-	939,610	939,610
Financial liabilities	5,400	11,250	-	16,650	16,650
Total	945,010	11,250	-	956,260	956,260
30 June 2013					
Payables	1,046,335	-	-	1,046,335	1,046,335
Financial liabilities	5,400	16,650	-	22,050	22,050
Total	1,051,735	16,650	-	1,068,385	1,068,385

The Council has not defaulted on or breached the conditions of any loans payable recognised at balance date.

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 interest rate risk.

Cash and cash equivalents are subject to 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.

Council obtains loans with competitive fixed interest rates or rates subject to review at specified dates to manage its exposure to interest rate risk.

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

2014	Floating Interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		One year or less	Over 1 to 5 years	More than 5 years		
Financial assets						
Cash and cash equivalents	328,454	5,012,532	-	-	2,470	5,343,456
Trade and other receivables	-	1,200	3,600	-	1,000,911	1,005,711
Accrued revenue	-	-	-	-	171,974	171,974
Investment in water corporation	-	-	-	-	43,162,274	43,162,274
Total financial assets	328,454	5,013,732	3,600		44,337,629	49,683,415

Financial liabilities						
Trade and other payables	-	-	-	-	939,610	939,610
Trust funds and deposits	-	-	-	-	129,595	129,595
Interest-bearing loans and borrowings	-	-	-	-	16,650	16,650
Total financial liabilities	-	-	-	-	1,085,855	1,085,855
Net financial assets (liabilities)	328,454	5,013,732	3,600	-		

2013	Floating Interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		One year or less	Over 1 to 5 years	More than 5 years		
Financial assets						
Cash and cash equivalents	474,973	6,911,441	-	-	2,470	7,388,884
Trade and other receivables	-	1,930	4,800	-	849,562	856,292
Accrued revenue	-	-	-	-	95,088	95,088
Investment in water corporation	-	-	-	-	40,062,616	40,062,616
Total financial assets	474,973	6,913,371	4,800	-	41,009,736	48,402,880
Financial liabilities						
Trade and other payables	-	-	-	-	858,121	858,121
Trust funds and deposits	-	-	-	-	188,214	188,214
Interest-bearing loans and borrowings	-	-	-	-	22,050	22,050
Total financial liabilities	-	-	-	-	1,068,385	1,068,385
Net financial assets (liabilities)	474,973	6,913,371	4,800	-	39,941,351	47,334,495

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

- Conformity with State and Federal regulations and standards,
- Adequate safety,
- Appropriate liquidity

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

	30 June 2014	30 June 2013
Financial assets		
Cash at bank and on hand	328,454	474,973
Short term investments	5,012,532	6,911,441
Total	5,340,986	7,386,414
Financial liabilities		
Interest bearing liabilities	0	0
Total	0	0
Net Total	5,340,986	7,386,414

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

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The analysis assumes all other variables remain constant and was performed on the same basis for 2013.

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

	Surplus/(Deficit)		Equity	
	2013/14	2012/13	2013/14	2012/13
+ 1% (100 basis points)	53,410	73,864	53,410	73,864
- 0.5% (50 basis points)	(26,705)	(36,932)	(26,705)	(36,932)

The movements in surplus/(deficit) 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 value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These include reference to quoted market prices or dealer quotes for similar instruments and discounted cash flow analysis.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

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

Fair Values	30 June 2014		30 June 2013	
	Carrying amount \$	Fair Value \$	Carrying amount \$	Fair Value \$
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	330,924	330,924	477,443	477,443
Short term investments	5,012,532	5,012,532	6,911,441	6,911,441
Receivables	1,005,709	1,005,709	856,292	856,292
Investment in Water Corporation	43,162,274	43,162,274	40,062,616	40,062,616
Accrued revenue	171,974	171,974	95,088	95,088
	49,683,413	49,683,413	48,402,880	48,402,880
Financial liabilities				
Payables	939,610	939,610	1,046,335	1,046,335
Interest bearing liabilities	16,650	16,650	22,050	22,050
Other liabilities	0	0	0	0
	956,260	956,260	1,068,385	1,068,385
Net financial assets	48,727,153	48,727,153	47,334,495	47,324,415
Carrying amounts classified as:	30 June 2014	30 June 2013		
	\$	\$		
Financial assets				
Loans and receivables	1,177,683	951,380		
Cash and cash equivalents	5,343,456	7,388,884		
Available for Sale Financial Assets	43,162,274	40,062,616		
	49,683,413	48,402,880		
Financial liabilities				
Financial liabilities measured at amortised cost	956,260	1,068,385		
	956,260	1,068,385		
Net financial assets / (liabilities)	48,727,213	47,334,495		

