

ANNUAL REPORT

2017/2018



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PART 1

- ABOUT THE COUNCIL



MISSION, VISION AND VALUES

Waratah-Wynyard Council 10 Year Corporate Strategic Plan is founded upon Council's Mission, Vision and Values.

The following Mission, Vision and Values statements describe the principles Council seeks to uphold in the course of pursuing best possible outcomes for the Waratah-Wynyard community. Council's Mission, Vision and Values are embedded throughout the Plan to ensure a high level of strategic alignment.

OUR VISION

To Deliver Innovative, Sustainable Services to our Community through Strong Leadership, Clear Direction and Collaborative Relationships.

OUR MISSION

Building Our Community and Region, Providing Leadership, A Strong Voice; and Delivering Outcomes Based on Value for Money.

OUR VALUES

Respect
Honest
Ethical
Pride
Fairness
Trustworthy

A WORD FROM THE MAYOR AND GENERAL MANAGER

It is our pleasure to present this Annual Report to the community to summarise the performance of Waratah-Wynyard Council over the past year.

Council's vision is to "deliver innovative, sustainable services to our community through strong leadership, clear direction and collaborative relationships" and this report aims to demonstrate how this vision is enacted.

Council has a strong suite of strategic and operational plans that have been developed in recent years. The completion of this document suite and the delivery of these plans has now become the key focus of Council.

Financially, the Council remains in a sound position achieving an underlying surplus of \$430,000 compared to a budget position of \$219,257. Cash assets at the end of the financial year total \$10,549,513 and the total net worth of Council as at 30 June 2018 was \$209,238,518. In recent years, rates increases have kept in line with the Local Government Cost Index, an indicator to reflect cost increases associated with the delivery of Local Government services.

Council spent \$4.9M on capital works during the 2017/18 financial year, focussed largely on renewal of existing infrastructure in line with determined service levels. A number of key projects commenced and will continue into the next financial year including the Wynyard Waterfront Boardwalk and Seawall, Somerset CBD Masterplan works, Goldie Street carpark development and Camp Creek remediation.

It was pleasing to see work completed on the Inglis River walking track and this finally reopened to the community following extensive damage during the 2016 flooding. Flood mitigation studies have commenced to explore all possible preventative measures into the future across all areas of the community. Whilst on the subject of flood prevention, Council worked with a group of 14 farmers on the Flowerdale - Inglis River Catchment area and received funding under the Tasmanian State Governments' Agricultural Landscape Rehabilitation Program to complete a series of projects to undertake river restoration works on 27 sites following the 2016 floods and future floodproof the river through rock armouring, re-vegetation and fencing. The project was very successful and will hopefully lead to long-term benefits for those involved.

Particular highlights from the year have included:

- The development and introduction of the Waratah Community Board, focused on delivery of the Waratah Community Plan, which leads the way for consultation throughout the State.
- For the second year in a row the Wonders of Wynyard took out best Visitor Information Centre category in the Tasmanian Tourism Awards.
- After completing 10 years in a formal resource sharing arrangement with Circular Head Council, a further five-year agreement was signed, seeking to further enhance the benefits from this cooperative relationship.

- The adoption of the Open Sport and Recreation Plan 2017-2027 which provides a significant guide for facilities and recreation over the next decade.

We would like to acknowledge the contribution of Michael Stretton, who left his role as General Manager to embark on a new opportunity. His vision will have an ongoing legacy within Waratah-Wynyard.

We thank the Councillors for their leadership, vision and commitment to Waratah-Wynyard. Councillor Stephen Wright resigned from his position in March 2018 and we thank him for his contributions and wish him well for his future endeavours.

The coming years look to be a very prosperous and exciting time within Waratah Wynyard with a number of plans coming to fruition based on preparatory work completed throughout the past year.

Finally, we would like to thank all employees of the Waratah-Wynyard Council for the hard work, dedication and commitment you have shown during the last year.



A handwritten signature in black ink that reads "Cr R. W. Walsh".

**Cr Robert (Robby) Walsh
Mayor**



A handwritten signature in black ink that reads "Shane Crawford".

**Shane Crawford
General Manager
(from 11 December 2017)**

COUNCIL & EXECUTIVE MANAGEMENT

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.

The Council comprises eight (8) members including the Mayor and Deputy Mayor. Councillor Stephen Wright resigned from his position in March 2018. Due to the timing, no by-election was required, and Council has continued to operate with seven (7) members since this time.

The Council has conducted twelve (12) ordinary meetings for the year, with the Annual General Meeting integrated with the December Ordinary meeting of Council and held at the Wynyard High School. Three (3) Special Meetings of Council were conducted.

30 Councillor Workshops were held to assist in providing direction to the Council by considering and discussing specific topics and issues, including development of the Annual Plan and Budget.

Council remains committed to regional cooperation through its ongoing Resource Sharing arrangement with Circular Head Council and the development of the Sustainable Murchison 2040 Community Plan with the Circular Head, King Island, West Coast and Burnie Councils. Council has an ongoing commitment to exploring shared services with other Cradle Coast Councils and this year commenced an investigation with neighbouring Councils specifically focused on Information Technology services.

The General Manager, along with the Directors and 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 Executive Management Team (EMT), the General Manager ensured the operations of Council were undertaken in accordance with legislative requirements and Council policies. Activities included implementation of Council's funded actions as described in this Annual Report, the pursuit of economic development and expansion opportunities and regular site visits to businesses in the municipal area with the Mayor.

MAYOR AND COUNCILLORS PROFILES



Robby Walsh
Mayor



Mary Duniam
Deputy Mayor



Maureen Bradley
Councillor



Gary Bramich
Councillor



Darren Fairbrother
Councillor



Kevin Hyland
Councillor



Alwyn Friedersdorff
Councillor



Stephen Wright
Councillor
Resigned 26 March 2018

COUNCIL COMMITTEES AND REPRESENTATIVES

Councillor	Committee
Mayor Robby Walsh	Cradle Coast Authority Local Government Association of Tasmania Conference TasWater Emergency Management Committee Tourism Special Committee Bush Watch Western District Committee
Deputy Mayor Duniam	Australia Day Committee Cradle Coast Authority Local Government Association of Tasmania Conference Resource Sharing Committee TasWater (Proxy)
Cr Bradley	Australia Day Committee State Emergency Service Local Unit Liaison Representative
Cr Bramich	Recreation Advisory Committee
Cr Fairbrother	Coastal Pathway Working Group Masters Games Working Group (2017)
Cr Friedersdorff	Children's Services Advisory Committee Recreation Advisory Committee
Cr Hyland	Coastal Pathway Working Group Waratah Community Board
Cr Wright	Australia Day Committee

COUNCILLORS ATTENDANCE AT MEETINGS & ALLOWANCES

COUNCILLORS ATTENDANCE

Ordinary Council Meetings are held on a monthly basis whilst Councillor Workshops are generally held on a weekly basis throughout the year.

The following table details the attendances of the Mayor, Deputy Mayor and Councillors at meetings and workshops in 2017/18:

	Ordinary Meetings (12)	Special Meetings (3)	Workshops (30)
Mayor Robert Walsh	11	3	27
Deputy Mayor Mary Duniam	11	3	26
Cr Maureen Bradley	10	3	26
Cr Gary Bramich	12	3	27
Cr Darren Fairbrother	12	3	29
Cr Alwyn Friedersdorff	10	2	27
Cr Kevin Hyland	9	2	15
Cr Stephen Wright (resigned 26/3/18)	6	2	7

MAYOR, DEPUTY MAYOR & 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:

	Councillor Allowances	Communication Allowance	Travel Expenses
Mayor	51,389	1,000	0*
Deputy Mayor	28,631	1,000	925
Councillors	84,403	5,750	1,758
Total	164,423	7,750	2,683

*Mayor provided car for use whilst on Council business.

EXECUTIVE MANAGEMENT TEAM



Shane Crawford
General Manager



Daniel Summers
Director Infrastructure &
Development Services



Tracey Bradley
Director Corporate &
Community Services



Paul Smith
Director Strategic &
Financial Services
*(Left Employment 18 May
2018)*

ENTERPRISE POWERS AND ANNUAL REPORT

The positions comprising Council's Executive Management Team and their incumbents at 30 June 2018 are as follows:

Position	Name
General Manager	Michael Stretton (1/7/17 - 13/10/17)
General Manager	Shane Crawford (from 11/12/17)
Director Strategic & Financial Services	Paul Smith (1/7/17 - 18/5/18)
Director Infrastructure & Development Services	Daniel Summers (employed by Circular Head Council and Resource Shared 0.5/0.5)
Director Corporate & Community Services	Tracey Bradley (Resource Shared to Circular Head council 0.8/0.2)

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 detailing total annual remuneration paid to Council employees who hold positions designated 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.

Annual remuneration	No of Employees
\$ 80,000 - \$100,000	1
\$120,000 - \$140,000	1
\$140,000 – \$160,000	2

Two Director positions form part of a resource sharing arrangement with Circular Head Council with Waratah-Wynyard Council. The amounts above are based on full time equivalent positions and do not reflect any resource sharing arrangements in place.

Council has the following breakdown of Full Time Equivalent employees (FTE) by department (as at 30 June 2018)

Department	Number of Staff	FTE	Male	Female
General Manager	3	3	2	1
Corporate & Community Services	20	14.34	4	16
Children's Services	22	15.37	0	22
Infrastructure & Development Services	50	45.02	39	11
Strategic & Financial Services	9	7.41	4	5
Total	104	85.14	49	55

RESOURCE SHARING WITH CIRCULAR HEAD COUNCIL

Circular Head and Waratah-Wynyard Councils initiated Resource Sharing in 2008. In May 2018 the formal Resource Sharing Agreement was extended for a further five-year period. The Resource Sharing arrangement helps both Councils to:

- Secure future viability for their communities;
- Deliver better and relevant services to the community;
- Retain their own unique identity;
- Maintain final decision making with each Council;
- Be proactive and choose alliance with "like minded players" with similar objectives to fully resource share;

- Make long term cost savings to spend on much needed projects and resources;
- Develop economies of scale;
- Attract skilled staff

As at June 2018 there were 18 positions shared to varying degrees across the two councils. Both Councils continue to pursue strategic tasks and projects simultaneously. Workforce Planning and policy development are areas that benefit from a combined approach. The scope of resource sharing activities includes: -

- Sharing staff
- Integrated strategic and operational planning
- Joint procurement and Shared contract management
- Sharing of plant and equipment
- Consistent policies and procedures

Resource Shared positions are shown in the following table:

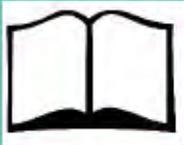
DIRECTORATE	POSITION
Infrastructure & Development Services	Director Infrastructure & Development Services
	Manager Engineering & Projects
	Manager Asset & Services
	Asset Service Levels Developer
	Manager Development & Regulatory Services
	Graduate Civil Engineer
	Future Projects and Delivery Coordinator
	Engineering Projects Co-ordinator
	NRM Officer
Plumbing Compliance Officer	
Corporate & Community Services	Director Corporate & Community Services
	Manager Corporate Services & Risk
	Manager Community Activation
	IT Co-ordinator
	HR Co-ordinator
	Health and Safety Officer
	GIS Co-ordinator
Strategic & Financial Services	Communications Officer

PART 2

- REPORTING PERFORMANCE



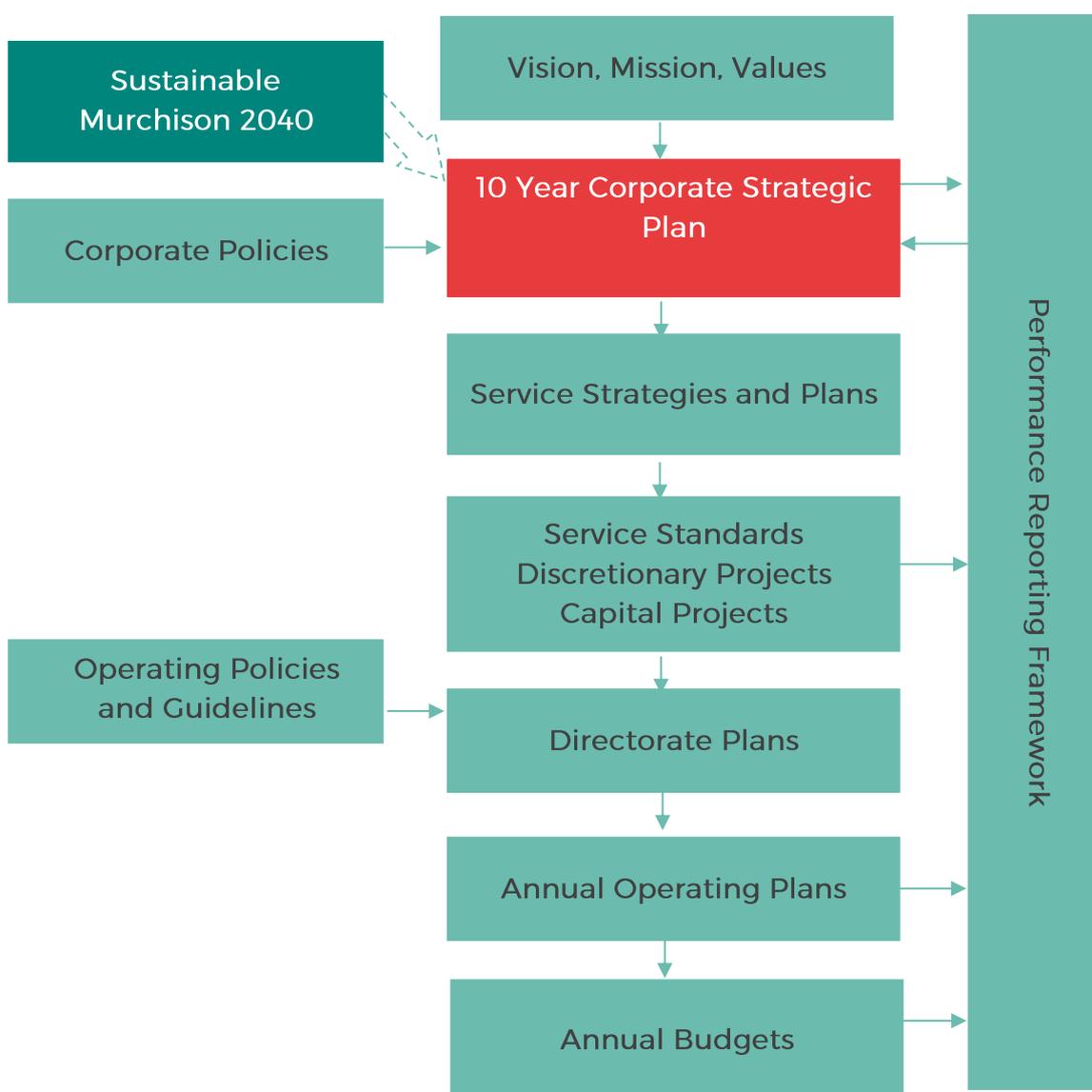
In 2017/2018 Waratah-Wynyard Council services included:

<p>Infrastructure</p> <p>Boosting retail opportunities with \$690,000 spent on Somerset CBD Masterplan works</p> 	<p>Sporting Facilities</p> <p>Upgrades to basketball centres in Wynyard and Somerset. New irrigation system for the Wynyard Showgrounds</p> 	<p>Education</p> <p>Promoting quality children's education and care at Warawyn Early Learning Centre with development of a Reconciliation Action Plan</p> 
<p>Community Services</p> <p>More than \$50,000 to local organisations through Community Activation Grants</p> 	<p>Roads</p> <p>\$870,896 spent on re-sheeting resealing of council roads</p> 	<p>Parks and Gardens</p> <p>Over \$1 million spent on Camp Creek Remediation and Inglis River Walking Track upgrade.</p> 
<p>Planning and Building</p> <p>174 planning permits issued, while 69 building approvals were granted for projects with a total value of \$17 million</p> 	<p>Tourism</p> <p>Over 18,000 attendees at the annual Tulip Festival, with more than 100,000 visitors in total</p> 	<p>Environmental Health</p> <p>More than 90 registered food businesses issued with Temporary Food Premises Permits</p> 
<p>Customer Service</p> <p>Enhanced customer service with introduction of new phone system</p> 	<p>Waste</p> <p>Reduction of nearly 245 tonnes of waste sent to landfill from the previous year</p> 	<p>Animals</p> <p>2022 dogs registered in 2017/18</p> 

COUNCIL'S STRATEGIC PLANNING FRAMEWORK

Waratah-Wynyard Council's 10 Year Corporate Strategic Plan is a shared vision that will inform Council's actions over the next ten years. It gives Council a strong foundation from which to create and deliver more detailed service and management strategies, and to engage with the community and other stakeholders in identifying future priorities.

The Corporate Strategic Plan is not a static document. It will be periodically reviewed in accordance with Council's Performance Reporting Framework and in the context of emerging drivers of change to ensure Council continues to deliver best outcomes to its community.



ANNUAL PLAN ACTIONS

Key Focus Area 1 – Leadership and Governance

KEY PROJECT – Increase awareness of the Sustainable Murchison Community Plan 2040 (the plan)

Council continues to promote the Sustainable Murchison Community Plan 2040 at every opportunity. Each project and report developed must align to the strategic objectives of the Plan and is listed in the Council meeting agenda and minutes. The Plan is used as a reference when developing Strategic Projects, in funding applications and in Regional development discussions.



Geografi

Waratah-Wynyard Council will deliver an openly transparent, inclusive, community-focused governing body. We will pride ourselves on a strong sense of belonging and fairness based on trust, honesty and approachability.

Action	Comment
Implement Council's Highway, Public Reserves, Parking & Stormwater By-Law.	A comprehensive plan has been developed to implement the by-law. In relation to freedom camping, Council have committed to having appropriate signage, rules and enforcement procedures in place in preparation for the high tourist period next summer. Other aspects of the by-law may be able to be enacted prior to this date.
Promote and increase public awareness of the Sustainable Murchison Community Plan.	The Murchison Plan was promoted as a strong element of the Council re-branding process and has been reflected in the new brand itself. Presentations were made to the RDA Economic Forum and Planning Institute of Australia annual conference on the Sustainable Murchison Plan. Actions that align to the plan will be promoted throughout communications. The plan has been the focus of discussion with State and Federal politicians.
Lobby for improved telecommunications across municipal area.	Sisters Beach and Takone black spots have now been resolved. No current plans to pursue any further improvements at this time, however multiple sites have been added to the Federal database for consideration in next round of funding.
Ensure regular meetings are held with relevant State and Federal Ministers on matters of importance.	Significant number of meetings held with State and Federal politicians throughout the year.
Develop effective regional collaborative governance particularly in respect to the implementation of the Sustainable Murchison Community Plan 2040.	New General Managers at Circular Head, Waratah-Wynyard and King Island, in addition to existing General Manager at West Coast have agreed to develop a detailed action list emanating from the Sustainable Murchison Community Plan. Resourcing options to deliver the plans are currently being discussed.
Drive organisational change to develop the preferred Constructive organisational culture.	Cultural Development program continuing to be implemented across the organisation. The Continuous Improvement (CI) Board process has been introduced at the Works Depot. Whole of Council cultural development day held in October. Cross functional work teams exploring improvements.
Continue the Council's leadership development program.	Program commenced 27 February 2018 and progressing well.
Promote Customer Service Standards.	Draft Customer Service Charter and Standards have been developed with a view to adopting early in the new financial year.