(b) 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

	Level 1	Level 2	Level 3	Total
30 June 2014				
Available for sale financial assets	-	-	43,162,274	43,162,274
30 June 2013				
Available for sale financial assets	-	-	40,062,616	40,062,616

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

Reconciliation of Level 3 Fair Value Movements

	2014 \$	2013 \$
Opening Balance	40,062,616	39,529,369
Gains (losses) recognised in other comprehensive income:	3,099,658	533,247
Closing Balance	43,162,274	40,062,616

32. INVESTMENT IN WATER CORPORATION

	2014 \$	2013 \$
Opening balance	40,062,616	39,529,369
Fair Value adjustments on available for Sale Assets	3,099,658	533,247
Total investment in water corporation	43,162,274	40,062,616

Council has derived returns from the water corporation as disclosed at note 6.

At 30 June 2013, Council held a 12.10% ownership interest in Ben Lomond/Cradle Mountain/Southern Water based on the Final Treasurer's Allocation Order in 2011. From 1 July 2013 a new State-wide water and sewerage corporation trading as "TasWater", commenced in accordance with the Water and Sewerage Corporation Act 2012. TasWater took over the water and sewerage services and assets previously operated by Ben Lomond Water, Cradle Mountain Water and Southern Water.

At 30 June 2014, Council held a 2.81% ownership interest in TasWater. The above investment valuation is based on 2.81% of the total net assets of TasWater which at the 30 June 2014 was \$ 1,536,024,000.

Council does not have significant influence to allow it to use the equity method to account for this interest.

33. SIGNIFICANT BUSINESS ACTIVITIES

2014	Drainage	Transport Infrastructure	Parks and Recreation Facilities
REVENUE			
Direct			
Rates	701,844	0	0
User Charges	0	99	81,495
Contributions	0	80	30,548
Government Grants	0	1,062,912	0
Other	0	407,911	0
	701,844	1,471,002	112,043
EXPENDITURE			
Direct			
Employee Costs	28,747	535,018	358,302
Materials and Contracts	122,914	1,255,133	841,213
Interest	0	0	0
Other	386,685	260,720	0
	538,346	2,050,871	1,199,515
Indirect			
Indirect Expenditure	128,884	810,233	452,066
Capital Costs			
Depreciation	621,174	2,427,823	357,758
Opportunity Costs of Capital	2,292,915	6,716,802	2,602,238
	2,914,089	9,144,625	2,959,996
Competitive Neutrality Costs	1	3,637	140,891

2013

REVENUE

Direct

	Drainage	Transport Infrastructure	Parks and Recreation Facilities
Rates	485,600	0	0
User Charges	0	182	73,315
Contributions	0	0	24,965
Government Grants	0	2,058,316	100,000
Other	939,375	401,623	0
	701,844	1,471,002	198,280

EXPENDITURE

Direct

Employee Costs	36,686	535,939	405,274
Materials and Contracts	89,883	1,193,392	802,031
Interest	0	0	0
Other	30,186	0	0
	156,755	1,729,231	1,207,304

Indirect

Indirect Expenditure	43,826	584,099	388,715
----------------------	---------------	----------------	----------------

Capital Costs

Depreciation	556,155	2,417,020	347,464
Opportunity Costs of Capital	2,299,088	5,730,753	2,733,533
	2,855,243	8,147,773	3,080,997

Competitive Neutrality Costs

	200,478	2,482	60,601
--	----------------	--------------	---------------

34. MANAGEMENT INDICATORS

Benchmark	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
-----------	----------------	----------------	----------------	----------------