Action	Comment
Improve the Integrated Strategic Asset Management Plan (SAMP).	Update of renewals program. Draft list of Strategic projects produced for prioritization with the Strategic Asset Management Plan 10-year forecast.
Continue development of Service Level Standards.	Out of hours callout review progressing. Service level discussion now occurring at Joint EMT level on monthly basis. Priority areas have been developed for future action.
Implement and refine the Corporate Communications and Social Media Strategy including marketing, engagement consultant and other communication activities.	Communications Officer has completed community engagement training IAPP, along with other Governance staff involved in corporate strategy and policy. Review of effectiveness of the Corporate Communications and Social Media Strategy has commenced.
Improve the Long Term Financial Plan(LTFP).	Significant progress has been made to update and improve the LTFP. It is expected to be presented to Council later in 2018.
Establish best practice asset valuation and depreciation methodologies.	Draft guideline on "Valuing public infrastructure at current replacement cost" have been sourced from the Queensland Audit Office. Initial workshop with Circular Head Council has produced a first draft of an asset categorisation and valuation model.
Undertake modelling of the application of differential rating under a Capital Improve Value valuation model.	The project unlikely to proceed as the benefits of changing have not been proven.

Key Focus Area 2 – Organisational Support

KEY PROJECT – Resource Sharing Arrangements



Waratah-Wynyard and Circular Head Councils renewed their Resource Sharing agreement which will run for 5 years expiring on the 30 November 2023. The agreements were passed unanimously by each council.

This year will mark 10 years since the first resource sharing agreement was reached between the two councils. A review completed in November 2016 by the University of Technology Sydney highlighted the advantages of the resource sharing arrangement to each community.

The 2016 review found resource sharing is saving an estimated \$573,425 per year through the utilisation of shared staff.

Waratah-Wynyard Council will provide relevant information, training and development to our people in a timely manner, supporting great leadership to deliver services to the community.

Action	Comment
Investigate developing a Health and Wellbeing Plan in conjunction with Circular Head Council and Live Well Tasmania.	The joint Waratah-Wynyard and Circular Head Councils Draft Health and Wellbeing Plan has been completed. A joint meeting will be held in August to progress endorsement of the Plan for community comment. The public consultation phase and Council adoption of the final plan will be completed in 2018.

Action	Comment
Investigate new IT solutions for e-learning for staff and contractors.	Online induction completed for all contractors, induction information now held electronically within the system. Insurances now transferred from manual system to electronic system. All training details now entered for Childcare with training to complete. Draft online employee induction prepared and out for consultation and review with implementation in first quarter 2018/2019.
Finalise implementation of a common email platform with Circular Head Council.	The scope of works for this project is completed and implementation time frames and milestones are underway. Implementation is pending for completion in 2018.
Update HR policies under adopted HR Framework.	Three policies have been adopted and implemented including Workforce Behaviour, Flexible Working Arrangements and ICT Management Policy. There are a further nine policies drafted under the adopted HR Framework which have been scheduled into a consultation phase.
Delivery of Training Register and Performance Reviews.	All training data from the Depot collated into online system. All childcare staff training details implemented.
Commence development of Workforce Development Plan.	To be progressed with new commencement date of 1 July 2018. Work to be undertaken in conjunction with Circular Head Council.
Complete Stage 2 of the refurbishment of the Council Administration Building.	Refurbishment project finalised and completed.
Implement the recommendations from the review of resource sharing arrangements with Circular Head Council.	Resource sharing implementation plan developed by the combined EMT and is progressively being implemented. Document reviewed at monthly joint EMT meetings.
Continue implementation of the Council's Continuous Improvement Program using 'LEAN' principles as the key continuous improvement tool.	LEAN Training continuing to be rolled out across the organisation. Continuous Improvement Board process has commenced at the Works Depot and is being managed by the Director Infrastructure and Development Services.
Implement a common document management software solution with Circular Head Council.	Implementation has progressed to the data migration stage with System Go Live scheduled for early November 2018.
Continue the digitisation of historical records.	Back Scanning project complete. Information Management Team are continuing to back scan outstanding documentation in house. Continuing to assess appropriate document imaging options for digital storage.

Action	Comment
Undertake a review of the Chart of Accounts to develop a more effective activity costing system.	Redevelopment of the Chart of Accounts has been deferred to coincide to a commitment to upgrade the Finance System and the development of a list of services. Funding for 2017/2018 was redirected to the implementation of the Enterprise Content Management system.
Review the overhead allocation methodology based on a focus of direct costing through internal agreements.	Deferred. To be scheduled to occur concurrently with the review of the Chart of Accounts.
Undertake business process reviews and implement electronic workflows.	Civica Health checks completed. Further work deferred as a result of funding being redirected to Enterprise Content Management system implementation.
Undertake a re-implementation of the Financial Software platform.	Deferred. Needs to proceed concurrently with Chart of Accounts and Overhead Allocation review.

Key Focus Area 3 – Connected Communities

KEY PROJECT – Coordinate social events to leverage the Australian Masters' Games and the Gone Nuts Adventure Run

Tasmania's Gone Nuts 101 Adventure Run was held on Saturday March 3, 2018. The 101km race started at Stanley, the 50km race at Rocky Cape and the 25km at Boat Harbour Beach. All races finished in Gutteridge Gardens Wynyard.

A total of 556 competitors put their hands up to 'Go Nuts' this year - bringing close to 2,000 family, friends and support crew into the region. The race built on its interstate popularity since the inaugural event in 2017 – with a 45% increase in interstate entries and seven international entries. The event provided significant economic benefit for the region – with 845 paid bed nights and an estimated spend of approximately \$150,000.

This year's 101 race winner was Wataru Iino, from Japan and his feedback promises some great international reviews and a growing popularity on the International Trail Running circuit.

“Great views and great people. I have raced in many major events all over the world, but Gone Nuts is as amazing as any.”



Waratah-Wynyard community members will feel a sense of inclusion, belonging and value within a thriving, innovate and diverse population. They will be actively engaged in developing Council facilities, services and programs, and will be encouraged to provide input to planning for community needs.

Action	Comment
Investigate sustainability of small Early Years Program.	The early years programs at Waratah and Yolla have been officially closed post the adoption of a report to Council.
Deliver Early Years Programs consistent with the National Quality Framework.	All services currently rated as exceeding the National Quality Framework.
Facilitate Community Safety and Wellbeing Group.	The group has declined in membership however promotion of health and wellbeing has been facilitated through social media and member networks.
Review Waratah-Wynyard Council Social Recovery Plan.	Waratah-Wynyard, Burnie City and Circular Head Councils have completed a review of the plan and developed a joint Social Recovery Manual. The Manual will be formally adopted by the Western Emergency Management Committee in August 2018.
Coordinate social events to leverage the Australian Masters' Games and the Gone Nuts Adventure Run.	The Tulip Festival Cocktail Party was held on the 27 th October to involve the Masters' Games participants. The Gone Nuts After Party was well attended and assisted in this event attracting additional visitors to the area in addition to competitors.
Support the ongoing development of the 'Colours of Wynyard' Festival.	The Tulip Festival success was enhanced by the changes to the layout of the event, positive responses to the range of entertainment and the experienced volunteer team. The number of participants was again high consistent with crowds from other years.
Support the Waratah-Wynyard Youth Leaders Program (WWYL) and undertake coordination of Waratah-Wynyard Youth Leaders Program.	There are currently ten WWYL members in the team. WWYL members participated this year in a Leadership Camp and also a state-wide health and wellbeing forum. WWYL also held a Glo Party at Wynyard High School and participated in a range of other community activities. Members have also developed a program of activities for the 2018/2019 year.
Progressively implement the Inclusive Ageing Strategy.	The Inclusive Ageing Strategy has been implemented through a range of activities. The Strategy will be superseded by the Age Friendly Community Plan which is currently being drafted for adoption in the next financial year.

Action	Comment
Review the Youth Strategy and progressively implement recommendations.	The draft Youth Strategy has been completed. A joint meeting of the Councils will be held in August to consider endorsement of the plan for community comment. The public consultation phase and Council adoption of the final plan will be completed in first quarter of 2018/2019.
Investigate opportunities for online access to booking and payments for facilities.	Research continues to determine the most efficient and cost-effective booking system for facilities that link with Council's current systems. An allocation has been made in the 2018/2019 budget to purchase the chosen software.
Investigate the establishment of Community Health and Wellbeing Hubs in Wynyard.	Investigations have been completed and the organisational structure of the community hub developed. The process to securing an appropriate location was delayed as negotiations were undertaken with a potential funder of the project. Negotiations have recommenced, and a suitable site could be announced in August pending the outcome of discussions.
Develop communication plan for key strategic documents.	New template has been developed. To be progressively rolled out for existing and new projects. Plans yet to be populated.
Develop local provisions for the Tasmanian Planning Scheme.	Draft of the local provisions schedule – review of the zones – this action is rolled forward to the next financial year.

Key Focus Area 4 – Community Recreation and Wellbeing

KEY PROJECT – Open space, Sport & Recreation Plan 2017-2027 – BMX track upgrades

Work has commenced on the planning for the upgrading of the Wynyard BMX track, which is a key component of the Frederick Street Masterplan.

The BMX Club has been leading the charge and working closely with Council to develop plans and grant applications to obtain funding for the works. The project aims to achieve:

- The recommendations of the Open Space, Sport & Recreation Plan, to develop the BMX track as a regional facility
- a safer and national standard track
- a track that is easier and more economical to maintain
- increased participation
- more local, regional, state and national events
- increased community benefits through partnerships with the State and Federal Government and Council to upgrade Wynyard BMX Park to meet the needs of approximately 200 members.



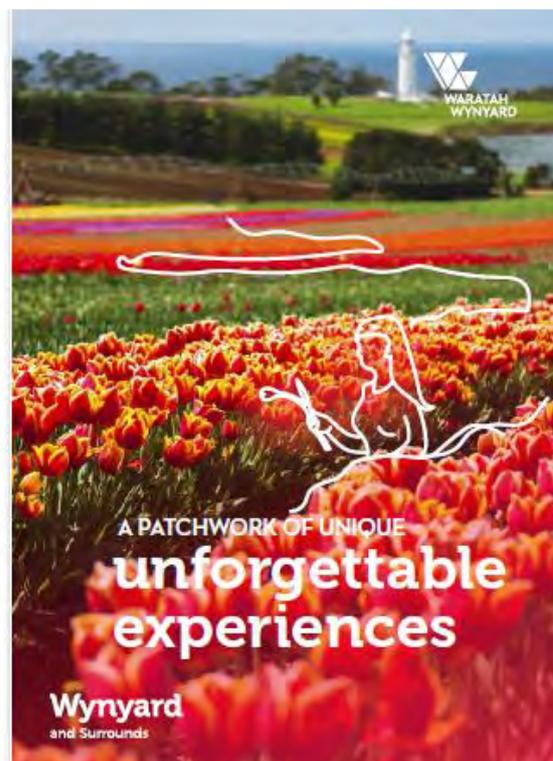
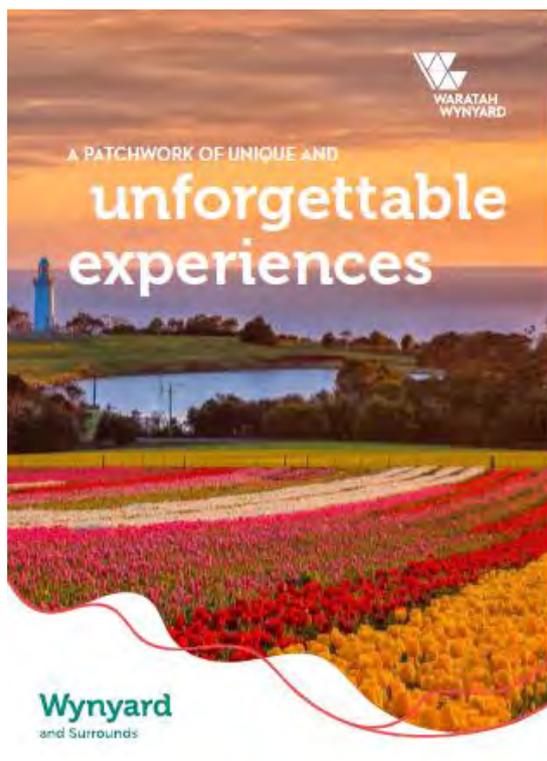
Waratah-Wynyard will be a healthy community with access to more recreational choices in safe and welcoming environments. The community will enjoy programs and recreational spaces that are inclusive, thriving and energetic, and will have access to high quality facilities, services and equipment.

Action	Comment
Continuation of Council's Public Art Program.	The public art program has supported the refurbishment of the mosaic cows in the CBD. Also, a tile mural at 26 Goldie Street has been proposed and is subject to funding being received from Arts Australia.
Deliver the Council's Healthy Community Program (e.g. Walking Wynyard)	A range of activities were held as part of the Healthy Community Program including Wynyard hosting Australia's first World Tai Chi event in Gutteridge Gardens, a workshop on addictive behaviors held in Wynyard, the walking Wynyard activities and support for the community garden.
Continue staged implementation of the Waratah-Wynyard Open Space, Sport and Recreation Plan and progress Sport and Recreation Precinct Masterplans in Somerset and Wynyard.	OSSR Plan endorsed by the Council at its September meeting. Internal working group meeting regularly to progress plans. Somerset masterplans being reviewed. The 2018/2019 Capital Budget includes a range of OSSR projects.

Key Focus Area 5 – Economic Prosperity

KEY PROJECT: Progressively implement a rebranding of the Council to align the corporate and destination marketing brand for Waratah-Wynyard.

The destination marketing brand has now been developed in line with Council’s Branding Strategy. New signs have been designed, promotional materials updated, and new marketing strategies developed around the “Diversity in Abundance” theme.



Waratah-Wynyard will have a sustainable economy that creates jobs and delivers long-term regional and local benefits which are environmentally aware and improve liveability

Action	Comment
Review of recommendations of the Destination Priorities Plan 2017.	The recommendations of the Destination Priorities Plan were reviewed, and work was undertaken to develop the Waratah Promotions Plan. This plan was developed through community consultation specifically targeting the tourism market ad potential in Waratah. The Waratah Tourism Association was formed to progress the priorities. The Tourism Development Coordinator continues to work with the Waratah Tourism Association.

Action	Comment
Implement the Wonders of Wynyard Interactive Interpretative Project.	Touchscreens will be delivered in early July. Videos have been developed by a production team and the first draft will be completed in early July.
Continue to develop and promote the Wonders of Wynyard Exhibition Centre as a significant regional tourism attraction.	WOW has participated in numerous promotional activities during the year some of the highlights being: <ul style="list-style-type: none"> • Wynyard Exhibition Centre as a significant regional tourism attraction; • TV Southern Cross – Winter special; • Australian Tourism Awards finalist; and • Tasmanian Cruise Exchange
Maintain membership of, and active involvement in, Cradle Coast Authority tourism structure.	Work undertaken with CCA includes Western Wilds project, Loo with a View, Cruise Ships and regional maps.
Support the implementation of Tourism Destination Action Plan.	The Wynyard Tourism Destination Action Plan group has attracted limited membership. Recommendations however are being progressed including the Loo with a View project proposal, the monitoring of social media/review sites is underway for reporting and the all ability playground equipment.
Pursue economic development and expansion opportunities that will be beneficial to the community.	Part 5 agreement for Woolworths development initiated. Central Area Development Plans nearing finalisation. Goldie Street carpark constructions has commenced.
Explore opportunities to redevelop existing public land holdings to create prime residential opportunities to encourage population growth.	A list of potentially surplus land has been compiled through the OSSR Process. In addition to the Council's current land holding in Hales Street and Serrata Crescent this land will be appropriately redeveloped as opportunities arise in the future.
Establish a visitation program between business and Council.	The Mayor and General Manager (GM) have visited a number of clubs, associations and businesses. Activities are listed each month in the Council Agenda. The Mayor and GM will continue with this program.
Progressively implement a rebranding of the Council to align the corporate and destination marketing brand for Waratah-Wynyard.	New Council branding strategy and destination marketing strategy approved by Council at its September Council meeting. Work to progressively implement the brand internally and externally have commenced.
Develop a multi-disciplinary in-house team to facilitate and guide developments through the approval process.	Team composition has been determined and the first meeting held in March 2018.

Action	Comment
Explore opportunities to expand training undertaken by Council to incorporate local businesses.	There is an initial business database which could be used to identify potential participants for available training places. A comprehensive training course schedule, and an indication of available vacant places from HR is required to proceed.
Develop an evidence-based economic development plan, consistent with regional economic growth opportunities and establish an effective Economic Development Advisory Group.	Preliminary consideration given to the composition of an Economic Development Advisory Group which is yet to be formed.
Assess the feasibility of the expansion of industrial land east of the Airport.	Stakeholder discussion have occurred in relation to potential industrial locations, design and access. In principle agreement from TasWater. Ready to proceed with finalisation of transfer of ownership once TasWater is ready.
Complete the Boat Harbour Beach Foreshore Development Plan, including the development of an implementation plan.	Draft Report has been completed however, following a workshop held with Councillors on 28 May to present and discuss initial concepts. The plan was placed on hold until a policy on Freedom Camping at Boat Harbour Beach is resolved.
Develop a financial impact model to assess the effect of new development on existing infrastructure.	Deferred. No progress made.

Key Focus Area 6 – Transport and Access

KEY PROJECT - Collaborate with the Department of State Growth and support upgrades to Bass Highway junctions behind Wynyard.

Council continues to collaborate with the Department of State Growth on the Bass Highway Junction safety upgrades. The Reservoir Drive intersection has been completed with the Calder Road Intersection expected to be completed by the end of December 2018.



Waratah-Wynyard's roads, traffic management and infrastructure will be sustainable and fit for purpose, facilitating the transport of goods and enabling people to undertake their daily activities.

Action	Comment
Advocate for completion of study into duplication of the Bass Highway between Burnie and Wynyard.	State Government have commenced project with final report expected late 2018.
Collaborate and support upgrades to Bass Highway junctions behind Wynyard in conjunction with the Department of State Growth.	Reservoir Drive Wynyard, works have been completed, with work now starting on the Calder Road Junction round-a-bout.
Implement the outcomes of service levels for sealed and unsealed road network.	Surplus grader disposed. Works programming being undertaken in accordance with adopted service levels.
Identify priority access for freight (including development of heavy vehicle routes and bridge infrastructure.)	Coordinated approach being undertaken with relevant stakeholders.

Key Focus Area 7 – Environment

KEY PROJECT – Completion of waste compactor installation at the Waste Transfer Station.



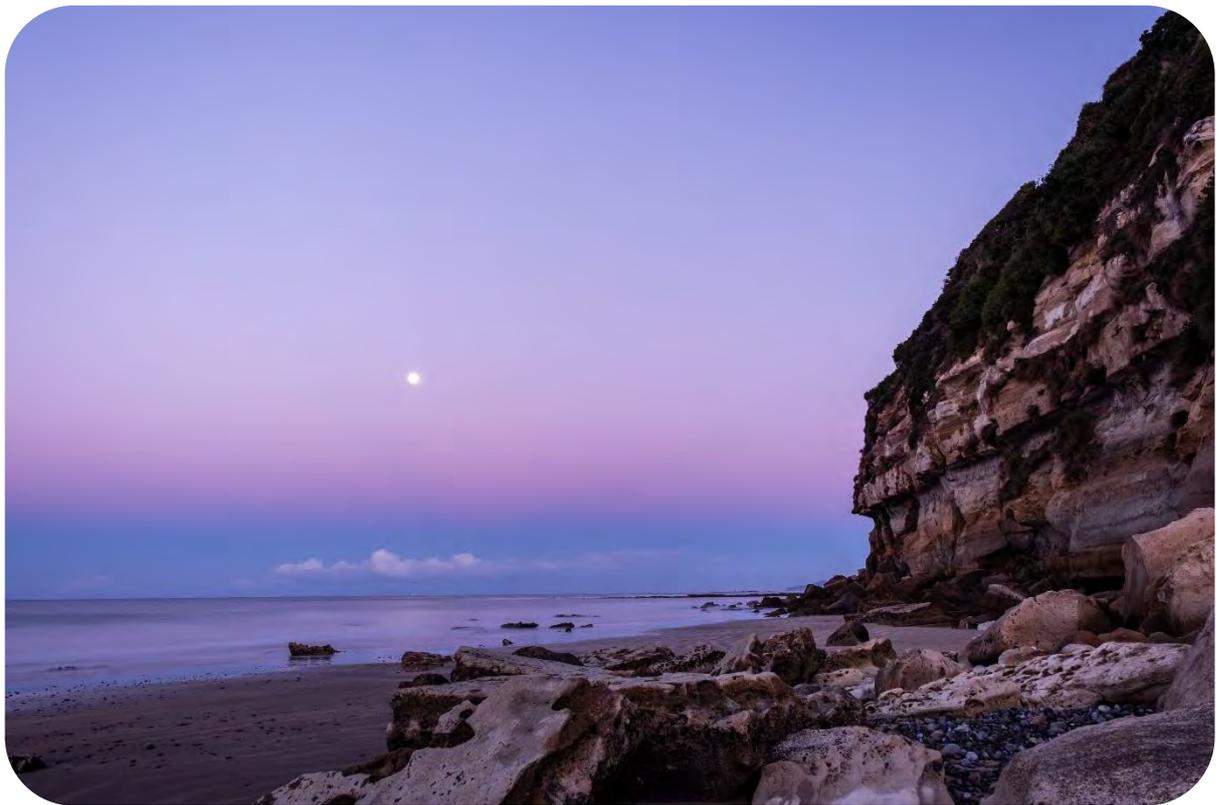
The installation of Council's new compactor means that transport costs to Port Latta have been reduced due to less volume of trash due to compaction. Other cost reductions as a result of the new compactor include the number of trucks and skips required to cart rubbish, less man hours to cart rubbish, less down time more efficient use of Council resources.

Waratah-Wynyard will be an environment where green meets blue, where natural beauty and heritage values are appreciated and managed through best practice. The natural environment will be shared and enhanced through sustainable development.

Action	Comment
Actively participate in the development of the Tasmanian Planning Scheme.	All obligations met in this regard.
Complete Flood Mitigation Studies for Big Creek and Port Creek.	Consultants have completed relevant studies and presented to Council. Further reports to Council will be provided in late 2018 recommending actions and required resourcing.
Pursue implementation of strategies included within the Council's adopted Waste Management Strategy.	Completion of waste compactor installation at the Waste Transfer Station to reduce transport to landfill costs.
Complete catchment analysis for the creation of Stormwater management plans pursuant to the Urban Drains Act 2013.	Cotton Street, Wynyard is being analysed as a priority with mitigation options investigated for catchment diversion.
Pursue implementation of strategies included within the Cradle Coast Waste Management Strategy.	New officer from WWC now attending Cradle Coast Waste Management Group meetings. Council has responded to requests and tasks as required. General Manager receives regular updates from Cradle Coast Waste Management Group.

PART 3

- STATUTORY REPORTING REQUIREMENTS



JOINT AUTHORITIES

Under Section 30 (1) *Local Government Act 1993* Waratah-Wynyard Council participates in a joint authority with the Cradle Coast Authority and TasWater. The following reports provide a summary of activities, budget and performance of Cradle Coast Authority and TasWater during the 2017/2018 financial year.

Cradle Coast Authority Report 2017/18

Cradle Coast Authority (CCA) was established by the nine Cradle Coast Councils to develop a vibrant, capable and resilient region through effective collective action. CCA, through its economic development, tourism and NRM teams, is making the region an ever-better place to live, learn, visit and invest.

In 2017/18, Waratah Wynyard Council invested \$107,563 into CCA which in turn has been matched by co-investments of \$744,781 from local government - for regional and economic development; \$317,500 from State Government - for the development of the region's visitor economy; and \$1,740,987 from the Commonwealth and State Governments - for natural resource management. The CCA secured \$277,000 in additional Government grants and more than \$50M in Government investment.

A highlight for 2017/18 was the Australian Masters' Games; attracting more than 5,000 visitors to the region. More than 1,000 community volunteers received accredited training from UTAS; a legacy for future events. The Games brought more than \$8M in direct economic benefit to the region along with the invaluable benefit of showcasing the Cradle Coast to interstate and international visitors.

Regional economic development activities in 2017/18 built on CCA's engagement and consultation with the region's businesses and industry to understand the barriers and opportunities to growing the Cradle Coast economy. With an \$80,000 co-investment from the Australian Government, CCA in partnership with the Regional Australia Institute, embarked on a detailed review of the current and emerging opportunities. The project involved discussions with council leaders, business and industry representatives, education and healthcare sectors. The project is nearing completion and will identify actions to prepare the region to respond to and prepare for new business and community needs.

The coastal pathway joining Latrobe through to Wynyard is now very close to a reality. CCA, with assistance from Councils, managed a detailed engineering investigation addressing outstanding issues that prevented further Government financial assistance. As a result, both the Federal Coalition and Labor parties have committed an additional \$4.8M for completing sections of the pathway between Sulphur Creek and Latrobe.

In May, CCA secured an additional \$30M in Australian Government funding for the Cradle Mountain Master Plan bringing the total public investment in the project to more than \$75M.

CCA, along with Kentish Council, continues to contribute to the cross-government heads of agency steering group to bring the project to fruition as quickly as possible given its importance to growing the region's visitor economy.

Tourism is an increasingly significant contributor to the region's prosperity representing around 5% of the regional economic activity including more than 3,800 jobs. Tourism and the visitor economy support traditional business within accommodation and hospitality but also more broadly services that support visitors including retail, health and automotive service business. During 2017/18, CCA launched a new digital marketing strategy that is engaging with potential visitors to the region in novel and innovative ways. A number of CCA's digital campaigns have been picked up by Tourism Tasmania and Tourism Australia extending the region's reach to larger audiences and markets.

CCA invested \$2.3M in natural resource management (NRM) within the region during 2017/18. CCA's NRM team is supporting the conservation of our productive landscapes with crop demonstration trials and an agri-business lead initiative, Soil First, aimed at conserving and protecting the region's precious soils as assets underwriting Cradle Coast's agricultural productivity. Flood recovery support and assistance continued in the Mersey and Flowerdale River catchments with riparian revegetation and site remediation. A Discovery Ranger Program delivered 25 community and school sessions engaging 1,088 people at 12 locations with environmental messages on marine debris, shorebirds and invasive weeds. Maintaining our region's environmental resources is increasingly important for our visitors and the Cradle Coast's increasingly recognised brand. Another successful Macquarie Harbour clean-up was conducted with support from industry, community and government.

In May 2018, Councils approved amendments to CCA's Rules providing for the appointment of two mayors and a general manager to the Board. In addition, to improve the alignment and delivery of NRM and tourism functions to the region, the Chairs of the NRM and Tourism Committees will also join the Board.

In August 2017, a new Corporate Plan was approved which provides the CCA with a clear and focused suite of activities to address current and emerging issues and gaps that have been barriers to the betterment of the region's economic and social prosperity.

Looking forward, CCA will engage with our businesses and industries to find ways to help them do what they do better. We will help our educational institutions to ensure our young people develop the skills they need for the current and emerging employment opportunities. CCA will work with business in the visitor economy to ensure our guests have the best experiences and reasons to return. We will ensure that our productive and natural landscapes remain internationally significance and support the Cradle Coast brand of clean, green and pure.

Brett Smith
CEO Cradle Coast Authority

TasWater

TasWater is an incorporated company providing water and sewerage services to homes and businesses across Tasmania. It was established under the Water and Sewerage Corporation Act 2012 and is owned by 29 Tasmanian councils (including Waratah-Wynyard Council) who receive returns through dividends, tax equivalent payments and loan guarantee fees.

In its fifth year of operation (2017-18) TasWater recorded significant improvements across the core business areas of water quality and service delivery, sewage compliance and sewerage service delivery while achieving industry-leading innovations in the areas of water quality testing and field operations.

TasWater delivered a total of \$164.2 million in capital improvements across the state with a particular focus on removing Public Health Alerts from regional towns. Another 14 PHAs were removed in 2017-18 with the remainder to be removed by August 2018.

TasWater spent a large part of the financial year defending its record and performance following a proposed State Government takeover. An Upper House Select Committee found the case for a change in ownership had not been made and the proposed takeover was rejected by the Upper House in November 2017.

A Memorandum of Understanding (MOU) was signed between the State Government, TasWater's Owners' Representative Group and TasWater in May 2018. Subject to approval by councils and parliament, the implementation of the principles set out in the MOU will bring the ownership debate to an end with TasWater remaining a corporation governed by an independent, skills-based board with a continued focus on customer affordability and service reliability. The State Government will in turn inject \$200 million in equity into TasWater over the next 10 years and will become a 10 per cent shareholder in the business by the end of the period.

In May 2018 TasWater welcomed the final determination of the Tasmanian Economic Regulator (TER) on its third Price and Service Plan (PSP3) for the period 1 July 2018 to 30 June 2018. PSP3 was prepared after extensive community consultation and input from key stakeholders and provides a blue-print for delivering on three key priorities:

- Protecting the health of TasWater customers by ensuring drinking water is clean and safe
- Protecting the safety of Tasmanian communities and the security of their water supply by investing in dam safety improvements
- Reducing TasWater's impact on the environment by upgrading sewage treatment plants to meet the compliance standards set by the EPA.

Final approval of PSP3 was received in late June 2018 with most of TasWater's proposals for the next three years accepted.

TasWater's net profit after tax for the 2017-18 financial year was \$42.7 million compared to a budgeted result of \$34.7 million.

Stuart Carless
Stakeholder Engagement Manager

Ombudsman's Investigations

There were two formal investigations completed in the 2017/18 financial year.

Enterprise Powers & Annual Report

Section 21 and Section 72(1)(ca) of the *Local Government Act 1993*
The Council has not resolved to exercise any powers or undertake any activities in accordance with Section 21 (Enterprise Powers) of the Local Government Act 1993—No Activity to report.

Complaints

Section 339F(5) of the *Local Government Act 1993*
The Council's Customer Service Charter was updated and approved by Council. Complaints are reported to Council on a quarterly basis via the Council Agenda.

Model Code of Conduct

There were no Code of Conduct complaints made against Mayor and Councillors during the 2017/18 Financial Year.

Sale and Disposal of Land

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

Road Conditions

It has been identified by the Auditor General that Council is required to report on the following statistics:

- indicators of road conditions; and
- commentary on sustainability ratios.

Council is currently compiling data to meet this requirement.

Significant Business Activities

Section 84(2)(da) of the *Local Government Act 1993*:

Outcome of any public benefit assessments undertaken.	Nil
SBA'S as identified by the entity or determined by the Regulator following a competitive neutrality complaint.	Nil
Any complaints received and the outcome of the investigation of those complaints.	Nil

Public Interest Disclosures

The Public Interest Disclosures Act 2002 provides a mechanism to manage and regulate disclosures made to and against a public body in the public interest. It also protects those who make bona fide disclosures.

In compliance with Section 86(a) of the Act, Council has developed a policy and procedures to deal with such disclosures. These may be obtained from Council's website www.warwyn.tas.gov.au or a copy can be made available by contacting the Executive Officer—Governance and Performance on 03 6443 8333.

Pursuant to the requirements of Section 86 of the *Public Interest Disclosures Act 2002*, Council provides the following information relating to actions taken under the Act during the 2017/18 financial year:

Section of PID Act	Disclosure Requirement	Reportable matters In 2017/18
86(b)	Number and types of disclosures made to the public body during the year and the number of those disclosures that the public body determines to be public interest disclosures.	Nil
86(c)	Number of disclosures determined by the public body to be public interest disclosures that it investigated during the year.	Nil
86(d)	Number and types of disclosed matters referred to the public body during the year by the Ombudsman.	Nil
86(e)	Number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate.	Nil
86(f)	Number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year.	Nil
86(g)	Number and types of disclosed matters that the public body has decided not to investigate during the year.	Nil
86(h)	Number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	Nil
86(i)	Any recommendations of the Ombudsman under this Act that relate to the public body.	Nil

Contracts

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

For the purposes of section 72(1)(e) of the Act, a council is to report in its annual report any contract for the supply or provision of goods or services valued at or exceeding prescribed amounts.

Contracts - \$100,000 and up to \$250,000—Under regulation 29(3) of the *Local Government (General Regulations) 2015* contracts for \$100,000 (excluding GST) but less than \$250,000.

Contracts— Over \$250,000—Under regulation 29(1) of the *Local Government (General Regulations) 2015* contracts over \$250,000 (excluding GST).

Description	Name	Address	Period	Extensions	Value Contract	Annual Spend Actual
Port Latta Landfill Disposal	Circular Head Council	DX 70706 Smithton TAS 7330	Annual			\$522,617
Contract Labour	VMAC Employment Solutions	U3/1 Stanton Place Cambridge TAS 7170	Annual			\$233,891
Provision of Road Materials	Gadtech	546 Brinktop Road Penna TAS 7171				\$320,534
Provision of Insurance	Local Government Insurance Services	L11, 60 Collins Street Melbourne VIC 3000	2017-2019 (option)			\$300,984
Kerbside Recycling	Dulverton Regional Waste Management	PO Box 46 Devonport TAS 7322	2016-2024			\$237,371
Kerbside Refuse Collection	Kellys Waste Management	210 Ridgley Highway Burnie TAS 7320	2016-2021	Option for 1 year	\$1,348,365	\$234,628
Civil Construction Hire & Services	SD Groves Earthmoving	PO Box 302 Somerset TAS 7322	Annual			\$177,501
Project Management Services	GHD	GPO Box 667 Hobart TAS 7001	Annual			\$262,524
Purchase of Fuel	Caltex	GPO Box 3916 Sydney NSW 2001	Annual			\$126,724
Street Lighting	Aurora	Locked Bag 4 Hobart TAS 7001	Annual			\$168,029
Waste Transfer Station Services	West Beach Holdings P/L	170 Goldie Street Wynyard TAS 7325	2017-2020	Option for 3 years	\$534,123	\$184,889

Description	Name	Address	Period	Extensions	Value Contract	Annual Spend Actual
Street Sweeping	Ross Ogden Excavations	770 Mooreville Road Burnie TAS 7320	2012-2017			\$144,749
Public Toilet Cleaning	Kellys Waste Management	210 Ridgley Highway Burnie TAS 7320	2011-2018			\$134,092
Provision of IT Services	Tas Communications	PO Box 973 Burnie TAS 7320	Annual Extension			\$134,681
Tree Felling Services	Arborimage	PO Box 298 Wynyard TAS 7325	Annual			\$170,880
Roadside Spraying	Coastal Landcare Services	PO Box 411 Penguin TAS 7316	2015-2019			\$128,031
Rehabilitation - ALRS Project	Summers Earthmoving Enterprises	PO Box 50 Wynyard TAS 7325	2017-2018			\$107,700

Community Activation Grants

Section 77 of the *Local Government Act 1993*

The *Local Government Act 1993* provides that specific items are to be recorded with the Council's Annual Report - the details of any grant made, or benefit provided.

NAME OF ORGANISATION	PURPOSE	AMOUNT \$
Wynyard Fire Brigade Junior Cadets	Purchase Marquee	1,842
Wynyard Soccer Club	Training equipment, playing tops	1,450
Boat Harbour Beach Surf Life Saving Club	Austswim qualifications & Pool hire	2,000
Wynyard Yacht Club Inc	Hire of disabled toilets	1,000
Wynyard Garden Club Inc	Garden competition Prize money	700
Samurai Ju-Jitsu	Replace mats & strips	2,000
Wynyard Football Club	Replacing carpet in function centre	2,000
Wynyard RSL Sub Branch Inc	Install five large photo panels on front of building	2,000
Burnie Coastal Art Group Inc	Sponsorship Prize Money	1,000
Simplify Life Wellness & Health	Sponsorship new event	2,000
Wynyard Rodeo	Sponsorship new event	2,000
Tour de Cure	Sponsorship one off event	2,000
Somerset Indoor Bias Bowls Inc	Purchase Defibrillator	2,000
Somerset Amateur Basketball Association	Purchase 22 Basketballs	1,980

NAME OF ORGANISATION	PURPOSE	AMOUNT \$
Wynyard AFL Auskick Inc	Purchase Footballs & Tackle bags	1,000
Wynyard Basketball Association	Install WIFI link to new scoreboard	1,958
Australian Society of Teachers of the Alexander Technique	Replace plaque	1,500
Live Well Tasmania	Purchase of Council Pavers	300
University of the Third Age U3A	Purchase of portable PA System	1,857
Wynyard Cricket Club	Purchase of Turf wicket covers	2,000
UTAS Science Awards	Sponsorship	500
Ethan Price	Australian Representative	500
Leif Folden	Australian Representative	500
Red Cross Volunteer Appreciation Day	Donation	300
Rotary Club of Wynyard - Chrome Fest	Donation	1,000
Three Year Agreements		
Targa Tasmania NW	3-year agreement	5,000
Somerset Rotary	3-year agreement	2,000
Sisters Beach Community Association	3-year agreement	1,985
Tasmanian Multi Sport Adventure	3-year agreement	2,000
Somerset Christmas Pageant	3-year agreement	2,000
Lion's Club of Wynyard	3-year agreement	2,000
TOTAL		\$14,985

Public Health Statement

Section 72(1)(ab) of the *Local Government Act 1993* requires Council to include a statement of its goals and objectives for public health for the preceding financial year in its Annual Report.

Council has a responsibility under various legislation, such as the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003* and the *Environmental Management and Pollution Control Act 1994*, to provide for, and support, a healthy environment and lifestyle for residents and visitors to our area. The goal is to provide our community with education and an environment in which risks to health, particularly relating to air, water, noise etc. are mitigated.