(a) Underlying surplus or deficit

Recurrent income* less	15,914	14,968	15,006	14,098
Recurrent expenditure	17,572	16,958	15,438	14,066
Underlying surplus/deficit	0	(1,658)	(1,990)	(432)

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

(b) Underlying surplus ratio

Underlying surplus or deficit	(1,658)	(1,990)	(432)	32
Recurrent income*	15,914	14,968	15,006	14,098
Underlying surplus ratio %	0%	(10%)	(13%)	(3%)

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

(c) Net financial liabilities

Liquid assets less	6,341	8,234	8,530	6,914
Total liabilities	2,632	2,747	2,846	2,820
Net financial liabilities	0	3,709	5,487	5,684

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

(d) Net financial liabilities ratio

Net financial liabilities	3,709	5,487	5,684	4,094
Recurrent income*	14,341	14,970	15,815	14,159
Net financial liabilities ratio 0%	0 - (50%)	26%	37%	36%

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

(e) Asset consumption ratio

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

<i>Roads</i>				
Depreciated replacement cost	55,067	50,865	51,297	52,007
Current replacement cost	112,424	101,242	100,379	99,989
Asset consumption ratio %	40%-80%	49%	50%	51%
<i>Buildings</i>				
Depreciated replacement cost	12,149	13,048	13,384	13,471
Current replacement cost	13,071	13,727	13,720	13,471
Asset consumption ratio 0%	40%-80%	93%	95%	98%
<i>Bridges</i>				
Depreciated replacement cost	13,369	11,954	12,137	12,364
Current replacement cost	24,425	22,132	21,978	21,978
Asset consumption ratio %	40%-80%	55%	54%	55%
<i>Drainage</i>				
Depreciated replacement cost	25,478	25,544	24,850	12,010
Current replacement cost	44,904	44,605	43,367	20,883
Asset consumption ratio %	40%-80%	57%	57%	57%

This ratio indicates the level of service potential available in Council's existing asset base.

Benchmark	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
-----------	----------------	----------------	----------------	----------------

(f) **Asset renewal funding ratio**

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

<i>Roads</i>					
<u>Projected capital funding outlays**</u>		1,381	1,381	1,381	-
<u>Projected capital expenditure funding***</u>		1,756	1,779	1,723	-
Asset renewal funding ratio %	90%-100%	79%	78%	80%	-
<i>Buildings</i>					
<u>Projected capital funding outlays**</u>		239	239	239	239
<u>Projected capital expenditure funding***</u>		252	252	240	522
Asset renewal funding ratio %	90%-100%	95%	95%	100%	46%
<i>Bridges</i>					
<u>Projected capital funding outlays**</u>		N/A	N/A	N/A	N/A
<u>Projected capital expenditure funding***</u>		N/A	N/A	N/A	N/A
Asset renewal funding ratio %	90%-100%	N/A	N/A	N/A	N/A
<i>Drainage</i>					
<u>Projected capital funding outlays**</u>		50	50	50	50
<u>Projected capital expenditure funding***</u>		0	0	0	0
Asset renewal funding ratio %	90%-100%	0	0	0	0

** Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.

*** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

This ratio measures Council's capacity to fund future asset replacement requirements.

(g) **Asset sustainability ratio**

<u>Capex on replacement/renewal of existing assets</u>		3,501	2,173	3,852	2,210
<u>Annual depreciation</u>		4,080	3,964	3,692	2,892
Asset sustainability ratio %	100%	86%	55%	104%	76%

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

35. FAIR VALUE MEASUREMENTS

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

- Investment in water corporation
- Property, infrastructure plant and equipment
 - Land
 - Buildings
 - Roads, including footpaths
 - Bridges

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

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise land held for resale as disclosed in note 1(e). A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale'.