Officers endeavour to promote a high standard for the food prepared and sold in our area through inspection and education. These objectives are met by the on-going inspection, licensing and registration of the relevant businesses and temporary food stalls involved, and the promotion of education sessions for food handlers. The quality of water for both recreational purposes and human consumption is also monitored and sampled for testing regularly during the warmer months and investigated whenever concerns are evident or raised.

A school immunisation program is carried out in conjunction with the State Health Department and an adjoining contractual Council. A Sharps disposal program to assist in protection from the adverse effects of communicable diseases is also provided.

Council has an ongoing commitment to minimising the adverse effect of pollution or nuisance by preventing and controlling those incidents, wherever possible. Officers regularly carry out investigations of noise, smoke, dumping of wastes when it is reported or noted and work with the relevant parties to educate them and resolve issues in breach of the legislation. Officers also continue developing information sheets which will provide guidance to the general public in avoiding or reporting if necessary, on the most regular public concerns. These documents will be made available on the Council website as developed.

The Public Health Goals for 2017 - 2018 were as follows:

- Provide public education and community engagement opportunities.
- Review service delivery standards.
- To better manage health and environmental threats arising from human activities.
- Provide full suite of Public and Environmental Health documents and issues on Council's website.

Capital Works Summary

LEGEND	
Budgeted Projects Completed	☑
Budgeted Projects still in Progress at 30 June 2018	☒
Budgeted Projects Deferred	
Budgeted Projects not Commenced	☒

GOVERNANCE		
Council		
Office Refurbishment	850,000	☑
Rebrand Roll Out	45,000	☒
IT Review Implementation	160,000	☒
Wynyard Wharf Entrance Augmentation	450,000	☒
New Board Walk and Seawall Renewal	825,000	☒
STRATEGIC & FINANCIAL SERVICES		
Strategic & Financial Services		
Wynyard Goldie Street Carpark Development	897,000	☒
By Law implementation	25,000	
Information Technology		
IT Replacement	40,000	☑
COMMUNITY SERVICES		
Childrens Services		
Links Child Care -Replace Clothes Dryer	2,500	☑
Little Goldie Street Replace Stove	1,500	☑

Links Child Care Playground Replacement	40,000	
ENGINEERING SERVICES		
Depot Concrete Apron Renewal	27,000	✓
Depot Storage Shed Roof Renewal	2,500	✓
LED Street Lights	22,000	✗
8 foot Tractor-mounted grader blade for Waratah	5,500	✓
Kubota Mower 2504	31,000	✗
Sepi Mulcher 1523	15,500	✓
Sepi Mulcher 1564 - Waratah	16,000	✓
Slasher Berrends Warrior 1552	10,500	✓
Grader Sale	(85,000)	✓
Light Truck 1232	54,000	✓
Isuzu Truck 2612	115,000	✗
Mitsubishi L/T 1222	80,000	✗
Small Plant Replacement	28,000	✓
Subaru Forrester 2345	12,000	✓
Mitsubishi ASX 2327	11,000	✓
Mitsubishi ASX 2075	11,000	✓
Holden Colorado 3048	19,000	✓
WASTE MANAGEMENT		
Waste Station Screening	7,100	✓
PUBLIC CONVENIENCES		
Gutteridge Gardens Toilet Stainless Steel Lining	10,000	✓
TRANSPORT		
Re-Sheeting		
Oonah Road (0320 - 4944m)	36,000	✓
Strawberry Lane (0000 - 0213m)	14,880	✓
Locketts Rd (0000 - 0557m)	19,026	✓
Locketts Rd (0557 - 1369m)	27,157	✓
Nunns Rd (1328 - 4784m)	170,566	✓
Scotts Rd Sec - 1 (0000 - 0621m)	26,087	✓
Scotts Rd Sec - 1 (0621 - 1621m)	45,263	✓
Takone Rd (09085 - 11490m)	143,997	✓
Reseals - Urban		
Jackson Street Sec - 6	10,601	✓
Kingsmill Street Sec - 1	5,088	✓
Kingsmill Street Sec - 2	3,616	✓
Lewis Street Sec - 1	11,689	✓
Sunset Avenue Sec - 1	3,420	✓
Wilkinson Street Sec - 1	12,058	✓
Wilkinson Street Sec - 2	11,780	✓
Wilkinson Street Sec - 3	10,528	✓
Reseals - Rural		
Mount Hicks Rd (06023 - 10471m)	161,112	✓
Preolenna Rd (12032 - 13516m)	60,746	✓
Sisters Beach Rd (1620 - 3064m)	53,986	✓
Sisters Beach Rd (5195 - 6376m)	43,296	✓
Footpaths		
New Footpath Goldie Street/Frederick Street	84,600	✓
Urban Footpaths - DDA compliance	30,000	✓
General		
Wynyard Wharf Masterplan - Dodgin Street Roundabout	122,000	✓
Somerset CBD Masterplan Works	690,000	✓
Wynyard CADP & Car Park Development	9,193	

Guard Rail- Lobes Hill, Myalla Rd	20,700	☒
Bridge St and Honeysuckle Ave Junction Widening	6,500	☑
Somerset Surf Club Carpark Resurfacing	26,250	☑
Rural Roads Culvert Replacement	15,000	☑
Bridges		
Rural Road Bridges - Upgrade bridge approaches	10,000	☑
Rural Bridge Barrier Upgrades	562,000	
SPORTING FACILITIES		
Wynyard		
Wynyard Basketball Centre Renew Scoreboard & Shot Clock	21,000	☑
Wynyard Showground Irrigation	10,000	☑
Somerset		
Somerset Basketball Centre Renew Scoreboard & Shot Clock	21,000	☑
PARK AND GARDENS		
Camp Creek Remediation	700,000	☒
Inglis River Walking Track	280,000	☒
Gutteridge Gardens Drinking Fountains	5,000	☑
Parks BBQ Renewals	10,000	☑
Parks Furniture Renewals	10,000	☑
Sisters Beach		
Sisters Beach Pedestrian Bridge	40,000	☑
General Parks & Reserves		
Family Recreational Space	40,000	☑
STORMWATER DRAINAGE		
Stormwater Replacements and Upgrades		
Renew Manhole Lids	7,500	☑
Renew Grated Pits	73,750	☑
General		
Upgrade Stormwater - Moore St Boat Harbour	12,100	☒
Flood Studies	33,525	☑

Financial & Performance Statistics 2017/2018

Financial Indicator Comparisons

		2017/18	2016/17	2015/16	2014/15
Current Ratio	Current Assets / Current Liabilities	3.68:1	2.98:1	3.01:1	3.52:1
Quick Asset Ratio	Cash + Liquid Debtors / Current Liabilities	3.54:1	2.46:1	2.75:1	3.24:1
Rate Coverage Ratio	Rate Revenue / Operating Revenue	57.8%	56.3%	66.67%	55.27%
Outstanding Rate Debtors	Rate Debtors / Rate Revenues	4.11%	4.29%	3.59%	3.96%
Expenditure per Capita	Operating Expenditure / Population	\$1,342.13	\$1,274.76	\$1,214.68	\$1,167.85
Operational Grant Coverage Ratio	Operating Grant Revenue / Operating Revenue	19.1%	22.92%	9.93%	24.98%

Finance at A Glance

The following table provides comparisons of this year's results with the previous year:

	2017/18 \$	2016/17 \$	Increase/ (Decrease)
Operational Income	19,020,444	19,041,385	(20,941)
Operational Expenditure	18,212,658	17,700,059	512,599
Net Increase from Operating Surplus (/Deficit)	807,786	1,341,326	(533,540)
Rate Revenue	10,990,737	10,721,088	269,649
Government Grants	3,631,757	4,364,337	(732,581)
User Charges	2,290,948	2,146,954	143,994
Interest Income	276,882	240,106	36,776
Employee Costs	6,453,890	6,247,364	206,526
Borrowing Costs	39,733	15,568	24,165
Remissions and Discounts	398,262	374,011	24,251
Cash on Hand (incl. Investments)	10,549,513	7,525,339	3,024,174
Receivables (Current)	870,368	853,605	16,763
Payables	1,335,969	1,500,845	(164,876)
Outstanding Loans	1,098,249	1,206,714	(108,465)
Provisions	2,168,062	2,151,041	17,021

PART 4

- ANNUAL PLAN

PROGRAMS OVERVIEW



AUSTRALIA DAY 2018

Approximately 300 people attended the Aussie Breakfast and Award presentations in Richard Gutteridge Gardens on Australia Day. The warm weather and friendly atmosphere of the gardens welcomed those who attended.

Australia Day Ambassador - Dr Christina Henri



Australia Day Ambassador - Dr Christina Henri

This year the Australia Day Ambassador was conceptual artist Dr Christina Henri - 2014 Tasmanian Senior Australian of the Year, 2013 inductee onto the Tasmanian Honour roll of Women and winner of the prestigious Tasmanian SME Award for her Roses from the Heart art project.

Dr Christina Henri's passion for the female convict story has connected communities throughout Australia and across the globe and this focus led her to create the Roses from the Heart Bonnet Memorial, an international project highlighting Australia's 25,566 convict woman.

Christina has exhibited her work across the world. Roses from the Heart has been celebrated across the UK and the Republic of Ireland, including on the Isle of Man and Jersey. Her work has been showcased on German TV, and she regularly exhibits overseas in Denmark, Canada, New Zealand and the United States.

Citizen of the Year – Doug Doherty



Doug Doherty and Mayor Robby Walsh

Mr Doherty has been an active member of the community since moving here in 2001.

He has held many roles in community organisations over this time including – Membership on St Brigid’s School Board of Management for five years, Chairman of the Burnie-Wynyard Catholic Parish Council for six years during which time he secured funding to construct the St Brigid’s community hall.

He has been a leader with the Wynyard Scouts, a coach and umpire with the Wynyard Junior Soccer Club and is an active member of the Wynyard RSL.

He has represented the interests of the local community in many local, state and national forums including his current position of member of the board of TASCOS (Tasmanian Council of Social Services) all of which are voluntary.

He is the co-founder of the not-for-profit registered charity DoMaur Productions Incorporated which is a theatre company dedicated to providing opportunities for personal development for people of any age or background who wish to be involved in performing arts.

Young Citizen of the Year – Jobi Starick



Young Citizen of the Year – Jobi Starick

Jobi began volunteering with BigHart during early high school and was rewarded with an internship at Track Down Studios in Sydney in 2014.

In 2015 Jobi was contacted by Rural Health Tasmania to direct his first full length documentary. He went on to produce the ABC's Heywire Documentary "Two Trains, a Communities Response to Ice". The film recently won the Sustainable Communities overall Junior Award at the Tidy Towns Ceremony.

Jobi was also chosen as the 2017 Heywire Trail Blazer and was flown to Canberra to take part in the 2017 Heywire Summit where he presented the film at Government House.

While Jobi continues to grow his own small business, he is also currently volunteering and working with numerous young people on film projects in the Waratah-Wynyard Area.

Ongoing projects he is working on include working with BigHart on the SKATE, Project O and 20/20 projects as well as working with Wynyard High School, The Smith Family and 7UP Youth Centres.

Jobi has given countless hours of work and mentoring for projects in this community.

Community Event of the Year - —Gone Nuts 101 Adventure Run



*Community Event of the Year -Gone Nuts
– Michael Phillips with Mayor Robby Walsh*

The inaugural Gone Nuts 101 Adventure Run was a major success and established the North West as an adventure running destination of choice.

The number of Competitors far exceeded expectations with 594 competing overall with 294 of those from the North West (only 100 were expected).

The group running the event gained sponsorship and support from many areas including Waratah-Wynyard and Circular Head Council's, local land owners and local businesses, 35 volunteers on the day, Tasmanian Parks & Wildlife, the SES, Visitor Information Centres and others. The event was so successful that when the dates for this year's event were advised there were over 29,000 hits on social media in the first 24 hours. The event showcased our beautiful region and had a significant economic benefit to all the towns in the area.

CORPORATE AND COMMUNITY SERVICES

The Corporate and Community Services Directorate provide professional corporate support services to the organisation through workplace health and safety, risk management and human resources practices.

The Directorate also facilitates activities to 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.

Bloomin' Tulips Festival 2017



The 2017 Tulip Festival highlights include:

- Over 18,000 people with visitors from Tasmania and interstate.
- Over 100 stalls showcased a wide variety of local craft, food and beverage and community, organisations and businesses.
- Seven live acts on main stage.
- A spectacular firework display over the Inglis River to close the event.
- Accommodation was booked out over the weekend.
- Local businesses had record sales.
- The Colour Run attracted over 300 runners with the first two entries coming from Hong Kong.
- Sponsorship Packages including - 9 Gold, 4 Silver, 11 Bronze, 1 Event, 4 Friends of the Festival and 19 prize donations contributed almost \$24,500 in cash and in-kind support.
- 71 volunteers contributing 223.5 hours of their time.
- An Elephant a Dream Bear, Ninja Monkeys, Colour Run and a Gopher Race.

The new layout and wet area have added to the success of the Festival with lots of positive feedback from the crowd and stallholders.

Tourism

Table Cape Lighthouse Tours

A successful Expression of Interest process resulted in a new operator for the Table Cape Lighthouse Tours. Michael Hyland commenced tours in time for the Tulip Festival and has completed his first very successful tourist season.

Tourism Awards

Tasmanian Tourism Awards – For the second year running the Wonders of Wynyard took out the best Visitor Information Centre category in the Tasmanian Tourism Awards.

Australian Tourism Awards - Wonders of Wynyard was a finalist in the Australian Tourism Awards held in Perth, WA in March 2018.

Visitor numbers to Wynyard

The Tasmanian Visitor Survey reported 101,871 total visitors to Wynyard (those who visited/passed through/stayed overnight) between April 2017 and March 2018. This is an increase of 10% and a positive result given the 1% increase reported for the Cradle Coast region.

Waratah Tourism Association

Throughout the year Council conducted extensive community consultation and completed several workshops which resulted in the Waratah Tourism Association being formed. The Association has already been active in advocating for industry development and improving the visitor experience at Waratah.

Wonders of Wynyard (WOW)

In the 2017/18 year we welcomed 27,680 visitors to Wynyard. While overall visitor numbers have increased by 2%, we have seen a much higher increase in the number of visitors coming to view the Veteran Car Collection (18%) – particularly Cruise Ship and Group Bus Tours.

Highlights

- Income from merchandise up 38% (highest since opening in 2005)
- Overall income increased by 25.7% - (highest annual income since opening)
- Car collection ticket sales – increased 18% (highest since opening)
- 951 Cruise ship visitors – increase of 236% on previous year
- Veteran Car Collection Book released.
- 40 volunteers contributing 4,159 work hours in 17/18, at an estimated \$202,672 in overall value to the local community.

New merchandising strategy – Support more Local and Tasmanian suppliers

Outcomes:

- Product selection that better met consumer needs - Significant change in product mix, with 8 new local suppliers and 2 new Tasmanian suppliers.
- Increase in total spend with local/Tasmanian suppliers - 26% increase to local suppliers; 5% increase Tasmanian and decrease 14% interstate.
- New range of 'Wynyard' branded products

WOW's waste reduction initiative for 2017/18 - Recycling old magazines into carry bags

Over an 8-week period during winter, volunteers participated in a paper-bag making project, using out of date tourism magazines and re-purposing them into carry bags for retail sales. Trip advisor stickers were placed on the bags – encouraging people to review us after their visit.



Danielle Forlot showing off the recycled bags

Warawyn Early Years

Reconciliation Action Plan

The purpose of Warawyn Early Learnings Reconciliation Action Plan is to formalise and strengthen our commitment to:

Engaging and building local partnerships with Aboriginal and Torres Strait Islander groups, considering and including Aboriginal and Torres Strait Islander perspectives across our work, supporting and improving education and care outcomes for Aboriginal and Torres Strait Islander children, embedding a reconciliation perspective of cultural awareness, sensitivity and respect into consciousness and practices.

The Reconciliation Action Plan identifies existing and future meaningful, achievable and measurable actions for relationships, respect and opportunities that are specific to the community and the centres role in promoting quality children's education and care.

Warawyn Early Learnings Reconciliation Action Plan was developed by a working group comprising of Management, staff, parents and community members and comprises actions under the headings of relationships, respect and opportunities. Warawyn is currently one of only two child care centres in Tasmania to have developed a Reconciliation Action Plan

Vision for Reconciliation:

The vision is to embed reconciliation awareness and cultural competence within the services by engaging with our Aboriginal and Torres Strait Islander Community, building stronger relationships and a better future for all.

Acknowledgement of Country:

As part of the reconciliation journey, educators aim to create an awareness with the children and their families about Aboriginal and Torres Strait Islander cultures. Educators engage and communicate with the Aboriginal and Torres Strait Islander community to enable us to better understand and embed Aboriginal and Torres Strait Islander cultures and histories into the curriculum.

Community Activation

Community Christmas Collection 2017:

Several Wynyard Community groups partnered with Council to conduct the collection and packing of Christmas gifts. Vinnies put together packages and delivered to families in the Municipality.

Healthy Communities Program:

Tai Chi classes are operating in Wynyard and Myalla on a regular basis. This activity is funded through the Tasmanian Community Fund. Volunteer instructors have also taught weekly classes throughout the year.

Walking Wynyard:

Walking groups are facilitated on a regular basis. The Walking Wynyard event was held in November along the track from Fossil Bluff and return to Gutteridge Gardens. Advertising sponsorship was received from The Advocate. Around 150 people participated in the walk which promotes the importance of regular physical activity.

Waratah Community Board:

As part of work on tourism development in May 2017 Waratah was identified as a centre of exceptional potential but held back by a lack of cohesive leadership in the community and a polarised relationship with Council.

The creation of a Community Board in Waratah functioning with the support of Council and focussed on achieving a Community Plan, and to set up an independent Tourism Association operating to achieve a Promotions Plan became the key strategy to reinvigorate the town. The process was commenced to create the Community Board, Community Plan, Promotions Plan and Waratah Tourism Association.

David Hammond was selected for the role due to his expertise in development of Community Boards in New Zealand in a highly successful model.

The process lead by David Hammond of Hammond Robertson Ltd., was undertaken in Waratah from September to November 2017 and is a first for Australia. It established a new relationship of trust between a community and Council through a Board of local leadership endorsed and supported by Council, focussed on achievement of a prioritised Community Plan with the relationship with Council documented through a Community Board Charter.

Council commenced a public expression of interest process in February and received nine applications for consideration by the selection panel.

After the selection process the inaugural members of the Waratah Community Board were announced - Anne Dunham, Neil Thorne, Rosemary Dick and Yvette Ekman for a three-year term coinciding with the term of the current Waratah Community Plan.

Councillor Kevin Hyland was appointed as the Council representative and was also appointed to the position of transitional chairperson for the first twelve months with Rosemary Dick the deputy chairperson. Tony Schmidt was appointed as the representative of the Waratah Tourism Association.

At the end of the financial year, the Waratah Community Board has now held three meetings and continues to progress the Community Plan priorities.



Corporate Services and Risk

Business Continuity Plan development:

Waratah-Wynyard Council has reviewed and updated its Business Continuity Plan which provides for the continued operation of Council should a disaster occur. The Plan will be reviewed every 2 years.

Human Resources:

Change is increasingly a feature of the working environment which requires a workforce to be dynamic, future oriented and capable. Building on the existing strengths within the organisation, the workforce has engaged in programs with an intense, targeted approach to building workplace culture, developing leadership capabilities and continuous improvement principles. This collaborative approach to developing leadership and workforce capability is ongoing and underpins an ability to deliver innovative practice and best value outcomes for our community.

Information Technology:

Ongoing developments have taken place during the past 12 months. The introduction of the ICT Policy and Guidelines have provided an operational and strategic framework for how ICT is delivered and used by Councillors and staff. A new phone system has been installed to enhance connectivity and productivity of staff within the organisation. Work has continued reviewing current systems and processes to ensure Council is able to deal with external threats such as the recent global cyber-risk event.

Risk Management:

Council have reviewed the Risk Register in accordance with the schedule in the Risk Management Plan in consultation with staff throughout the organisation.

This is an opportunity to enhance ownership from all staff in the identification of risks and the ability to provide strategies to mitigate those risks. The Strategic Risk Register is reviewed by Councillors and updates are provided to the Audit Panel annually.

Workplace Health and Safety:

In the twelve months of the 2017-2018 financial year several key areas were targeted. Primary focus was on continual improvement for reducing workers compensation premiums through consultation, communication, and program delivery. Injury management best practice and assessment of long term medical restriction for full clearances contributed.

Manual handling training to prevent musculoskeletal injuries, and a strong push for cultural development of staff through various positive health and wellbeing initiatives.

INFRASTRUCTURE & DEVELOPMENT SERVICES

Asset Services

Public Conveniences:

The Council funded a capital works project for the lining of the Gutteridge Gardens toilet block with stainless steel. Similar projects have been completed in previous years with evidence of reducing the impact of vandalism to public conveniences. Other amenities buildings received routine and minor maintenance only.

Public Halls:

The Council currently maintains eight public halls throughout the municipal area to serve the community.

Throughout the year, Council continued to undertake regular inspections of facilities and conduct minor repair works on the various public halls as required.

Sporting Facilities:

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

Throughout the year, Council funded the installation of new multi-use scoreboards and shot clocks at both the Wynyard Sports Centre and Somerset Indoor Recreation Centre. With the installation now complete, the scoreboards will support a range of user needs including the ability to play videos and assist in the facilitation of events within the facility. Routine maintenance and minor repairs occurred on all sporting buildings throughout the year.

Waste Management Services:

Council provides an integrated waste management service to the community through kerbside refuse and recycling collection and site-based waste transfer stations. In providing these services, the Council aims to minimise waste to landfill, maximise recycling and dispose of any residual waste to landfill in both a cost efficient and environmentally responsible manner.

To achieve these goals, Council is a participating member in the Cradle Coast Waste Management Group (CCWMG), who aim to divert 50% of waste from landfill for the whole of the Cradle Coast Region as part of their 2017-2022 Strategic Plan. Additionally, the CCWMG were responsible for implementing waste related activities within the municipal area, such as recycling bin and waste transfer station audits.

As the first full year within the new CCWVG Strategic Plan, Council recorded total tonnes to landfill of 5,149, marking a reduction of nearly 245 tonnes from the previous year. Following the new financial year, Council will be in a position to advise upon its performance against the 50% target and the prevented costs as a result of the reduction of waste to landfill.

Council's kerbside collection of household refuse from dwellings is undertaken weekly in Wynyard, Somerset, Boat Harbour Beach, and fortnightly in Waratah. All material collected is transported and disposed of at the Port Latta Landfill. There was no significant decrease from the previous year recorded for this service, with 3,172 tonnes disposed this year to landfill.

Transfer stations are provided at Wynyard and Waratah for depositing waste into bins for later transport to landfill. The operation of the Waratah Transfer Station is undertaken largely by in-house staff, while the Wynyard Transfer Station is operated under tender by a contractor. The contractor works cooperatively with Council towards the minimisation of waste to landfill with a strong focus on resource recovery, recycling and green waste diversion programs. Total tonnes to landfill for this service in 2017/18 was recorded at 1,978. Again, performance against the CCWVG target will be reported with data from the upcoming financial year.

A key project undertaken in partnership with local contractors was the installation of a conveyor and compactor equipment at the Wynyard Waste Transfer Station. By compacting waste as it enters the skip bin, rather than the traditional "loose lay" approach, Council aims to double the overall weight of the bins and increase the amount of waste in each bin. In turn, this presents several benefits to the community, including reduced environmental and safety risks with fewer transport trucks on the road and an estimated decrease in the cost of providing the service.

The costs of the transfer station and disposal are met by the waste utility charge and by gate fees. Ten transfer station tickets are distributed to each household, along with their rate notice, as an offset against the waste utility charge. Each year approximately 37% of these tickets are redeemed at the gate. The reductions in tonnages to landfill have yielded savings which largely offset the cost increases for transport and disposal of waste over the same period and waste management charges have seen only modest increases accordingly.

Recycling at the transfer stations sees materials transported to Dulverton to be processed by Veolia. The waste management services are priced to fully recover the costs of the services through utility charges and fees and are not cross subsidized by the General Rate.

Development & Regulatory Services

Animal Control:

Council undertakes a number of animal management programs which include animal nuisance complaints, assisting Police with stock on roads, stray dogs and dog attacks. A Compliance Officer is employed by Council and provides after hours service in a shared capacity with Circular Head Council. The Compliance 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 areas across Waratah-Wynyard, to ensure a safe environment for dogs, families and wildlife. The designated dog areas 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:

- 2022 dogs were registered in 2017/2018, compared with 2028 for the previous year;
- Council impounded 57 dogs, compared with 53 the previous year; and
- 27 infringements were issued for dog related matters.

Building Control:

As of 1 January 2017, Tasmania introduced new laws regulating:

- Building and plumbing work;
- Licensing of people in the building industry; and
- Residential building contracts.

The Building Act 2016 takes a risk-based approach to building approvals so:

- Low risk building,
- Plumbing and demolition work, and
- Some medium risk work can be done without seeking a building permit from the Council.

Council acts as a Permit Authority, checking that the required documentation is lodged and permits issued as required, in accordance with the legislation. A function of the permit authority is to make the public aware of the building and plumbing requirements in the State and the application of this Act. In this regard interested parties are encouraged to contact council for assistance in navigating through the building process in accordance with *Building Act 2016*. An information session was undertaken with local plumbing practitioners during the year to discuss the roles plumbers and the permit authority.

Council's statutory obligations under the *Building Act 2016* have been discharged and it has continued to process building permits as expeditiously as possible. A total of 69 building approvals were granted for projects with a total value of \$17- million. This is down from previous years reported figures. This is partly due to the change in legislation (2016-2017 figures included all building works), which allows for low/medium risk building work to be carried out without obtaining a permit.

The permit authority has continued to review processes and procedures to ensure compliance with current building legislation.

Building Officers are currently receiving, recording, processing and issuing work in electronic format for majority of applications received.

Emergency Services:

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

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 the local coordinator.

The Waratah unit specialises in road accident rescue operation and provides this capability for the elevated southern part of the municipal area that can be inaccessible from the coast in bad weather.

As part of its ongoing commitment to the provision of emergency services, Council funded upgrading of first aid equipment and maintenance of equipment during the 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.

In the interest of improved regional services, Council worked with Burnie City and Circular Head Councils to establish the Western Emergency Management Committee, which will now improve the administration and consistency of emergency management for all three Councils.

Environmental Health:

The *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003* and the *Environmental Management and Pollution Control Act of 1994* outline the primary roles and responsibilities of Council in relation to public and environmental health within the municipal area.

The Environmental Health Service provided by council promotes public health and safety for the Waratah-Wynyard community by reducing the incidence of preventable illness and monitoring the provision of safe food and water.

This service also seeks to manage the environment to limit and control incidents of pollution involving noise, smoke, odour and the adverse effects wastewater discharge may have. Active investigations are also undertaken in response to written complaints regarding a wide variety of issues.

Potable water quality is monitored through the notification and as required, sampling of private water supplies/suppliers. There are currently 30 private water suppliers in the municipal area.

Sampling and analysis of recreational waters is undertaken during the recreational swimming season in the warmer months, from December to April.

The licensing, registration and inspection of food businesses continues as a core activity. There are more than 90 registered food businesses within the area Temporary Food Premises Permits are also issued to numerous food stalls throughout the year. This process helps to promote the proper storage and acceptable quality of food provided, especially at public events.

Council participates in a regional (Burnie, Waratah-Wynyard and Circular Head) school vaccination program and a staff vaccination program to help protect those at-risk students and staff against preventable diseases such as influenza, hepatitis, whooping cough, tetanus, and chicken pox.

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 (WWIPS)*, provides the direction for the Council and the community for development within the municipal area.

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

Council planning staff are drafting the Local Planning Provisions of the Tasmanian Planning Scheme. Drafting will continue into the 2018/2019 financial year.

On a statutory level, 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*.

The Planning Team also undertakes an educative role; informing the community about legislation and the State Policies that define and protect principles of 'sustainable development'. Council planning staff respond to many enquiries via phone and email, and provide pre-lodgment advice to applicants by appointment, and at no cost.

A total of 167 applications were received, down from 169 for the previous year and 38 applications carried over from the previous year. The 167 new applications consisted of 125 discretionary and 42 permitted uses.

Of the total 205 applications, 131 discretionary and 43 permitted use permits were issued, one application was refused, two applications were withdrawn and 28 were carried over to the next financial year for processing.

There were eleven (11) planning applications prepared for Council meetings that were determined by Council acting as the Planning Authority.

Works & Services

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 officers provided assistance in the maintenance of the cemeteries in Yolla, Mount Hicks and Somerset.

The total interments for the year in all seven cemeteries under Council ownership were 44 burials and 13 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.

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.

Year	No of Contracts	Income	Expenditure
2017/2018	15	\$29,609	\$31,331
2016/2017	28	\$21,196	\$16,462
2015/2016	53	\$43,626	\$43,437
2014/2015	59	\$47,000	\$42,000

Kerb and Footpaths:

Various kerb and channel and footpath replacement works were undertaken in Wynyard, Somerset, Waratah and Sisters Beach. 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 in line with our current service levels.

There were upgrades to various junctions to install *Disability Discrimination Act 1992* 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.

Parks and Reserves:

During the 2017/18 year various operational and capital works projects were undertaken to beautify our parks and reserves throughout the municipal area. Council liaises with various contractors, community groups and schools to ensure that open spaces are maintained to a suitable standard and to encourage a high level of community involvement and use in these areas.

Some of the major initiatives were:

- Replace the bridge at Sisters Beach.
- New bridge and major repairs to the Inglis River walking track
- New Irrigation equipment for Frederick Street
- Landscape and new waste bins in the Somerset CBD
- Table Cape Bridge Reserve replacement of picnic tables
- Removal of the Wynyard Foreshore Macrocarpas

Transport Services:

Transport Services is Council's major infrastructure category and consists of roads, bridges and other associated assets to meet the needs of the community.

During the year, Council officers undertook maintenance and capital works on roads and other assets.

Some of the major works were:

- Bridge approach sealing works on unsealed roads
- Resealing of identified road surfaces
- Re-sheeting of unsealed roads
- Various minor Rural Road culvert upgrade
- Dobson's Lane culvert upgrade
- Somerset Surf Club car park resurfacing
- Sisters Beach junction upgrade of Honeysuckle Ave and Bridge Street

Urban Works:

Kerb and Footpaths:

Kerb and channel replacement works were undertaken in Wynyard, Somerset. The works were identified for repair through Council's inspection program which prioritises projects based on risk management and safety strategies in line with our current service levels. The major footpath project works included replacement of sections of Goldie Street and Frederick Street.

There were upgrades to various junctions to install *Disability Discrimination Act 1992* 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.

Stormwater Drainage:

Council maintains piped drainage networks in the Wynyard, Somerset, Sisters Beach, Boat Harbour and Waratah areas, with over 3,400 connections across the municipal area.

STRATEGIC & FINANCIAL SERVICES

Communications

Communications has been an important element of the new skills available to the Councils from resource sharing.

Community engagement continues as a major theme for the Councils, having been involved in community workshops for the Central Area Development Plans and Open Space Sport & Recreation Plan 2017-2027 and will shortly be working on the next Community Satisfaction Survey.

The principles of Inform, Consult, Involve, Collaborate and Empower continue to apply to our communications approaches to the Strategic Plan, Annual Report, Budgets and major projects,

Council continues to use a mix of traditional and advanced communications channels to communicate and engage with the Waratah-Wynyard community. Council's social media platforms, particularly via Facebook are continuing to play an important role in communicating with and responding quickly to community concerns. Greater focus has also been placed on producing digital content for the Council website and social media and digital innovation will continue in the next year with the development of a new council website.

Economic Development

The completion of the Sustainable Murchison Community Plan and the subsequent development of Council's Corporate Strategic Plan has established a strong emphasis on economic development.

Regional economic data is now available through Council's website with the provision of Profile ID. This information, along with social and demographic data, is available to any existing or potential business or investor to assist them in the development of their business proposals.

The Mayor, the General Manager and senior executives have met with local businesses and prospective investors frequently through the year to understand opportunities and issues and to facilitate more effective liaison with Council to address regulatory requirements.

Financial Services

Financial Services provides accounting and financial management services to the organisation. Finance staff have coordinated and supported the development of 2017/18 Budget Estimates, Capital Works Program and the setting and collection of rates and other revenue. They are also responsible for the maintenance of Council's financial system, the processing of receipts, payment of accounts and compliance with applicable Australian Accounting Standards and the production of the Annual Financial Statements.

Council's financial reporting and Long Term Financial Plan (LTFP) have been continually updated and improved to give a more accurate view of Council's financial performance against budget through the year, and future budgets.

The Local Government Act now requires that all Tasmanian councils have an independent Audit Panel that provides assurance to the council that the council has the appropriate culture, personnel, policies, systems and controls in place for the council to function effectively, legally and ethically. Waratah-Wynyard Council shares the same Audit Panel with Circular Head Council and King Island Council. The Panel met on a quarterly basis with staff and elected members to assess financial and non-financial performance, risk management, compliance requirements and other audit assurance activities.

The Audit Panel Chairman, Paul Arnold tendered his resignation at the June meeting, effective 31st August 2018. A new chairman and panel member will be appointed in September 2018.

Financial Management

Council's Statement of Comprehensive Income shows a \$5.1M profit for the year ended 30 June 2018. This figure is much higher than last year due to the revaluation of Council's land and buildings. The Underlying Surplus was \$4M which is an excellent result giving Council two years in a row of Underlying Surplus's.

Total Income reduced slightly to \$20.1M due to a reduction in capital grants. Rate revenue again only increased by a modest \$269,649, indicating Council's awareness of the current financial climate within the municipality.

Total Expenditure rose \$512,599 to \$18.2M with minor increases in Employee Costs and Materials and contracts.

Council's Total Assets are now \$213.8M due mainly to an increase of \$2.5M in property plant and equipment from our capital works program and \$3.0M increase in Cash and cash equivalents. Total cash and equivalents is now \$10.5M. The increase in Cash was due to the receipt of flood reimbursements of \$2.2M and another advanced FAGS grant payment of \$1.4M leaving council in a very sound cash position.

Total Liabilities have reduced to \$4.6M mainly due to a reduction in Payables of \$164,876 and loan liability reduction of \$108,465. Council as at the 30 June has a loan liability of \$1.1M.

This financial year Council received \$2.2M from the Tasmanian Flood Relief and Recovery Arrangements as reimbursement for the expenditure on repairing the damage from the 2016 flood.

Governance

Governance continued to provide professional advice and support with respect to legislative compliance, delegations, strategy and policy development.

With the finalisation of a policy development framework built in conjunction with Circular Head Council, Council have been progressively working through all its policies, procedures and guidelines bringing them up to date with current legislation. The framework will see the completion of the first round of reviews of the documents completed this financial year.

Delegations are reviewed and updated as required by the relevant Acts. The adoption of a Related Party Transactions Policy has enabled more transparency for declarations by Councillors and Senior Staff as required under the Australian Accounting Standards.

The 2017/18 Annual Report was again produced entirely in house with contributions from all departments and staff within Council.

Information Management

The Information Management team has continued to provide professional advice and support to staff throughout Council in order to ensure best practice and compliance was maintained.

The back-scanning project was completed at the end of May 2017. The investment in the Digitisation Project has raised the integrity of the documentation held within council for now and for many years to come.

The digitisation project revealed that inefficiencies in the current Electronic Document and Record Management System (EDRMS) were impeding its functionality and as a result the need for an alternative solution was sought to meet the required criteria.

An integral part of this review was the commitment to achieving greater alignment of systems and processes with Circular Head Council to achieve greater efficiencies and standardisation and to better accommodate the needs of resource shared staff.

Circular Head Council intended to upgrade their existing investment in Technology One's ECM (Enterprise Content Management) system and as this is compatible with the current Waratah-Wynyard enterprise software platform it was agreed this was the appropriate upgrade path for Waratah Wynyard to follow.

Discussions between Waratah Wynyard Council, Circular Head Council and Technology One resulted in the development of a scoping document to ensure satisfactory outcomes were achievable. A commercial agreement was entered into by the two councils, and it is anticipated that implementation of this project will take place during 2017/18, with a go live during October 2018.