(a) Fair Value Hierarchy

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

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

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

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

As at 30 June 2014					
	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Land	17	-	19,263	0	19,263
Buildings	17	-	-	12,149	12,149
Roads, including footpaths	17	-	-	55,067	55,067
Bridges	17	-	-	13,369	13,369
Drainage	17	-	-	25,476	25,476
		-	19,263	106,061	125,324
Non-recurring fair value measurements					
Assets held for sale	1(e)	-	465	-	465
		-	465	-	465

Transfers between levels of the hierarchy

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

(b) Highest and best use

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

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

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

Investment in water corporation

Refer to Notes 32 for details of valuation techniques used to derive fair values.

	2014 \$	2013 \$
Opening Balance	40,062,616	39,529,369
Gains (losses) recognised in other comprehensive income:	3,099,658	533,247
Closing Balance	43,162,274	40,062,616

Land

The Council valuation was carried out by the Valuer General, as at 30 June 2011 – based on current market value. The fair value of the land was determined using the market approach.

Land held for sale

Land held for resale is valued at the lower of the carrying amount and fair value less costs to sell. It comprises residential blocks of land in Wynyard and Sisters Beach that is surplus to Council's requirements and is expected to be sold in the next accounting period.

Land under roads

Land under roads has not been fully recognised, refer to note 1(e).

Buildings

The Council valuation was carried out by the Valuer General, as at 30 June 2014 – The most significant input into this valuation approach was based on current market value.

Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential.

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

While the unit rates based valuation by the Valuer General can be supported by market evidence (level 2), the estimates of useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

Infrastructure assets

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives are disclosed in Note 1(d)

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

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

Roads, including footpaths

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban roads are managed in segments of variable length, generally based on urban blocks, while rural roads are managed in variable lengths according to intersections. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 30 cms irrespective of traffic conditions. Where construction is outsourced material and services prices are based on existing supplier contract rates or supplier price lists and for internal construction estimates, CRC is based on the average of completed similar projects over the last few years.

Council have revalued roads at 30 June 2014 at current replacement rates.

Bridges

The Council valuation was carried out by Auspan, as at 30 June 2014 – based on depreciated replacement cost. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure where applicable. The valuation is based on the material type used for construction and the replacement rates.

Drainage

The Council valuation was carried out by Council's Engineer as at 30 June 2012 – based on depreciated replacement cost. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components.

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

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

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value) \$000	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Buildings	\$12,149	Useful life	40 years	The higher the useful life the higher the fair value
Roads, including footpaths	\$55,067	Rate per square metre	\$4.55 to \$165 per m ²	The higher the rate the higher the fair value
Bridges	\$13,369	Tasspan component valuations	\$600 to \$3,510 per m ²	The higher the component value the higher the fair value
Drainage	\$25,476	Pipe dimensions	\$42.30 to \$2,144 per lm	The higher the rate the higher the fair value

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

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 17 (Property, infrastructure, plant and equipment).

There have been no transfers between level 1, 2 or 3 measurements during the year.

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation is set out in note 1(e), 1(i) respectively.

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

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

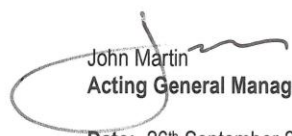
Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. (refer note 31)

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 31 equates to the carrying amount as the carrying amount approximates fair value (level 2).

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

Certification of the Financial Report

The financial report presents fairly the financial position of the Waratah-Wynyard Council as at 30 June 2014, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



John Martin
Acting General Manager
Date: 26th September 2014



Independent Auditor's Report

To the Councillors of Waratah-Wynyard Council

Financial Report for the Year Ended 30 June 2014

Report on the Financial Report

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

Auditor's Opinion

In my opinion Council's financial report:

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

The Responsibility of the 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 my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those

...1 of 2

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

Strive | Lead | Excel | To Make a Difference

risk assessments, I considered internal control relevant to the 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 or the asset renewal funding ratio in Council's financial report.

Independence

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

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

Tasmanian Audit Office



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

Hobart
26 September 2014

...2 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



Waratah-Wynyard Council
PO Box 168
21 Saunders Street
Wynyard Tasmania 7325
Telephone: (03) 6443 8333
Fax: (03) 6443 8383
Email: Council@warwyn.tas.gov.au
Website: www.warwyn.tas.gov.au