PART 5

- FINANCIAL STATEMENTS



Photography – Leanne Marshall

Financial Report 2018

**Statement of Comprehensive Income
For the Year Ended 30 June 2018**

	Note	Actual 2018 \$	Budget 2018 \$	Actual 2017 \$
Income				
Recurrent Income				
Rates and charges	3	10,990,737	10,906,091	10,721,088
User Charges	4	2,290,948	2,161,372	2,146,954
Interest		276,882	230,120	240,106
Reimbursements/contributions		984,451	659,716	704,975
Grants	5	3,631,757	1,492,457	4,364,337
Distributions from Water Corporation	6	845,669	843,000	863,925
		19,020,444	16,292,756	19,041,385
Capital Income				
Capital Grants	5	814,744	782,744	958,240
Capital Reimbursements	18	552,061	-	1,353,077
Gain/(Loss) on disposal of assets	7	(316,210)	(148,617)	(224,848)
Total Income		20,071,039	16,926,883	21,127,854
Expenses				
Employee costs	8	6,453,890	6,425,138	6,247,364
Materials and contracts	9	6,429,587	6,365,818	6,336,086
Depreciation and amortisation	10	4,145,487	3,710,992	3,990,640
State levies		492,984	500,652	481,055
Borrowing Costs	11	39,733	38,667	15,568
Remissions and discounts	1(w)	398,262	387,582	374,011
Other expenses	12	252,715	-	255,335
Total Expenses		18,212,658	17,428,849	17,700,059
Surplus/(Deficit)		1,858,381	(501,966)	3,427,795
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment/(decrement)	18	2,688,568	-	-
		4,546,949	(501,966)	3,427,795
Items that may be reclassified subsequently to surplus or deficit				
Financial Assets available for sale reserve				
- Fair value adjustment on available for sale assets	13	578,080	-	290,295
Comprehensive Result		5,125,029	(501,966)	3,718,090

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

Statement of Financial Position
As at 30 June 2018

	Note	Actual 2018 \$	Actual 2017 \$
Current Assets			
Cash and cash equivalents	14	10,549,513	7,525,339
Receivables	15	870,368	853,605
Inventories	16	117,126	116,467
Land held for resale	1(f)	110,182	110,182
Other	17	230,550	1,540,924
Total Current Assets		11,877,739	10,146,517
Non Current Assets			
Property, plant and equipment	18	156,550,195	154,022,811
Intangible assets	19	295,082	263,059
Investment in Water Corporation	13	45,117,782	44,539,702
Total Non Current Assets		201,963,059	198,825,572
TOTAL ASSETS		213,840,798	208,972,089
Current Liabilities			
Payables	20	1,335,969	1,500,845
Financial Liabilities	21	112,139	108,466
Provisions	22	1,781,048	1,797,839
Total Current Liabilities		3,229,156	3,407,150
Non Current Liabilities			
Financial Liabilities	23	986,110	1,098,248
Provisions	24	387,014	353,202
Total Non Current Liabilities		1,373,124	1,451,450
TOTAL LIABILITIES		4,602,280	4,858,600
NET ASSETS		209,238,518	204,113,489
Equity			
Accumulated Surplus		152,140,271	149,599,458
Reserves	25	57,098,247	54,514,031
TOTAL EQUITY		209,238,518	204,113,489

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 2018**

	Total		Accumulated Surplus		Reserves	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Balance at beginning of the year	204,113,489	200,395,399	149,599,458	146,171,663	54,514,031	54,223,736
Comprehensive Result	1,858,361	3,427,795	1,858,361	3,427,795	-	-
Transfer to Reserves	3,266,648	290,295	(13,568)	-	3,280,216	290,295
Transfer from Reserves	-	-	696,000	-	(696,000)	-
Balance at end of the year	209,238,518	204,113,489	152,140,271	149,599,458	57,098,247	54,514,031

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 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Cash Used			
Employee Costs		(6,430,102)	(6,226,846)
Materials and Contracts		(7,637,079)	(7,549,369)
State levies		(492,984)	(481,055)
Finance costs		(39,430)	(15,235)
Other expenses		(252,715)	(255,335)
		(14,852,310)	(14,527,840)
Cash Received			
Rates		10,600,175	10,262,043
User charges		2,475,260	2,404,345
Interest		246,752	205,797
Reimbursement of expenses		984,451	704,975
Government grants		3,631,757	4,364,337
GST recovered from ATO		813,539	1,209,873
		18,751,934	19,151,370
Net Cash provided by (used in) operating activities	26	3,899,624	4,623,530
Cash flows from investing activities			
Cash Used			
Payments for Property, Plant and Equipment		(4,508,898)	(7,927,426)
		(4,508,898)	(7,927,426)
Cash Received			
Investment revenue from Water Corporation		845,669	863,925
Proceeds from Sale of Property, Plant and Equipment		176,362	258,783
Capital grants		814,744	958,240
Flood Damages reimbursements		1,905,138	-
		3,741,913	2,080,948
Net cash provided by (used in) investing activities	27	(766,985)	(5,846,478)
Cash flows from financing activities			
Financial liabilities		(108,465)	700,864
Net cash provided by financing activities		(108,465)	700,864
Net (Decrease) in Cash Held		3,024,174	(522,085)
Cash at beginning of year		7,525,339	8,047,424
Cash at end of year	14	10,549,513	7,525,339

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

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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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

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

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(l).

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 30.

Fair Value of Property Plant & Equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 1(f) and in note 18.

Investment in Water Corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 1(i) and in note 13.

(b) Adoption of new and amended accounting standards

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

AASB2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not for Profit Sector Entities (effective 1 July 2016)

Council has applied AASB 124 Related Party Disclosures and as a result Council has disclosed more information about related parties and transactions with those related parties. The standard further extends the requirement under the LGA 1993. This information is presented in Note 31.

AASB2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB107

This standard is applicable to annual reporting periods beginning on or after 1 January, 2017.

Amendments to AASB107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financial activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities in the Statement of Cash Flows at Note 27.

Council has applied AASB 124 Related Party Disclosures and as a result Council has disclosed more information about related parties and transactions with those related parties. The standard further extends the requirement under the LGA 1993. This information is presented in Note 31.

(c) **Pending Accounting Policies**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below. (Note: standards are applicable to reporting periods beginning on or after to effective date referred to below).

AASB 9 Financial Instruments (effective from 1 January 2018)

This standard replaces the existing standard, AASB139: Financial Instruments: Recognition and Measurement, and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by an entities business model for holding the particular asset and its contractual cash flows.

The amortised cost model is available for debt assets meeting both a business model and cash flow characteristics tests. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments. Where the business model is achieved by both collecting the contractual cash flows and from selling the financial asset, it may be classified as fair value through other comprehensive income. Any financial asset not held in either of these classifications, or where designated, will be classified as fair value through profit or loss. 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, where the financial asset is an equity instrument not held for trading, and an irrevocable election is made to present all movements in other comprehensive income.

When adopted, the standard requires Council to reclassify all financial assets. This includes Council's classification and accounting for its significant investment in TasWater which is an available-for-sale financial asset. Council currently recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB9 Council will make an irrevocable election for its equity investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, Council expects a small increase to impairment losses, however the standard is not expected to have a material impact overall. Council has reviewed and assessed other impacts on the classification, measurement and disclosure of financial instruments and determined that there will be no material impact.

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

Council will apply the standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but will require a reconciliation of changes in classification of financial assets and financial liabilities.

AASB 15 Revenue from Contracts with Customers (effective 1 January 2019)

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Council has analysed the new revenue recognition requirements noting that future impacts include:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).
- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Grants that are not enforceable and/or not sufficiently specific, will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are will continue being recognised as revenue upfront assuming no change to the current grant arrangements.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in note 5. Council's assessment is that the majority of the amounts received unexpended for the year, \$2,319, will be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

AASB 1058 Income of Not-for-Profit Entities (effective 1 January 2019)

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions. The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received.

AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Where the asset acquired is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. These leased right-of-use assets have not previously been recognised.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period. The impact to Council will be that revenue recognised when received from Rates and charges in advance as disclosed in note 2.1, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured. Council has assessed these requirements and determined that there will be no impact.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

AASB 16 Leases (effective 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. Council's existing lease commitments are disclosed in Note 29.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. Council's current operating lease expenditure is shown at Note 30. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB10 and AASB12 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

AASB 2017-5 defers the effective date of AASB 2014-10 to 1 January 2022

Council has no interest in associates or joint ventures at the time of reporting. There will be no impact to Council.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to Council's activities, or have no material impact.

(d) 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 5. 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 refer (f).

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.

Operating leases as lessor

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

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

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

(e) Expense Recognition

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits relate 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.

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

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:

	2018	2017
Buildings	10 to 100 years	10 to 100 years
Land Improvements	4 to 150 years	4 to 150 years
Plant	3 to 15 years	3 to 15 years
Motor Vehicles	2 to 5 years	2 to 5 years
Office Equipment & Furniture	2 to 20 years	2 to 20 years
Stormwater/Drainage Systems	80 years	80 years
Roads	10 to 100 years	10 to 100 years
Bridges & Culverts	20 to 80 years	20 to 80 years
Intangibles	5 to 20 years	5 to 20 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.

Borrowing 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 current period, (2016/17, \$0).

Finance costs include interest on bank overdrafts, borrowings and bank guarantee fees.

(f) Recognition and measurement of assets

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 Profit or Loss and Other 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	2,500	Bridges	5,000
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 (e).

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

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

	Land under roads	fair value
Land		fair value
Plant and machinery		cost
Furniture, fittings and office equipment		cost
Stormwater and drainage infrastructure		fair value
Roads and streets infrastructure		fair value
Bridges		fair value
Buildings		fair value
Intangibles		cost
Parks, recreation facilities and community amenities		cost
Heritage		cost
Investment in water corporation		fair value

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 & Equipment and AASB 13 Fair Value Measurement. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 35, Fair Value Measurement.

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

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

(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 six 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 net realisable value. Costs have been assigned to inventory quantities on hand at balance date on the basis of average cost.

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

(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. At 30 June 2018, Council held a 2.81% (2017: 2.81%) ownership interest in TasWater which is based on schedule 2 of the Corporations Constitution which reflects the council's voting rights. Any unrealised gains and losses are recognised through the Statement of Profit or Loss and Other Comprehensive Income to a Financial Assets Available for Sale Reserve each year (refer note 13,25).

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. Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

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

(j) Investments

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

(k) 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).

(l) Employee benefits

Wages & 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 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 Waratah Wynyard Council Enterprise Bargaining Agreement 2018. Further details of the payments can be seen in Note 30.

(m) Interest bearing 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".

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

(n) Leases

Finance leases as lessee

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Currently Council has no finance leases.

Operating leases as lessee

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

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

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

Leasehold improvements

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

(o) 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.

(p) 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.

(q) Rounding

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

(r) Non-current assets held for sale

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

(s) 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 Profit or Loss and Other Comprehensive Income in the period that they arise. Rental income from the leasing of investment properties is recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the lease term.

(t) Significant Business Activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled in note 33. Council has determined, based upon competitive neutrality principles that Warawyn Early Learning Centre within Children's Services is considered a significant business activity. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees in preparing the information disclosed in relation to significant business activities.

Council will continue to review its operations to determine which activities meet the requirements for disclosure as a significant business activity.

(u) 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.

(v) Joint Ventures

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

(w) 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 Profit or Loss and Other 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)*.

(x) 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.

(y) Contingent assets, contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable.

(z) Comparative Information

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

(aa) Budget

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

2. FUNCTIONS AND ACTIVITIES OF COUNCIL

Notes to and forming part of the Financial Report
For the year ended 30 June 2018

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).

2018 ACTUAL	CORPORATE SERVICES	TRANSPORT	DEVELOPMENT SERVICES	PARKS AND RECREATION	COMMI SERVICES	FIRE LEVY	WASTE MGT	DRAINAGE SERVICES	OTHER - NOT ATTRIBUTABLE	TOTAL
EXPENSES \$	2,746,343	5,355,965	1,503,749	2,593,276	2,690,989	428,031	1,910,790	680,371	303,144	18,212,658
%	15.1	29.4	8.3	14.2	14.8	2.4	10.5	3.7	1.7	100.0
REVENUES \$	100,000	2,247,466	421,139	0	109,519	0	0	0	1,568,377	4,446,501
GRANTS	2,053,738	512,531	337,305	124,968	1,552,729	449,911	1,900,230	814,244	7,878,884	15,624,538
OTHER	2,153,738	2,759,997	758,444	124,968	1,662,248	449,911	1,900,230	814,244	9,447,261	20,071,039
TOTAL	10.7	13.8	3.8	0.6	8.3	2.2	9.5	4.1	47.1	100.0
SURPLUS/(DEFICIT) FOR YEAR										1,858,381

ASSETS (Note 2(b))	64,947,450	98,015,483	182,121	31,607,539	2,566,023	0	0	16,158,352	363,829	213,840,798
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2018 BUDGET	CORPORATE SERVICES	TRANSPORT	DEVELOPMENT SERVICES	PARKS AND RECREATION	COMMI SERVICES	FIRE LEVY	WASTE MGT	DRAINAGE SERVICES	OTHER - NOT ATTRIBUTABLE	TOTAL
EXPENSES \$	3,105,252	4,629,491	1,186,893	2,548,946	2,588,445	535,021	1,901,604	640,015	293,182	17,428,849
%	17.8	26.6	6.8	14.6	14.9	3.1	10.9	3.7	1.7	100.0
REVENUES \$	0	1,465,576	0	0	109,300	0	0	0	700,325	2,275,201
GRANTS	1,365,505	-99,617	383,665	188,910	1,464,047	428,031	1,885,795	818,205	8,217,141	14,651,682
OTHER	1,365,505	1,365,959	383,665	188,910	1,573,347	428,031	1,885,795	818,205	8,917,466	16,926,883
TOTAL	8.1	8.1	2.3	1.1	9.3	2.5	11.1	4.8	52.7	100.0
SURPLUS/(DEFICIT) FOR YEAR										(501,966)

2017 ACTUAL	CORPORATE SERVICES	TRANSPORT	DEVELOPMENT SERVICES	PARKS AND RECREATION	COMMI SERVICES	FIRE LEVY	WASTE MGT	DRAINAGE SERVICES	OTHER - NOT ATTRIBUTABLE	TOTAL
EXPENSES \$	3,519,869	5,534,408	1,118,034	2,054,967	2,228,453	401,903	1,896,463	685,336	280,626	17,700,059
%	19.9	31.3	6.3	11.6	12.6	2.3	10.7	3.8	1.6	100.0
REVENUES \$	0	2,905,280	0	30,000	126,178	0	0	0	2,261,119	5,322,577
GRANTS	1,889,847	1,162,330	386,006	139,089	1,477,675	430,034	1,794,382	810,164	7,715,770	15,805,277
OTHER	1,889,847	4,087,610	386,006	169,089	1,603,853	430,034	1,794,382	810,164	9,976,889	21,127,854
TOTAL	8.9	19.3	1.8	0.8	7.6	2.0	8.5	3.8	47.2	100.0
SURPLUS/(DEFICIT) FOR YEAR										3,427,795

ASSETS (Note 2(b))	62,483,718	98,902,107	162,385	27,978,507	2,523,260	0	0	16,294,375	281,738	208,626,089
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- 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:-

	2018 \$	2017 \$
Current Assets	11,877,739	10,146,517
Non-Current Assets	201,963,059	198,825,572
	213,840,798	208,972,089

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 includes gravel pits and municipal car parks.

Development Services

Administration and implementation of the Council's emergency management, environmental health, animal management, building control and town planning legislative requirements.

Parks & Recreation

Operation and maintenance of halls, recreation centres, public conveniences and open space networks.

Community Services

Operation of various children and community activation services.

Waste Management

Operation of Wynyard Waste Transfer Station and waste collection services.

Drainage Services

Construction and maintenance of Council's Drainage Works.

Corporate Services

Operation and maintenance of Council Chambers, administration offices and depots. Also includes the Waratah Post Office, rental of Council owned property at commercial rates, subdivision and sale of Council land.

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.

3. **RATES AND CHARGES**

Council uses Assessed Annual Valuation (AAV) as the basis of valuation of all properties within the municipality. The AAV of a property is its valuation that has been adjusted to reflect movements in broad market valuations.

	Actual 2018 \$	Actual 2017 \$
General rate	7,878,883	7,715,770
Waste service charges	1,841,905	1,733,205
Fire levies	432,362	413,584
Stormwater service charges	837,587	858,529
Total Rates and Charges	10,990,737	10,721,088

The date of the general revaluation of land for rating purposes within the municipality, reflected in these financial statements was 1 July 2017.

In 2017/18 council has received \$505,572 of rates payments, paid in advance (2016/17 \$427,093).

4. USER CHARGES

	Actual 2018 \$	Actual 2017 \$
Childcare	1,310,149	1,255,431
Building and Development	217,277	229,064
Property Certificates	104,197	118,465
Other	659,325	543,994
Total User Charges	2,290,948	2,146,954

Refer to note 32 for the ageing analysis of contractual receivables.

5. GRANTS

Grants were received in respect of the following:

Grants - Operating

Roads

Commonwealth Government Grant – General Purpose	1,568,377	2,261,119
Commonwealth Government Grants – Roads	1,292,815	1,823,096
Commonwealth Government Grants – Bridges	80,116	118,561
Heavy Vehicle Funding	59,791	59,791
Family and Children	78,889	81,011
Other	551,769	20,759
Total Operating grants	3,631,757	4,364,337

Grants - Capital

Community Services

Family and Children	0	24,408
Recreation	0	30,000
	0	54,408

Roads

Roads to Recovery	782,744	903,832
Blackspot Funding	32,000	0
Somerset CBD	0	0
	814,744	903,832

Total Capital Grant Revenue

814,744	958,240
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Total Grants Revenues

4,446,501	5,322,577
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Government funds received in relation to pensioner rates of \$570,424 (2017: \$555,549) were treated as rate revenue in the Statement of Profit or Loss and Other Comprehensive Income.

The Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. During 2017/18 The Commonwealth Government announced that they would bring forward the first two payments of the 2018/19 year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. This has impacted the Statement of Comprehensive Income with the early receipt of 2018-19 instalments resulting in the surplus/(deficit) being higher in 2017-18 by \$1,487,140.

	Actual 2018 \$	Actual 2017 \$
Total Grants Revenues		
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - Roads to Recovery	782,744	903,832
Recreation	0	30,000
Family and Children	0	24,408
Blackspot Funding	32,000	0
	814,744	958,240
Total Capital Grant Revenue	814,744	958,240
Recurrent Grants	3,631,757	4,364,337
Capital Grants	814,744	958,240
Total Grants Revenues	4,446,501	5,322,577

Conditions on Grants

Non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended.

Plus amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions

Family and Children	0	24,408
Agricultural Landscape Rehabilitation Scheme	2,319	0

Unexpended at the close of this reporting period	2,319	24,408
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Net increase/(decrease) in non-reciprocal grant revenues for the year	2,319	24,408
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6. INVESTMENT REVENUE FROM WATER CORPORATION

Dividend revenue	519,825	546,729
Tax equivalent	248,829	244,788
Guarantee fee	77,015	72,408

Total investment revenue from water corporation	845,669	863,925
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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	176,362	258,783
Less: Written down value of assets disposed	(492,572)	(483,631)

Net Gain/(Loss) on disposal	(316,210)	(224,848)
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	Actual 2018 \$	Actual 2017 \$
8. EMPLOYEE COSTS		
Wages, Salaries and Allowances	4,971,976	4,860,361
Workers Compensation	230,650	194,605
Superannuation Expenses	604,341	587,226
Annual, Sick and Long Service Leave	799,604	756,496
Other Employee Expenses	300,489	291,168
Total Direct Employee Costs	6,907,060	6,689,856
Less Amounts Capitalised	453,170	442,492
Net Employee Costs	6,453,890	6,247,364

Waratah-Wynyard Council and Circular Head Council have a formal resource sharing agreement. Costs associated with resource shared employees of Circular Head are accounted as materials (note 9). Employee costs for resource shared employees of Waratah-Wynyard Council are accounted in full as an employee cost, however revenue is received from Circular Head Council as a reimbursement. Employee costs disclosed in this note are not offset by any income received.

9. MATERIALS AND CONTRACTS

Contract payments	2,477,309	2,573,514
Waste Disposal	523,224	526,119
Insurance	371,092	308,253
Fuel	155,468	221,398
Electricity	335,428	359,306
Water and Sewerage	170,508	173,313
Other Materials and Services	2,396,558	2,174,183
	6,429,587	6,336,086

10. DEPRECIATION AND AMORTISATION

Land Improvements	267,391	257,970
Buildings	316,894	332,562
Furniture and Fittings	85,349	72,126
Plant and Equipment	360,641	368,381
Roads	2,327,256	2,234,663
Bridges	382,358	351,792
Drainage Works	368,517	366,869
Intangible Assets	36,991	6,277
	4,145,487	3,990,640

11. BORROWING COSTS

Interest	39,733	15,568
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12. OTHER EXPENSES

Audit Services - External Audit *	32,728	33,880
- Other Audit Services	1,200	1,390
Community Assistance Grants	46,614	46,321
Councillor's Allowances (refer to note 31)	172,173	173,744
	252,715	255,335

* includes base audit fee of \$27,270 (2016 -17 \$25,720)

	Actual 2018 \$	Actual 2017 \$
13. INVESTMENT IN WATER CORPORATION		
Opening Balance	44,539,702	44,249,407
Fair value adjustments on Available- for-Sale Assets	578,080	290,295
	45,117,782	44,539,702

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

14. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash	2,200	2,420
Trading Account	1,536,735	912,352
Road Accident - Trust Account	10,578	10,567
Short Term Deposits	9,000,000	6,600,000
	10,549,513	7,525,339

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.

These Include:

Conditions on Grants (note 5)	2,319	24,408
Trust Funds and deposits	154,104	130,962

Restricted funds	156,423	155,370
Total unrestricted cash and cash equivalents	10,383,090	7,369,969

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

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
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15. CURRENT ASSETS - RECEIVABLES

Rates and Charges	452,217	459,917
Other Debtors	418,151	393,688
	870,368	853,605

	Actual 2018 \$	Actual 2017 \$
16. CURRENT ASSETS - INVENTORIES		
Stores and Material	80,893	92,550
Post Office Stock	4,892	4,461
Wonders of Wynyard	31,341	19,456
	117,126	116,467

17. CURRENT ASSETS - OTHER		
Accrued Income	98,535	67,531
Prepayments	127,015	115,316
Security Deposits	5,000	5,000
TRAA Flood Recovery Claim	0	1,353,077
	230,550	1,540,924

Accrued income only includes items that are reciprocal in nature. This does not include Rates in Advance.

18. NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Land		
At Fair Value	21,874,045	24,256,257
At Cost	0	572,985
Work in Progress	0	0
Land under Roads	4,412,680	0
	26,286,725	24,829,242

The Council valuation was carried out by the Valuer General, as at 1 July 2017 – based on current market value. Land under Roads was valued by the Valuer-General as at 30 June 2014 – based on current market value.

Land Improvements		
At Cost	8,868,663	8,648,733
Less Accumulated Depreciation	(3,385,923)	(3,220,540)
Work in Progress	206,012	43,684
	5,688,752	5,471,877

Buildings		
At Fair Value	12,675,771	12,232,809
At Cost	930,090	1,096,942
Less Accumulated Depreciation	(316,894)	(1,885,065)
Work in Progress	62,703	51,624
	13,351,670	11,496,310

The Council valuation was carried out by the Valuer General, as at 1 July 2017 – based on current market value.

Furniture and Fittings		
At Cost	1,629,255	1,484,478
Less Accumulated Depreciation	(1,294,118)	(1,208,677)
Work in Progress	0	0
	335,136	275,801

Plant and Equipment		
At Cost	4,891,238	5,135,802
Less Accumulated Depreciation	(2,235,213)	(2,261,640)
	2,656,025	2,874,162

	Actual 2018 \$	Actual 2017 \$
Roads		
At Cost	10,660,846	7,504,085
At Fair Value	128,099,962	129,510,737
Less Accumulated Depreciation	(62,481,104)	(61,382,270)
Work in progress	775,464	1,901,773
	77,055,168	77,534,325

The Council valuation was carried out by Council's Engineer, as at 1 July 2014 - based on depreciated replacement cost.

Bridges		
At Fair Value	22,691,364	22,976,082
At Cost	3,707,501	3,442,450
Less Accumulated Depreciation	(11,380,498)	(11,171,813)
Work in progress		0
	15,018,367	15,246,719

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

Drainage Assets		
At Fair Value	28,105,287	28,154,331
At Cost	1,641,465	1,385,628
Less Accumulated Depreciation	(13,588,400)	(13,245,584)
Work in progress		0
	16,158,352	16,294,375

The Council valuation was carried out by Council's Engineer as at 1 July 2014 – based on depreciated replacement cost.

TOTAL PROPERTY PLANT & EQUIPMENT	156,550,195	154,022,811
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Reconciliations:

Land

Carrying amount at beginning of year	24,829,242	24,398,619
Additions	0	444,623
Revaluations	1,457,483	0
Disposals	0	(14,000)
Carrying amount at end of year	26,286,725	24,829,242

Land Improvements

Carrying amount at beginning of year	5,471,877	5,533,620
Additions	495,628	196,225
Disposals	(11,362)	
Depreciation	(267,391)	(257,968)
Carrying amount at end of year	5,688,752	5,471,877

Buildings

Carrying amount at beginning of year	11,496,310	11,773,732
Additions	941,169	79,114
Revaluation	1,231,085	0
Disposals	0	(23,973)
Depreciation	(316,894)	(332,563)
Carrying amount at end of year	13,351,670	11,496,310

	Actual 2018 \$	Actual 2017 \$
Furniture and Fittings		
Carrying amount at beginning of year	275,801	248,451
Additions	144,774	109,285
Disposals	0	(9,809)
Depreciation	(85,439)	(72,126)
Carrying amount at end of year	335,136	275,801
Plant and Equipment		
Carrying amount at beginning of year	2,874,162	3,058,925
Additions	306,970	388,258
Disposals	(164,466)	(204,640)
Depreciation	(360,641)	(368,381)
Carrying amount at end of year	2,656,025	2,874,162
Roads		
Carrying amount at beginning of year	77,534,325	75,046,213
Additions	2,030,456	4,913,522
Disposals	(182,356)	(190,747)
Depreciation	(2,327,257)	(2,234,663)
Carrying amount at end of year	77,055,168	77,534,325
Bridges		
Carrying amount at beginning of year	15,246,719	13,751,502
Additions	265,050	1,847,009
Disposals	(111,045)	0
Depreciation	(382,358)	(351,792)
Carrying amount at end of year	15,018,367	15,246,719
Drainage		
Carrying amount at beginning of year	16,294,375	16,492,882
Additions	255,837	208,825
Disposals	(23,343)	(40,463)
Depreciation	(368,517)	(366,869)
Carrying amount at end of year	16,158,352	16,294,375

19. NON CURRENT ASSETS – INTANGIBLE ASSETS

At Cost	606,620	551,619
Less Accumulated Amortisation	(380,552)	(343,560)
Work in progress	69,014	55,000
	295,082	263,059
Reconciliation		
Carrying amount at beginning of year	263,059	84,149
Additions	69,014	184,899
Amortisation	(36,991)	(5,989)
Carrying amount at end of year	295,082	263,059

	Actual 2018 \$	Actual 2017 \$
20. CURRENT LIABILITIES - PAYABLES		
Trade and Other Payables		
Trade Creditors	1,181,865	1,369,883
	1,181,561	1,369,883
Trust Funds & Deposits	154,104	130,962
Total Payables	1,335,969	1,500,845
21. CURRENT LIABILITIES – FINANCIAL LIABILITIES		
Interest bearing liabilities	112,139	108,466
22. CURRENT LIABILITIES - PROVISIONS		
Provisions for Annual Leave	566,802	561,539
Provision for Long Service Leave	957,199	971,822
Employee benefits - On-costs	196,377	201,362
Provision for Banked Employee Time	37,182	45,841
Purchased Leave	23,488	17,275
	1,781,048	1,797,839
23. NON CURRENT LIABILITIES – FINANCIAL LIABILITIES		
Interest bearing liabilities	986,110	1,098,248
Security for Borrowings		
The loans are secured over the general rates of the Council.		
24. NON CURRENT LIABILITIES - PROVISIONS		
Provision for Long Service Leave	157,947	130,498
Employee benefits - on-costs	13,583	12,071
Provision for Gravel Pit Rehabilitation	215,484	210,633
	387,014	353,202
<i>Movement in Provision for Gravel Pit Rehabilitation</i>		
Opening balance	210,633	189,923
Contributions received	4,851	20,710
Rehabilitation Works	0	0
	215,484	210,633
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		2.5%
Discount rate		2.028%
Settlement term (years)		7
Number of employees at year end		84
25. RESERVES		
Composition:		
Asset Acquisition	154,018	154,018
Public Open Space	158,079	144,511
Bridge Replacement Reserve	0	696,000
Asset Revaluation	50,971,346	48,282,778
Financial Assets available for Sale Reserve	5,814,804	5,236,724
	57,098,247	54,514,031

	Actual 2018 \$	Actual 2017 \$
<u>Movements:</u>		
Asset Acquisition		
Balance at the beginning of the financial year	154,018	154,018
Amount transferred from accumulated surplus	0	0
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	144,511	144,511
Amount transferred from accumulated surplus	13,568	0
Amount transferred to accumulated surplus	0	0
Balance at the end of the financial year	158,079	144,511
Bridge Replacement Reserve		
Balance at the beginning of the financial year	696,000	696,000
Amount transferred from accumulated surplus	0	0
Amount transferred to accumulated surplus	696,000	0
Balance at the end of the financial year	0	696,000

Asset Revaluation - Council		
Balance at the beginning of the financial year	48,282,778	48,282,778
Revaluation Assets	2,688,568	0
Balance at the end of the financial year	57,098,247	48,282,778
Financial Assets available for Sale Reserve		
Balance at the beginning of the financial year	5,236,724	4,946,429
Fair Value Adjustment	578,080	290,295
Balance at the end of the financial year	5,814,804	5,236,724

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 2017 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

Bridge replacements have occurred due to flood damage and it was decided to release the reserve to Accumulated Surplus as the bridges have been replaced.

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 2018 \$	Actual 2017 \$
26. RECONCILIATION OF SURPLUS/(DEFICIT) FOR YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for Year	1,858,381	3,427,795
<i>Items not involving Cash</i>		
Depreciation expense	4,145,487	3,990,640
Capital Reimbursements	(552,061)	(1,353,077)
	3,593,426	2,637,563
<i>Change in Operating Assets and Liabilities</i>		
Receivables and other Assets	(52,278)	(7,238)
Payables	(180,149)	133,395
Provisions	23,788	20,518
Inventories	659	8,814
	(207,980)	155,489
<i>Investing Activity</i>		
Loss/(Profit) on disposal of Non-Current Assets	316,210	224,848
Distributions from Water Corporation	(845,669)	(863,925)
Capital Grants	(814,744)	(958,240)
	(1,344,203)	(1,597,317)
Cash flows provided by Operating Activities	3,899,624	4,623,530

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2018	Interest Bearing Liabilities
Balance as at 1 July 2017	1,206,714
Cash Repayments	(108,465)
Balance as at 30 June 2018	1,098,249

28. CONTINGENT ASSETS & LIABILITIES

Council holds bank guarantees for the following:

Building frontage, landscaping/subdivision	75,416	56,421
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These guarantees have not been recognised as assets as it is uncertain, and unlikely, that Council will require these funds.

Council has provided bank guarantees of \$56,000 (2016/17 \$56,000) as security deposits for rehabilitation of mining leases that it operates. These guarantees have not been recognised as liabilities as it is unlikely, that Council will not meet its obligations.

29. COMMITMENTS FOR EXPENDITURE

(a) <u>Capital Commitments</u>		
Not later than one year	398,716	322,190
(b) <u>Finance Lease Commitments</u>		
Council held no finance lease commitments as at 30 June 2018.		

(c) Operating Lease Commitments

Commitments under non-cancellable operating leases at the reporting date are payable as follows:

Not later than one year	6,110	9,210
Later than one year and not later than five years	2,813	5,626

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) Operating Expense Commitments

Not later than one year	755,681	1,048,042
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Council's commitments for expenditure are predominately based around environmental services such as waste management and contract street sweeping. The capital commitments have increased due bridge replacements caused by flood damage.

30. SUPERANNUATION

Council contributes to accumulation schemes on behalf its 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:

- During the reporting period the amount of contributions paid to defined benefits schemes was \$0 (2016-17, \$0), and the amount paid to Tasplan accumulation schemes was \$469,083 (2016-17, \$470,008) and the amount paid to 20 other superannuation funds was \$135,258 (2016-17 \$117,218).

31. RELATED PARTY DISCLOSURE

a) Councillor Remuneration

2018	Allowances	Vehicles ¹	Superannuation	Total Compensation	Expenses	Total
	\$	\$	\$	\$	\$	\$
Mayor	52,389	7,187	-	59,576	-	59,576
Deputy Mayor	29,631	-	-	29,631	925	30,556
Councillors	90,153	-	-	90,153	1,758	91,911
	172,173	7,187	-	179,360	2,683	182,043

2017	Allowances	Vehicles ¹	Superannuation	Total Compensation	Expenses	Total
	\$	\$	\$	\$	\$	\$
Mayor	51,315	7,002	-	58,317	-	58,317
Deputy Mayor	30,172	-	-	30,172	1,361	31,533
Councillors	92,257	-	-	92,257	1,922	94,179
	173,744	7,002	-	180,746	3,283	184,029

¹Vehicle expenses – Mayor is provided with a vehicle, for predominately Council business, which is charged at the plant fleet rate at \$0.45 per kilometre. Councillor's travel expenses are reimbursed on a monthly basis, accordingly to the prevailing Australian Taxation Office specified rate.

b) **Transactions with related parties**

Nature of Transaction	Amount of the transactions during the year \$	Outstanding balances at year end \$	Terms and Conditions s
Acquisition of Materials & Services ¹	237,863	427	30 days
Total	237,863	427	-

¹Council purchased \$106,710 worth of materials from Bramich's Concrete, a company operated by declared close family members (nephews) of Councillor Bramich. Goods were purchased based on a schedule of rates used, accepted by Council as part of its normal two year public tender process.

Council hired equipment from Summers Earthmoving Enterprises Pty Ltd to the value of \$118,470. This company is operated by the Uncle of the Director of Infrastructure and Development Services, goods were purchased after evaluating 3 quotes from local contractors.

c) **Register of Interests**

Section 54 of the *Local Government Act 1993* (the Act) requires the General Manager to keep a register of interests notified by councillors under section 48(4) of the Act. Section 48 requires that councillors not participate in discussion nor vote on a matter, in any meeting, in which the councillor or a close associate has an interest. Section 49 of the Act defines an interest as an expectation of receiving a pecuniary benefit or detriment if the matter were decided in a particular way.

The definition of close associates under section 51 of the Act differs from the definition of close family members under AASB124, and the Act only requires declarations in relation to items for decision at a council meeting. Declarations under the register may be different to those under the third party disclosure standard.

Council maintains a register of conflicts of interests and pecuniary interests in relation to Council meetings, the majority of these are perceived conflicts in relation to associations councillors have with external groups rather than pecuniary interests as defined under section 49.

In 2017/18 the only pecuniary interest declared was by Cr Stephen Wright who in his role as a legal practitioner was engaged to provide legal advice in relation to a planning matter.

d) Executive Remuneration

2018	Number of Employees	Salary ¹	Vehicles ²	Other Allowances ³	Superannuation ⁴	Termination Benefits	Non-Monetary Benefits ⁵	Total
		\$	\$	\$	\$	\$	\$	\$
\$80,000 - \$100,000	1	75,576	4,844	1,995	9,825	-	0	92,240
\$120,000 - \$140,000	1	94,807	8,890	3,989	12,325	-	17,346	137,357
\$140,000 - \$160,000	2	245,893	15,600	12,520	31,966	-	(10,812)	295,167
	4	416,277	29,334	18,504	54,116	-	6,534	524,764

2017	Number of Employees	Salary ¹	Vehicles ²	Other Allowances ³	Superannuation ⁴	Termination Benefits	Non-Monetary Benefits ⁵	Total
		\$	\$	\$	\$	\$	\$	\$
\$140,000 - \$160,000	1	113,994	15,600	6,260	14,819	-	(673)	150,000
\$160,000 - \$180,000	1	149,558	-	6,260	19,442	-	3,219	178,479
\$240,000 - \$260,000	1	183,634	17,000	7,000	23,872	-	10,086	241,593
	3	447,186	32,600	19,520	58,134	-	12,632	570,072

Council's Director Infrastructure & Development Services is a resource shared employee of Circular Head Council, this position has authority and responsibility for planning, directing and controlling the activities of the Council, but the occupant cannot be disclosed as Key Management Personnel under Australian Accounting Standards as they are not an employee of Waratah-Wynyard Council. The Director Infrastructure & Development Services is not directly remunerated by Waratah-Wynyard Council; payments for services provided are paid directly to Circular Head Council on a contract basis, totalling \$121,011, these costs are accounted for as materials & contracts. The Director's time is split 55% Waratah Wynyard Council and 45% Circular Head Council. The amount is much higher than last year as he was appointed as Acting General Manager for a period between the resignation of M Stretton and the commencement of S Crawford.

The General Manager and the three Directors are designated as the key management personnel having the authority and responsibility for planning, directing and controlling the activities of the Council.

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

² Contractual notional allowances for full private use of a vehicle.

³ Other allowances include notional contractual allowance for mobile phone use, memberships and professional development.

⁴ Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits are calculated at 13.0% of actual salary.

⁵ Non-monetary benefits means the change in value of the annual and long service leave entitlements at the end of the financial year.

Resource Sharing

Waratah-Wynyard Council has had a formal resource sharing arrangement with Circular Head Council since 2008, which initially shared a General Manager and a couple of the existing Executive Managers. Separate General Managers were appointed in late 2013, and further changes in management structures resulted in only the Executive Manager of Engineering Services being resourced shared 50:50 between the two Councils.

As a result of the review and management restructure in October 2015 the Director Corporate & Community Services is resource shared 20% with Circular Head Council. Circular Head Council's Director of Infrastructure and Development is resourced shared 55% to Waratah-Wynyard Council.

32. FINANCIAL INSTRUMENTS

Financial instruments	Note	Accounting policy	Terms and conditions
Financial assets			
Cash and cash equivalents	14	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 2018 was 1.25% (1.25% in 2016/2017). The weighted average interest rate return on term deposit investments at 30 June 2018 was 2.38% (2.49% in 2016/2017).
Receivables	15	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.
Investment in Water Corporation	35	Council share in TasWater Corporation	2.81% of the value of the Corporation.
Financial liabilities			
Trade and other payables	20	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	21,23	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Bank guarantees are given as security deposits for rehabilitation of mining leases it operates.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 3.37% (3.33% in 2016/2017). The cost is a flat 2% per annum. (2.00% in 2016/2017)
Bank Guarantees			
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 8.81%

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

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 28.

Impairment Losses

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

	30 June 2018		30 June 2017	
<i>Trade receivables</i>	Gross	Impairment	Gross	Impairment
Not past due	359,649	0	336,677	0
Past due 0-30 days	14,731	0	14,084	0
Past due 31-60 days	15,087	0	5,373	0
Past due 61-90 days	4,726	0	11,272	0
More than 90 days	23,958	0	26,283	0
Total trade receivables	418,153	0	393,689	0
Rates receivable	452,217	0	459,916	0
Total receivables	870,370	\$0	853,605	\$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 2018.

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 0.77% of the revenue of the preceding financial year (2017 – 0.34%).

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 2018					
Payables	1,335,969			1,335,969	1,335,969
Financial liabilities	148,229	592,916	534,267	1,275,412	1,098,249
Total	1,484,198	592,916	534,267	2,611,381	2,434,218
30 June 2017					
Payables	1,500,845			1,500,845	1,500,845
Financial liabilities	148,247	592,916	682,496	1,423,659	1,206,714
Total	1,649,092	592,916	682,496	2,924,504	2,707,559

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:

2018	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	1,549,513	9,000,000				10,549,513
Trade and other receivables					870,368	870,368
Accrued revenue					98,535	98,535
Investment in water corporation					45,117,782	45,117,782
Total financial assets	1,549,513	9,000,000	0	0	46,086,685	56,636,198
Financial liabilities						
Trade and other payables					1,181,865	1,181,865
Trust funds and deposits					154,104	154,104
Interest-bearing liabilities and borrowings	0	112,139	487,839	498,271	0	1,098,249
Total financial liabilities	0	112,139	487,839	498,271	1,335,969	2,434,218
Net financial assets (liabilities)	1,549,513	8,887,861	(487,839)	(498,271)	44,750,716	54,201,980
2017						
2017	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	925,339	6,600,000				7,525,339
Trade and other receivables		800			852,805	853,605
Accrued revenue					67,531	67,531
Investment in water corporation					44,539,702	44,539,702
Total financial assets	925,339	6,600,800	0	0	45,460,038	52,986,177
Financial liabilities						
Trade and other payables					1,369,883	1,369,883
Trust funds and deposits					130,962	130,962
Interest-bearing liabilities and borrowings	0	108,466	471,859	626,390	0	1,206,715
Total financial liabilities	0	108,466	471,859	626,390	1,500,845	2,707,560
Net financial assets (liabilities)	925,339	6,492,334	(471,859)	(626,390)	43,891,662	50,211,086

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

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

Council's interest bearing loan has a fixed rate

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

	30 June 2018	30 June 2017
Financial assets		
Cash at bank and on hand	1,549,513	925,339
Short term investments	9,000,000	6,600,000
Total	10,549,513	7,525,339
Financial liabilities		
Interest bearing liabilities	1,098,249	1,206,714
Total	1,098,249	1,206,714
Net Total	9,451,264	6,318,625

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 2017.

At 30 June 2018, if interest rates had moved, as illustrated in the table below, profit and equity would have been affected as follows:

	Surplus/(Deficit)		Equity	
	2017/18	2016/17	2017/18	2016/17
+ 1% (100 basis points)	94,513	63,186	94,513	63,186
- 0.5% (50 basis points)	(47,256)	(31,593)	(47,256)	(31,593)

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 2018		30 June 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	1,549,513	1,549,513	925,339	925,339
Short term investments	9,000,000	9,000,000	6,600,000	6,600,000
Receivables	870,368	870,368	853,605	853,605
Investment in Water Corporation	45,117,782	45,117,782	44,539,702	44,539,702
Accrued revenue	98,535	98,535	67,531	67,531
	56,636,198	56,636,198	52,986,177	52,986,177
Financial liabilities				
Payables	1,181,865	1,181,865	1,369,883	1,369,883
Interest bearing liabilities	1,098,249	1,098,886	1,206,714	1,205,417
Other liabilities			0	0
	2,280,114	2,280,751	2,576,597	2,575,300
Net financial assets	54,356,084	54,355,447	50,409,580	50,410,877

Carrying amounts classified as:	30 June 2018	30 June 2017
	\$	\$
Financial assets		
Loans and receivables	968,903	921,136
Cash and cash equivalents	10,549,513	7,525,339
Available for Sale Financial Assets	45,117,782	44,539,702
	56,636,198	52,986,177
Financial liabilities		
Financial liabilities measured at amortised cost	2,280,114	2,576,597
	2,280,114	2,576,597
Net financial assets / (liabilities)	54,356,084	50,409,580

33 SIGNIFICANT BUSINESS ACTIVITIES

	Children's Services	
	2018 \$	2017 \$
REVENUE		
Direct		
Rates	-	-
User Charges	1,310,149	1,255,431
Contributions	-	-
Government Grants	78,889	81,011
Other	1,378	4,344
EXPENDITURE		
Direct		
Employee Costs	1,055,510	1,014,362
Materials & Contracts	143,403	126,705
Interest	-	-
Other	-	-
	1,198,912	1,212,561
Indirect		
Indirect Expenditure	72,400	71,494
Capital Costs		
Depreciation	22,641	25,691
Opportunity Costs of Capital	46,118	36,501
	68,759	62,192
Competitive Neutrality Costs	31,787	33,608

34. MANAGEMENT INDICATORS

	Bench -mark	2018	2017	2016	2015
		\$'000	\$'000	\$'000	\$'000
(a) Underlying surplus or deficit					
Recurrent income* less		18,538	17,616	17,090	16,775
Recurrent expenditure		18,108	17,482	17,300	17,128
Underlying surplus/deficit	0	<u>430</u>	<u>134</u>	<u>(210)</u>	<u>(353)</u>
Reconciliation to Comprehensive Result					
Capital Grants		815	958	1,658	711
Capital Reimbursement**		552	1,353	0	0
Recognition of Assets		0	0	0	24,289
De-recognition of Assets		0	0	0	(25)
Financial Assistance Grant Offset***		61	1,426	(1,426)	1,426
Flood Damaged Assets#		0	(443)	(145)	0
NRM ALRS Project Income##		421	0	0	0
NRM ALRS Project Expense##		(421)	0	0	0
Net Surplus (Deficit)	0	<u>1,858</u>	<u>3,428</u>	<u>(123)</u>	<u>26,048</u>
Other Comprehensive Income					
Fair Value Revaluation of NCA		2,865	0	(206)	(8,032)
Fair Value Adjustment on Available for Sale Assets		578	290	741	347
Comprehensive Result		<u>5,301</u>	<u>3,718</u>	<u>412</u>	<u>18,363</u>

The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.

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

**Reimbursement for TRAA Flood Recovery Claim. This income is considered capital in nature and non-recurrent.

***Grants received in advance have been adjusted for purpose of underlying position to align with the year the grants are attributable to.

#One off operational costs associated with repairs to assets resulting from Flood Damage are not considered recurrent expenditure and are excluded from the Underlying Surplus calculation. Consistent with the National Disaster Relief guidelines, only additional plant and materials costs are excluded. Labour costs are not excluded as they would still be incurred, just re-allocated to other activities.

##Grant funding provided by Northern Tas Natural Resource for the Agricultural Land Rehabilitation Scheme. Funding provided for rehabilitation of land and mitigation of future flooding in response to the floods of June 2016. This grant was fully acquitted and is not considered recurrent.

(b) Underlying surplus ratio

Underlying surplus or deficit		430	134	(210)	(353)
Recurrent income*		18,538	17,616	17,090	16,775
Underlying surplus ratio %	0%	<u>2%</u>	<u>1%</u>	<u>(1%)</u>	<u>(2%)</u>

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

(c) Net financial liabilities

Liquid assets less		11,420	8,379	8,895	9,318
Total liabilities		4,602	4,859	3,993	3,184
Net financial liabilities	0	<u>6,818</u>	<u>3,520</u>	<u>4,902</u>	<u>6,134</u>

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

Bench- mark	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000

(d) Net financial liabilities ratio

<u>Net financial liabilities</u>		6,818	3,520	4,902	6,134
Recurrent income*		18,538	17,616	17,090	16,775
Net financial liabilities ratio 0%	0 – (50%)	37%	20%	29%	37%

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>					
<u>Depreciated replacement cost</u>		77,055	77,534	75,046	74,987
Current replacement cost		138,760	138,916	135,234	133,956
Asset consumption ratio %	40%- 80%	56%	56%	55%	56%
<i>Buildings</i>					
<u>Depreciated replacement cost</u>		13,352	11,496	11,903	11,999
Current replacement cost		13,606	13,382	13,328	13,194
Asset consumption ratio 0%	40%- 80%	98%	86%	89%	91%
<i>Bridges</i>					
<u>Depreciated replacement cost</u>		15,018	15,247	13,752	13,321
Current replacement cost		26,399	26,418	24,585	24,677
Asset consumption ratio %	40%- 80%	57%	58%	56%	54%
<i>Drainage</i>					
<u>Depreciated replacement cost</u>		16,158	16,294	16,493	16,642
Current replacement cost		29,747	29,540	29,388	29,250
Asset consumption ratio %	40%- 80%	54%	55%	56%	57%

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

(f) Asset renewal funding ratio

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

<i>Roads</i>					
<u>Projected capital funding outlays**</u>		19,687	14,612	19,693	19,335
Projected capital expenditure funding***		19,687	14,612	19,693	23,743
Asset renewal funding ratio %	90%- 100%	100%	100%	100%	81%
<i>Buildings</i>					
<u>Projected capital funding outlays**</u>		349	762	497	3,346
Projected capital expenditure funding***		349	762	497	4,991
Asset renewal funding ratio %	90%- 100%	100%	100%	100%	67%

	Bench- mark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
<i>Bridges</i>					
<u>Projected capital funding outlays**</u>		1,245	1,715	1,580	2,244
Projected capital expenditure funding***		1,245	1,715	1,580	2,244
Asset renewal funding ratio %	90%- 100%	100%	100%	100%	100%
<i>Drainage</i>					
<u>Projected capital funding outlays**</u>		1,829	1,274	1,630	1,853
Projected capital expenditure funding***		1,829	1,274	1,630	1,853
Asset renewal funding ratio %	90%- 100%	100%	100%	100%	100%

** 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>		2,784	5,249	3,676	3,179
Annual depreciation		4,145	3,991	4,076	4,108
Asset sustainability ratio %	100%	67%	132%	90%	77%

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

(h) Asset sustainability ratio

	Capital renewal expenditure \$'000	Capital new/upgrade expenditure \$'000	Total Capital Expenditure \$'000
Land Improvements	145	350	495
Buildings	845	96	941
Furniture	37	108	145
Plant	187	120	307
Roads	1,454	576	2,030
Bridges	35	230	265
Drainage	81	175	256
Intangibles	0	69	69
Total	2,784	1,724	4,508

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(f). 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 2018.

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 2018	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Land	18		26,287		26,463
Buildings	18			13,352	13,352
Roads, including footpaths	18			77,055	77,055
Bridges	18			15,018	15,018
Drainage	18			16,158	16,158
Available for sale financial assets	18			45,118	45,118
			26,287	166,701	193,164

As at 30 June 2018	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Non-recurring fair value measurements					
Assets held for sale	1(f)		110		110
			110		110

As at 30 June 2017	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Land	18		24,829		24,829
Buildings	18			11,496	11,496
Roads, including footpaths	18			77,486	77,486
Bridges	18			15,247	15,247
Drainage	18			16,294	16,294
Available for sale financial assets	18			44,540	44,540
			24,829	165,063	189,892

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.

Investment in water corporation

Refer to Note 13 for details of valuation techniques used to derive fair values.

	2018	2017
	\$	\$
Opening Balance	44,539,702	44,249,407
<i>Gains (losses) recognised in other comprehensive income:</i>	578,080	290,295
Closing Balance	45,117,782	44,539,702

Land

The Council valuation was carried out by the Valuer General, as at 1 July 2017 – 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 been valued based upon Waratah-Wynyard Municipal Area land values supplied by the Office of the Valuer General in July 2014. Total area of land under roads (being the entire road reserve where a Council-maintained road is constructed) was calculated separately for Urban and Rural areas. The VG's land value for the Primary Production land use class was used to value Rural land under roads. For Urban land under roads a weighted average of the Valuer Generals' values for Commercial, Industrial and Residential land use classes was used with the weighting being the proportion of all urban land in each class as recorded in Council's property and rates system.

Buildings

The Council valuation was carried out by the Valuer General, as at 1 July 2017 – 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.

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 (CRC). This valuation comprises the asset's gross replacement cost 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(e)

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation.

The 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 cm 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 1 July 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 1 July 2014 – 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 Category	Carrying Amount (at fair value) \$,000	Valuation Basis
Investment in Water Corporation	\$45,118	Refer to note 1 (j) for a description of the valuation basis

The changes in level 3 assets with recurring fair value measurements are detailed in note 18 (Property, infrastructure, plant and equipment).

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

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 18 (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(f), 1(j) 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 32)

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 32 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).

36. ADJUSTMENTS TO PRIOR PERIOD ERROR

Comparative figures have been restated in Statement of Financial Position and Statement of Changes in Equity. These changes are a result of prior period errors in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The municipality had a full revaluation effective from 1 July 2017 as a result of this there were a number of parcels of land owned by the Crown but maintained by council, and in some cases has a lease or licence over that land, that were not recorded in council's asset register. Another parcel of land recorded in our asset register has TasWater identified as the registered owner and therefore must be taken off the register. The result of these adjustments is a net increase in land value of \$346,000.

Therefore an adjustment to the prior period balances has been made. This is classified as an error in accordance with AASB 108. The prior period adjustments are detailed below, with the Statement of Financial Position opening balances as at 1 July 2016 restated as follows:

- Land asset values increased by \$346,000.

The following tables disclose the impact on the 2016-17 notes that have been restated for the adjustment of prior period errors discussed above.

Adjustment: Note 18. Non Current Assets – Property, Plant and Equipment Buildings

	2017 (Unadjusted) \$'000	2017 (Adjusted) \$'000	Prior year error adjustment \$'000
Land			
(a) Carrying amount			
At fair value	23,910,257	24,256,257	346,000
At Cost	572,985	572,985	0
WIP	0	0	0
Total	24,483,242	24,829,242	346,000

(b) reconciliation of movements**Land**

	<i>(Unadjusted)</i>	<i>(Adjusted)</i>	Prior year error adjustment
	\$'000	\$'000	\$'000
Carrying value as at 1 July 2016	24,052,619	24,398,619	346,000
Additions	444,623	444,623	0
Disposals	(14,000)	(14,000)	0
Carrying value as at 30 June 2017	24,483,242	24,829,242	346,000
Movement in Accumulated Surplus			
	<i>(Unadjusted)</i>	<i>(Adjusted)</i>	Prior year error adjustment
	\$'000	\$'000	\$'000
Accumulated Surplus as at 30 June 2017	149,253,458	149,599,458	346,000

Council has not prepared a third balance sheet (restatement of 1 July 2016 balance sheet) as the aggregated effect of the misstatements was not considered to have a material effect on the information in the statement of financial position at 1 July 2016.

Certification of the Financial Report

The financial report presents fairly the financial position of the Waratah-Wynyard Council as at 30 June 2018, 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.



Shane Crawford
General Manager

Date: 26th September 2018

Independent Auditor's Report

To the Councillors of Waratah-Wynyard Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Waratah-Wynyard Council (Council), which comprises the statement of financial position as at 30 June 2018 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2018 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 34, nor the Significant Business Activities disclosed in note 33 to the financial report and accordingly, I express no opinion on them.

...1 of 3

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

Strive | Lead | Excel | To Make a Difference

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

Responsibilities of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the General Manager is responsible for assessing Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council is to be dissolved by an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit

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evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Stephen Morrison
Assistant Auditor-General
Delegate of the Auditor-General

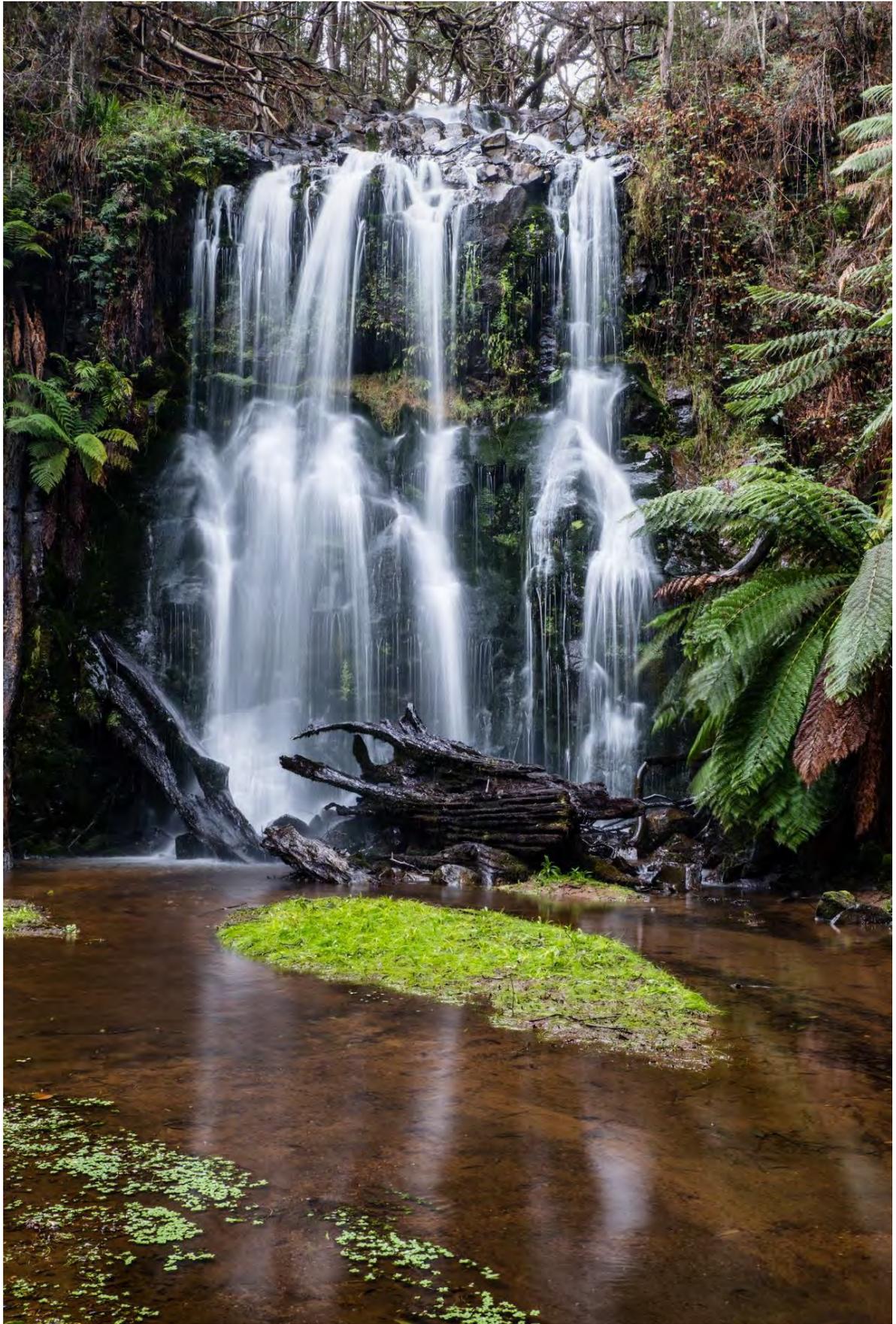
Tasmanian Audit Office

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Preolenna Falls - Photography - Leanne Marshall

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